



2007

2007 ANNUAL REPORT

Disclaimer

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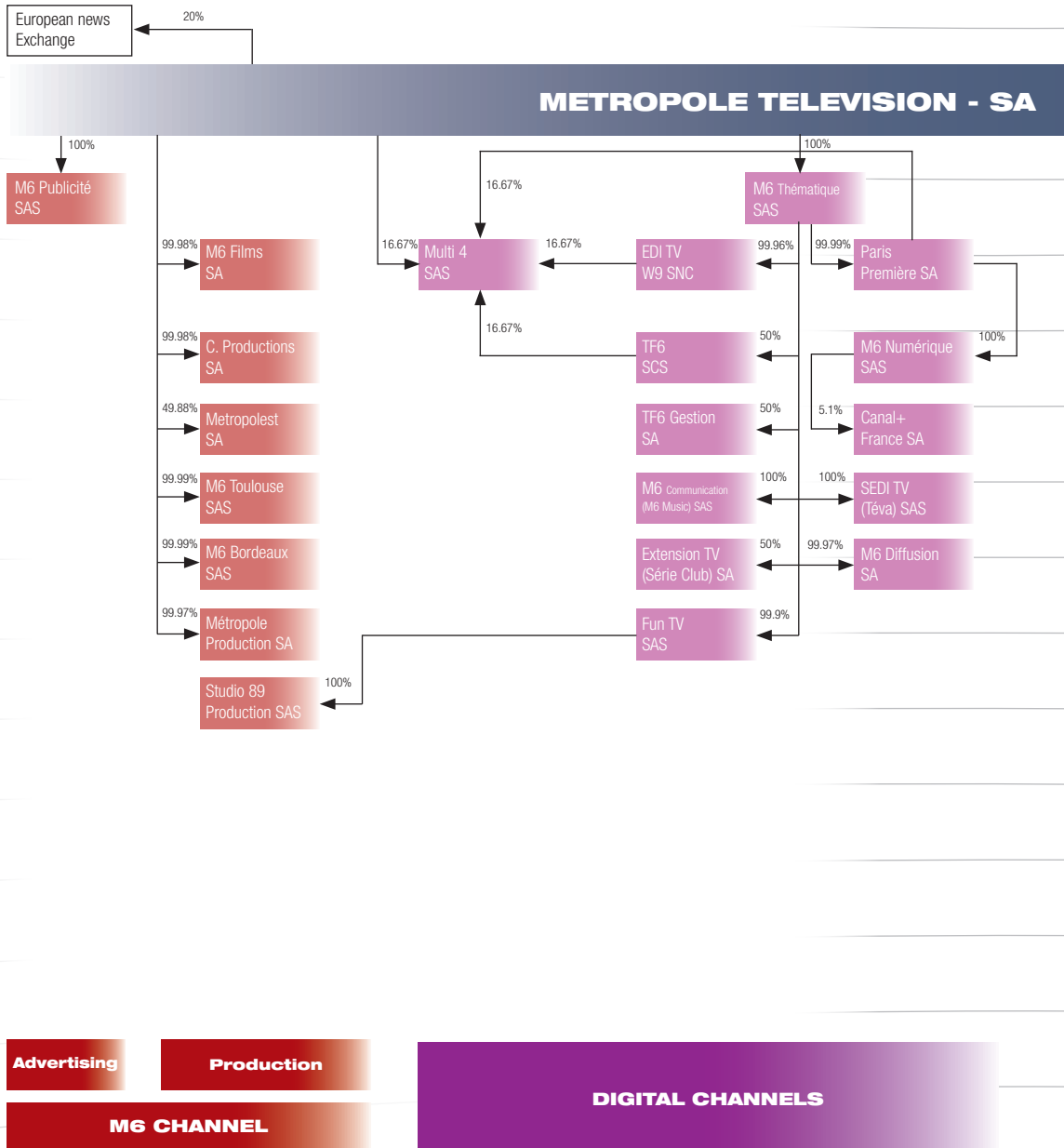
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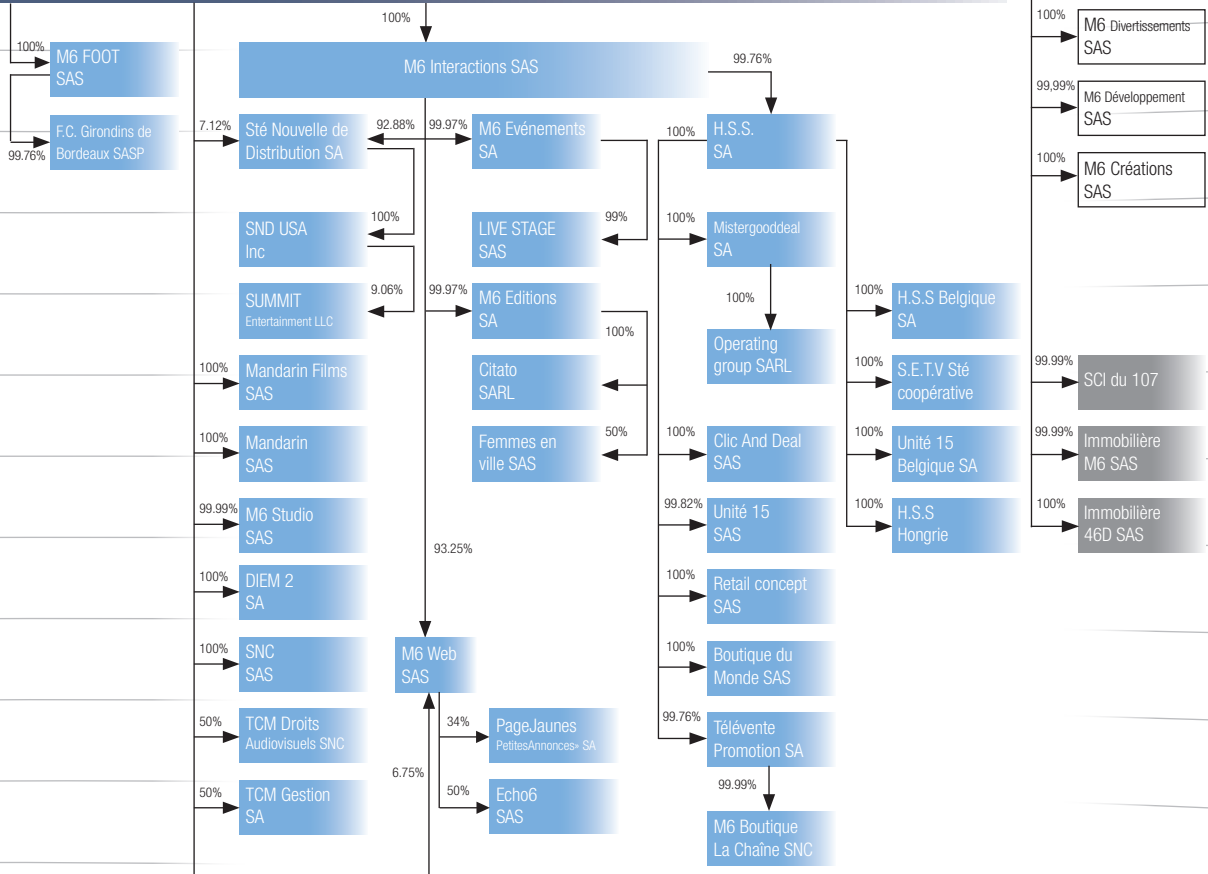
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1. M6 Group presentation in 2007

1.1 Group structure



- BROADCASTER (2007/12/31)



Football

Audiovisual rights

Interactions - Interactivity

Distance-selling

NO OPERATING ACTIVITY

DIVERSIFICATIONS AND AUDIOVISUAL RIGHTS

PROPERTY

1.2 Changes in Group structure

The Group recognised in 2006 the loss of control and transfer of its 34% stake in TPS to Canal+France. This transaction was finalised on 4 January 2007.

The Group now holds a 5.1% shareholding in Canal + France along with Vivendi (65%), Lagardère (20%) and TF1 (9.9%). The Group also avails of a put option on its Canal + France shareholding, exercisable three years after completion of the transaction.

In order to consolidate its digital channel portfolio and thus reinforce its strategy of developing a family of powerful channels, the Group, which already held a 51% shareholding in the Téva channel, acquired the remaining 49% from Télévision Féminine (held by Marie Claire Album and Hachette Filipacchi Médias).

The transaction was announced on 7 December 2006 and finalised on 15 January 2007.

In addition, the Group continued to implement its policy of investing in diversifications and audiovisual right activities.

- The Group thus acquired the shares held by minority shareholders in Mistergooddeal, the e-commerce website, of which the Group previously held 95%, and Citato, a company publishing a free magazine targeting 15 to 20 year old people, of which the Group controlled 80% until then; the two transactions were effective on 2 July 2007 and 30 May 2007, respectively.
- With a view to strengthening its position in audiovisual rights distribution, the Group acquired on 19 April 2007 a 9% shareholding in US film production company Summit Entertainment LL, with which an exclusive agreement was entered into for the distribution in France of films produced by this company.
- On 28 June 2007, M6 Group also made the full acquisition of Diem 2, a rights production and distribution company.
- On 27 July 2007, M6 Group and PagesJaunes Group announced a partnership in online classified ads in France. This transaction was finalised on 17 October 2007 with the acquisition by M6 of a 34% shareholding in Annonces Jaunes, upon the occasion of a share capital increase implemented by this company. Within the framework of this transaction, M6 Group sold its 51% shareholding in A Ton Service, the company that publishes the website of the same name (a platform acting as an intermediary between students and home owners for the provision of home services) to Annonces Jaunes.

Finally, with a view to streamlining its organisation, a process which is due to continue in 2008, the Group merged W9 Productions into Studio 89, by transferring all of the former's assets and liabilities to the latter, and proceeded with the winding up of Labo Prod.

1.3 2007 highlights

January

04: Vivendi, TF1 and M6 finalised an agreement for the merger of French pay TV participants TPS and Canal+Group in the new Canal+France entity, of which M6 owns 5.1% after contributing its 34% stake in TPS..

15: M6 Group acquired the Téva channel in full.

February

13: Acquisition of a 4,000 m² building located in Neuilly sur Seine, France, where several Group entities will be transferred.

March

08: M6 celebrates its 20th anniversary.

19: M6 becomes the first French nationwide TV channel to use a unique live subtitling technology, in order to increase deaf and hard of hearing people's access to TV programmes.

April

19: M6 Group announced the purchase of a 9% shareholding in US film production company Summit Entertainment LLC, thus becoming its distributor in France.

May

25: M6 acquired the exclusive distribution rights for half of Euro 2008 matches, including some of the French team, to be broadcast in HD on M6, W9 and M6.fr.

July

23: M6 Mobile topped the one million customers mark and became the leading alternative mobile phone operator on its 15-25 year old target, thereby meeting the objectives it had set itself a year early.

27: PagesJaunes Group and M6 Group announced a strategic internet partnership, with a view to jointly develop the annoncesjaunes.fr website and make it the French leader for online multi-segment classified ads.

November

20: The CSA granted an HD DTT channel to M6, which will enable this channel to gradually extend the HD broadcasting to programmes such as drama and Euro 2008 matches.

December

31: W9 ended the year with an average audience share of 3.5% of DTT-equipped 4 year olds and over and positioned itself as the leader of new DTT channels. The channel can already be received by 30 million French people.

1.4 M6 Group operations and markets in 2007

M6 Group achieved a further year of growth in its operations and results in 2007, due to its capacity to anticipate changes in its competitive environment, grasp opportunities to strengthen its positioning and establish new growth drivers in buoyant markets, thus benefiting from the development of activities launched in prior financial years.

1.4.1 GOOD ADVERTISING PERFORMANCE IN SPITE OF A DIFFICULT MARKET:

2007 yielded a multimedia advertising market with contrasting performance.

With 6.2% growth in gross multimedia advertising compared to 2006, 2007 featured a slowdown in the market from 2006, which must be mitigated depending on the media concerned:

- web advertising growth was actually quite strong with a 34.5% increase in gross revenues;
- the TV sector grew 6.5% in total, thus at a slightly higher pace than the overall market, and featured highly diverse performances: terrestrial channels were virtually stable (up 0.5%), whereas digital channels registered 46.8% growth. DTT channel gross revenues in particular were multiplied by 2.2;
- cinema had a good end of the year, posting growth of 7.4% in 2007;
- conversely, press (+2.3%) and billboard advertising (+2.6%) underperformed the market in spite of their growth. Radio was down 1.1%, which conceals a 3.6% increase by generalists and a 5.1% decline by music radios.

Multi-media advertising investments

	2006	2007	Change in gross advertising revenues 2007 vs 2006 on a like-for-like basis	2007 market share
Presse	7,089.1	7,254.4	+2.3%	31.6%
Télévision	6,327.4	6,741.6	+6.5%	29.3%
Radio	3,346.0	3,309.9	(1.1)%	14.4%
Internet	2,058.6	2,767.9	+34.5%	12%
Billboards	2,605.6	2,674.5	+2.6%	11.6%
Cinéma	202.7	217.7	+7.4%	0.9%

Source: TNS Media Intelligence 2007

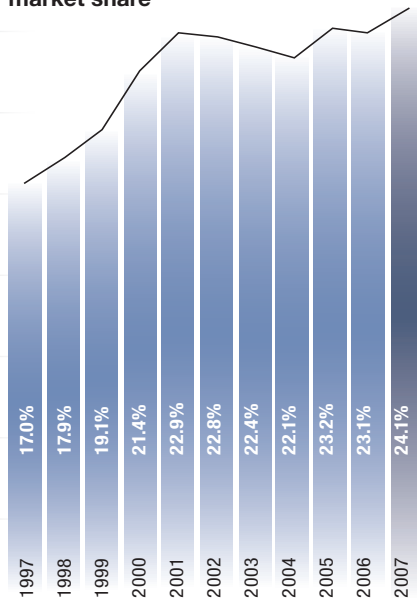
■ M6 ACHIEVED A HISTORIC HIGH IN MARKET SHARE:

In a stable terrestrial TV advertising market (up a gross 0.5% year-on-year), in spite of the arrival of a new advertisers from the retail sector, M6 posted a significant 4% increase in advertising revenues.

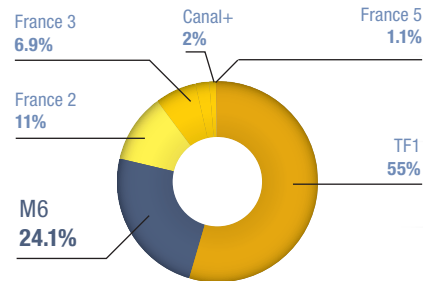
This good performance, which went against the tide of the market, was due to market share gains in key mass consumption and transport sectors, as well as a good penetration of the retail sector, of which M6 attracted 26.1% of their advertising expenditure (excluding Mistergooddeal.com).

M6 thus achieved a record-breaking 24.1% advertising market share, up one percentage point compared to 2006 (gross figures, source TNS MI), thereby confirming its rank as the second channel in the French advertising market.

M6 historical advertising market share



Advertising market share by TV channel in 2007



Source: TNS Media Intelligence 2007

This success confirms M6's ability to derive growth from its historical advertisers on under 50 year old targets, while at the same time expanding its audience and attracting new advertisers on new targets, in particular upper-middle class individuals.

Sector developments reflected this double movement:

- food and drinks, as well as the health & beauty sector, the channels' traditional partners, significantly increased their M6 expenditure (+4.1% and 8.4%, respectively), even though their TV expenditure was stable or in slight decline. Similarly, and in spite of a structural crisis, publishing sector advertisers increased their share of expenditure dedicated to M6, rising within a year from 32.8% to 35.1%.

- at the same time, M6 was able to attract new advertisers with close to 270 more brands

communicating on the channel in 2007 than in 2006. Advertising expenditure from the financial institution and insurance (+7.8% in TV, +15.4% on M6), pharmaceutical and medical (+15.5% in TV, +34.6% on M6) and travel and tourism sectors (+3.7% in TV, +28.6% on M6) testify to M6's enhanced attractiveness to new targets.

The highest increase by sector ⁽¹⁾ in advertising investment on M6 in 2007

Retail (2)	+666.3%
Health	+34.6%
Travel and tourism	+28.6%
Household equipment	+25.7%

(1) Sectors with investments over € 20 m on M6 in 2007

(2) Allowed to communicate on historical TV since 1 January 2007

■ M6 ADAPTED TO RETAIL SECTOR ADVERTISERS

Retail sector advertisers were prominent among the new brands featured on M6, since they were allowed, from 1 January 2007, to purchase advertising slots from historic terrestrial channels (to the exclusion of promotion marketing operations).

The opening of TV advertising generated an 8.9% increase in the sector's multimedia expenditure.

In this first year, TV already captured 12.7% of retail sector expenditure, being a gross volume of € 352.1 million, of which € 291.5 million for historical channels. Due to this volume, the retail sector had the 7th largest terrestrial TV advertising budget.

Due to the specific profile of its viewers, typically families and under 50 year olds, higher spending individuals which are more responsive to novelty, M6 succeeded in capturing a 28.4% of retail advertising TV expenditure. This is four percentage points higher than the sector's average, making the retail sector the channel's 5th largest advertiser.

■ W9, SUCCESS OF FREE DTT

W9 became the leading digital channel in terms of audience levels for virtually all commercial targets (15-24 year olds, 15-34 year olds, 15-49 year olds, under 50 year-old housewives, upper-middle class individuals...), and topped the symbolic 1% nationwide audience share mark this year.

Audience growth among under 50 year olds, which was multiplied by 2.9 between 2006 and 2007, was also reflected in the advertising market, which featured strong growth in gross revenues, being multiplied year-on-year by 3.7.

The development of digital channels, in particular of DTT channels, has now become a heavy trend, including for advertisers, as shown by the growing numbers in advertising on these channels.

■ PARIS PREMIÈRE, LEADER ON THE UPPER-MIDDLE CLASS TARGET

In a highly competitive environment, channels with a marked positioning, such as Paris Première for upper-middle class individuals or Téva for female targets continued to appeal to advertisers, which enabled these two to rank among the top 20 digital channels most sought after by advertisers.

■ INTERNET, AN INCREASINGLY POWERFUL REFERENCE OFFERING

M6 Publicité's web offering progressed to new levels in 2007, enabling the company to already feature as a reference player in the advertising market. The strong increase in advertising expenditure (+58%) was due to audience growth by advertising agency websites (6.1 million unique visitors in December 2007), the streamlining of the offer and the coverage of a wide range of targets.

This success confirms the online offering development strategy:

- qualitative and quantitative development of the website offering, organised on the basis of M6 Web's editorial strategy and on the stepped up policy of acting as an advertising agency on behalf of non-M6 Group websites. The introduction of Xinek.fr in October, followed by RTL Group websites at 1 January 2008 reflected this willingness to build a powerful website offering and make it a reference on the market;
- a strengthened sales team to accelerate growth by providing advertisers with media-mix specialists, who are able to detect synergies between TV and press media and offer innovative ad-hoc processes to advertisers.

1.4.2 M6 CHANNEL, GROWING AUDIENCE RATINGS AND SUCCESSES FOR ALL TYPES OF PROGRAMMES

■ GROWING AUDIENCE LEVELS

In a changing environment, marked by the development of free DTT channels and enhanced competition, the M6 channel recorded good prime time audience ratings in 2007. M6 was the only channel to post growth in this time slot, gaining 100,000 viewers compared to the previous year.

In addition, 142 nights attracted over 4 million viewers (compared to 132 nights in 2006), enabling M6 to be the most watched channel by the under 50 year olds at prime time on 62 occasions, compared to 48 in 2006, which was a historic high for the channel.

■ SUCCESSES FOR ALL TYPES OF PROGRAMMES

These powerful nights reflected a programming that succeeded in mixing know-how, creativity, innovation, exclusivity and events to attract a family audience on more numerous occasions.

Numerous successes were thus achieved for all types of programmes. M6 major rendezvous are an increasingly uniting factor for its audience, in particular news magazines, the quality of which is recognised as a trade mark of the channel. All news magazines thus posted audience level growth, beginning with *Capital*, which attracted a total of 4.3 million viewers,

as well as *Zone interdite* (4 million), *Enquête exclusive* (2 million), *Secrets d'actualité* (2.2 million) and *66 Minutes* (2.2 million viewers).

Other M6 flagship programmes also recorded satisfactory growth: the *D&CO* magazine attracted 4.4 million viewers, *US series*, in particular *NCIS Enquêtes Spéciales*, 6.3 million, *l'amour est dans le pré* 4 million. *Pékin express* confirmed its power and reputation with an average 4 million viewers. Finally, the *Suspectes* series (3.9 million), demonstrated M6 capacity to broadcast a high performance summer series.

In an audiovisual environment undergoing extensive change, M6 bases its programming strategy on this focal point: "use its difference to unite generations". This involves a maximum of innovation, while at the same time playing the diversity card and offering key rendezvous in many categories of programmes.

■ NEWS AND MAGAZINES:

From the *Six minutes* newscast to the 12:50 TV news, including the *66 Minutes*, *Zone Interdite* and *Capital* investigation documentaries, M6 delivers news in keeping with the needs of its viewers. M6 has invented its own tone and style for its news magazines and to cover news in all its forms. A total 57 prime time nights were dedicated to news magazines this year. All recorded growing audience levels. Both the general public and professionals hailed the quality of the channel's news coverage policy: *Capital* and *Zone Interdite* were in the top three most enjoyed programmes (source, IFOP poll carried out on 10 and 11 December 2007 on a representative sample of 506 individuals Maximiles web users aged 15 or older).

■ SPORT:

With the broadcasting of UEFA Cup matches and soon of Euro 2008, as well as the *Sport 6* programme, the channel dedicates a growing part of its airtime to sport.

■ ENTERTAINMENT:

These programmes are an integral part of the channel's success: *Nouvelle Star*, *Pékin Express*, and *Incroyable Talent* are all recognised for their quality and their capacity to attract a varied audience.

■ YOUTH PROGRAMMES:

On M6 kid, young viewers can watch, throughout the week, original, never-shown-before series, the great majority of which are produced in France (*Franky snow*, *Pop secret*, *Allez raconte!*) as well as major animated films. Programmes rooted in children's reality and imagination (*La maîtresse n'aime pas*, *Zap collège*) and weekly magazines provide children with tips on how to cope with daily situations (*Kid et toi*). M6 Kid attracted in 2007 more than 300,000 viewers on Wednesdays, 200,000 on Saturdays and 600,000 on Sundays.

■ FRENCH DRAMA:

Through its French drama, M6 asserts its demanding and original creativity. The series *Les Bleus premiers pas dans la police*, a police comedy, attracted an average 3.3 million viewers. This drama was hailed by critics, was awarded the prize for best access time series at the most recent La Rochelle TV drama festival and was rewarded for its contribution to drama renewal at the Prix du producteur français de télévision (French TV producers' awards). Another original drama, *Merci les enfants vont bien!*, was awarded the Best made-for-TV Film award at the La Rochelle TV drama festival.

■ INTERNATIONAL SERIES:

As a broadcaster of cult series, M6 is also a channel that offers, since its creation, the best of international series. These series, such as *NCIS*, *Desperate housewives* and *Bones* continue to make big news every week and to break audience records. In November, M6 went up one step by broadcasting season 3 of the French version of *Prison Break*, only a few weeks after its US broadcast.

1.4.3 A YEAR OF SUCCESS FOR DIGITAL CHANNELS

Ten years ago, in 1997, 84% of French households received analogue terrestrial TV. Only 5% of households were equipped with digital TV that enabled them to receive more than the 5 historic channels.

In 2007, 46% of households had access to digital TV (source TDF/NPA digital TV barometer – February 2008), due to the development of pay-TV offers (cable and satellite) and free offers (DTT, DSL...). The successful launch in March 2005 of Digital Terrestrial TV, comprising 18 free channels, providing households purchase a DTT decoder and are located within the coverage area, had a strong accelerating effect on French people's access to a multi-channel offering, 85% of the population being covered by this network today (source CSA).

In addition, the success of multi-service offers (High Speed Internet – Telephone – Television or "Triple Play") enables subscribers to benefit from an expanded TV offer. In 2008, 31% of French households were equipped with a free complementary TV offer and 34% with a subscription offer.

All French households will have access to a free digital TV multi-channel offer by 2011.

Lastly, the so-called “DTT-equipped” population represents more potential viewers today, with 17.9 million people (source Médiamétrie), than cable and satellite (16.9 million).

In response to this extended TV offering, M6 Group has built a family of 9 powerful and complementary channels.

Establishing this family of channels began over ten years ago with the creation of Téva, M6 Music, Fun TV, TF6 and Série Club, the last two with the TF1 Group and the 100% investment made in Paris Première, all of which are strong identity channels.

With the launch of W9 in 2005, already the leading DTT channel, M6 Group benefits today from a major strength in the fast expanding free DTT market.

W9 has asserted itself in free DTT after only 2 years in existence: the leading new DTT channel in 2007 with an audience share of 3.5% of all channels among DTT-equipped 4 year olds and over. The channel continued to grow with the roll-out of its programming and production policy. Thus, W9 recorded the strongest increase in nationwide audience of all channels, jumping from 0.5% in November-December 2006 to 1.3% in December 2007 among 4-plus year olds.

W9 has been the channel of 15-34 year-old people since its launch. Two months after the start of DTT, a survey conducted by IFOP showed that W9 was the most watched channel by young adult audiences. The channel is now broadcast on all distribution networks (DTT, satellite, cable, DSL, 3G mobiles) to more than 30 million viewers. It will broadcast to 95% of the French population when the analogue signal is extinguished in 2011.

The channel built the success of its programming based on the three features of “music, action and entertainment”, on which it created uniting rendezvous for its viewers in fields as varied as cinema, drama, humour, magazines and sport: it achieved some of its best 2007 audience ratings with programmes such as the *X Men 2* movie, the *Kyle XY* series, *The Simpsons*, UEFA Cup football matches, the *Enquête d'action* magazine and *Nouvelle star ça continue*. Music also remains present in the channel's editorial line with new programmes such as *la Fureur* and *Buzz*. Today, W9 has a full mini-generalist channel profile.

-

On 15 December 1986 at 7pm, **Paris Première**, “the top channel for Parisians” was launched on Paris Cable's channel 8... Among a constantly changing audiovisual industry, Paris Première still benefits from good visibility and a strong identity.

Paris Première benefits from an extensive broadcasting network: cable, satellite, DSL, mobile TV (3G) as well as pay DTT since 21 November 2005, with a daily two-hour unscrambled time slot between 6.50pm and 8.50pm. Therefore, more than 30 million viewers can now access Paris Première programmes.

Paris Première elected to be the show, debate and culture channel and as a result dedicates a significant portion of its budget to the production or acquisition of original formats: *Ca balance à Paris*, *Paris Dernière*, *Intérieurs*... Three new magazines were thus launched in 2007: the media programme *Pif Paf* presented by Philippe Vandel, the vintage music programme *Do you do you Scopitone* hosted by Mareva Galanter and the debate-dinner *Paris croisière*. All of these three magazines registered a strong increase over programmes

booked at their respective broadcasting slot the past season.

Paris Première is the channel for upper-middle class individuals. Indeed, the channel posted its historic high average audience level with this category of viewers in December, achieving a 1.7% audience share.

Téva, launched on 6 October 1996 and which became a fully owned subsidiary of M6 Group in January 2007, is the only French channel to address women as a priority. It is in that respect essential to a complementary TV offer and is therefore widely broadcast on all channels.

Flagship programmes such as *Les Dossiers de Téva* and *Téva Déco*, which give a specific character to Téva, as well as a diversified programming, combining series, in-house productions and documentaries enabled the channel to record further audience successes this year:

- Téva was the leader for under 50 year old housewives with a 1.2% audience share, up 0.1 percentage point (Source: Médiamétrie / MédiaCabSat September 2007-February 2008);
- the audience share of housewives with children increased by 36% (Source: Médiamétrie/ MediaCabSat Wave 14 Sept.2007 - Feb.2008).

As for 100% music channels, **M6 Music Hits** developed a programming focused on chart toppers and stars for the 15 to 34 year olds. M6 Music Black dedicates itself to urban music, such as r'n'b, for the 15-24 year olds, whereas M6 Music Rock positions itself on pop and rock music for the over 35 year olds. All three thus provide complementary offers and audiences and, in addition to programming music videos, offer a wide range of music magazines.

With more than 9.5 million subscribers since its introduction in the Canal Sat package, M6 Music Hits ranks as the 4th music channel in the 15/34 year old target (Source: Médiamétrie / MédiaCabSat September 2007-February 2008).

Fun TV, a channel dedicated to the 15/24 year olds, combines entertainment, (*Fun people, Pelle and râteau*), music and series (*Roswell, Felicity*). It continues to attract its audience but now reaches out to a wider population. With close to 4.5 million subscribers, it is the 4th music-oriented channel for the 4 year olds plus (Source: Médiamétrie/MediaCabSat Wave 14 September 2007-February 2008).

It is also the third most watched channel by 15 to 24 year old subscribers.

A generalist channel aimed at a young adult audience, **TF6** offers original entertainment, never-shown-before series, recent drama and nearly 200 feature films a year. This offer is completed by that of Série Club, which continued to implement the same editorial policy with never-shown-before series, sitcoms, a series-dedicated magazine and special nights.

Among Cabsat channels that broadcast series, Série Club managed to rank second for 4 year olds and over and under 50 year-old housewives and registered a marked 0.2 percentage point market share gain on these two targets.

On a nationwide level, Série Club was even the 5th channel for under 50 year old subscribers.

(Source: Médiamétrie/MediaCabSat Wave 14 (Sept.2007 - Feb.2008) versus Wave 13 (Jan.-June 2007))

1.4.4 A DIVERSIFICATION AND AUDIOVISUAL RIGHTS STRATEGY THAT BEARS FRUIT

1.4.4.1 AUDIOVISUAL RIGHTS

SND (Société Nouvelle Distribution) is the flagship of M6 Group's audiovisual rights business, operating on all movie distribution formats.

SND's main activity is the acquisition, management and distribution of exploitation rights of audiovisual works, throughout their operating cycle (cinemas, video, sale of rights to pay TV and free TV broadcasters).

On its main general public markets of cinema distribution and video sales, SND had to cope this year with an unfavourable environment once again, with a 5.6% decline in cinema-going (Source CNC), and a video market also posting a 10.6% decline in value. These markets face an enhanced digitalisation and dematerialisation context, which goes hand-in-hand with a change in content consumption patterns. Over the past 5 years, the share of the TV licence and subscriptions in household audiovisual programme expenditure has increased at the expense of the cinema budget and the purchase of videos.

Despite this unfavourable environment, SND managed to rank as the 9th French distributor.

This traditional SND activity is completed by the distribution of its rights portfolio to French free to air and pay TV channels, as well as by its international distribution activity.

In order to consolidate its rank in the audiovisual right environment and secure its access to more diverse content, M6 Group owns a number of feature film rights catalogues.

SNC was fully acquired in April 2005. Its business is the distribution and management of the rights of a catalogue of nearly 450 European films.

TCM D.A was created in September 1996 by TF1, M6 and CLT. Its business is the acquisition, distribution, sale, import and export, promotion, provision and negotiation of

license rights of any cinema or visual works in all French speaking territories. The company is jointly owned by M6 (50%) and TF1 (50%). The majority of TCM D.A are realised with major national analogue TV channels and cable and satellite TV channels in France, as well as in Belgium and Switzerland.

Mandarin and Mandarin Films, which were fully-acquired in 2002 and 2006 respectively own a catalogue of French feature films that were highly successful upon their release. Mandarin Films owns in particular *Brice de Nice* and *Les Chevaliers du ciel*.

Lastly, M6 Studio, created in 2003, is dedicated to the development and production of French animated feature films. In 2006, it produced its first animated feature film, *Asterix and the Vikings*. However, the market is becoming increasingly competitive: for instance, 7 animated films were released in France in 2000 (average box office sales per film: about 1.9 million tickets sold). This figure reached 29 for 2007 releases (average box office sales per film: about 0.8 million tickets sold).

These various investments enable M6 Group to benefit from a wide range of assets in an increasingly fragmented environment where access to quality content is ever more critical.

1.4.4.2 M6 INTERACTIONS

With the creation of M6 Interactions in 1992 and M6 Événements in 1997, M6 very quickly entered other fields than television by initiating new expertise in publishing (press, music, collections, etc.), events and shows.

M6 Interactions' objective is thus to derive value of and market the channel's brands and other M6 Group operations, as well as a number of products derived from audiovisual assets of which it has directly acquired the rights. These activities are broken down in 4 product lines, for which M6 Interactions looks after or directs the design, manufacturing and marketing of corresponding derived products:

1. Music: production, co-production or co-distribution of short and long playing formats (singles and albums) and compilations on physical and digital formats (downloads, ring tones). M6 Interactions also develops a publishing business and produces music for M6 Group TV programmes (musical channel identification, credits, drama dubbing...) and participates in the production or promotion of a number of shows (theatre plays, stand up comedians, musical shows...);

2. Publishing: book publishing or co-publishing (comics, practical guides, youth, general literature) and either free (*Citato*, a free monthly aimed at young adults and handed out in secondary schools, universities and third level schools, as well as *Femme En Ville*) or pay magazines (*Fan2*, *Hit Machine Girl*);

3. Games: publishing of board games, based on M6 channel brands (*Nouvelle Star*, *E=M6*) or on behalf whose owners M6 Interactions acts as an agent (*Prison Break*, *Desperate Housewives*...) or avails of a licence (Quid);

4. Publications: marketing, through newsstand networks, newspaper sellers, videos, multimedia products and composite products in the form of collections, including an information sheet and an object (DVD, figurine, toy...).

As a complement, M6 Interactions develops an activity of licence sale to third parties and of mounting promotional operations based on the brands or where it acts as an agent. It thus continued to exploit the best-known TV brands such as *Nouvelle Star*, *Oui chef!*, and *D&CO* but is also entrusted with representing non-Group brands.

In addition, M6 Interactions has an event organising business operated by the M6 Evénements structure, the business of which is show organisation and event promoting communication.

Over a number of years, the new licensing and event organisation operations have been able to offset the transition period that M6 Interactions is experiencing in its reference markets, which are undergoing full-scale digitalisation, such as the disc and video markets.

Thus, on a music market, experiencing further significant slowdown (down 50 to 60% for singles; down 18% for albums), M6 Interactions' performance was rather satisfactory, even though it posted a sharp decline in 2007.

The French disc market continued to decline for the 4th year running, and posted an 11.8% fall in value compared to 2006 (source: SNEP), and 12.4% for disc sales only, whereas online music sales grew by 26.1% (excluding mobile phones). The future of the sector involves product digitalisation and the number of downloaded songs, including mobile phone and internet sales, now represent nearly twice as much as singles sold in stores. The number of albums sold proved stable compared to 2006 with 1,231 new releases in 2007, but this was due to an upsurge in compilation sales. Without them, the number of French albums sold would have decreased by 27%.

1.4.4.3 INTERACTIVITY

The accelerated digitalisation of media content digitalisation compels market participants to adapt their offers to new content access modes. TV will thus be increasingly consumed on the internet and M6 Group intends to be prominent on these new content transmission channels, thanks to its M6 Web subsidiary, its flagship in the digital world.

M6 Web, a subsidiary in charge of the development of new technologies is structured around operational businesses: internet, programme interactivity, mobile content distribution and mobile phones.

The internet market is experiencing strong growth with over 16.5 million households connected to the internet, of which 90% at high speed. Since 1997, the date when m6.fr

was launched, the M6 Group has become a leading player in this market and currently ranks as the second audiovisual group on the internet this year with more than 5.45 million unique visitors (source Nielsen Netratings).

- The internet business publishes a family of websites featuring targeted and complementary audiences, which generate every month an audience that the multimedia advertising agency can now promote to the Group's advertising customers.
- The Interactivity business programmes enables the Group to maintain a close and privileged relationship between its channels and viewers, by enabling the latter to play an active role in the unfolding of programmes proposed to them. M6 Web thus designs and operates all interactive processes offered to viewers on all programmes broadcast by M6 Group channels. This enables the audience to participate in games, knowledge quizzes, register to attend programmes or be their first protagonists. Viewers also have the possibility of expressing their opinions on subjects covered during certain programmes by sending SMS reactions, as well as expressing their preferences and vote for their favourite candidates.
- The Mobile Phone business develops mobile phone content (personalisation, video, SMS games, and chat). This activity includes the company Echo6, created in 2006 of which 50% is held by the group, which develops mobile entertainment products and services.
- M6 Mobile continued to expand and topped the one-million customer mark objective, which the Group had set upon the launch of the M6 Mobile offer for the end of its third year. This success, achieved in only 2 years, illustrates the relevance of the partnership between Orange and M6 Group, which associates mobile phone expertise and marketing power. By expanding the offer with numerous new services, M6 mobile by Orange has become the leading MVNO offer in the French market.

M6 Web is thus a strategic activity for the multimedia development of the M6 Group, which intends to become the market leader by 2010 with the objective of reaching 10 million unique visitors a month, as well as a major player in audiovisual content by developing either free or pay alternative services to traditional TV.

1.4.4.4 DISTANCE SELLING

With its distance selling business, which includes HSS and Mistergooddeal.com, M6 Group continued to implement its strategy of diversifying its activities in markets other than advertising, while using the power of its media to develop its market share in distance distribution.

A wholly-owned subsidiary since 1998, Home Shopping Service has today become a dominant player in the television home shopping segment with 55% of the French and Benelux market and 2 million active customers. With the successful combined use of TV, the internet and telephone, Home Shopping Service controls the whole distribution circuit, adapting to changes in home shopping and developing an ambitious and comprehensive distribution strategy using several media:

- The design of 700 hours of programmes a week and production of 230 hours of new programmes a month, broadcast by close to 40 TV channels in Europe: each of these programmes is produced and targeted to match each broadcasting media specific requirements.
- Since 29 April 2004, M6 Boutique la Chaîne, a virtual department store on TV, broadcasts 8 hours live per day and offers 300 new products per week.
- The catalogue, of which 6 million copies are printed every year, infomercials and the website reinforce consumers' awareness of our products.
- The four stores expand the reach of the brand and maintain a relationship with customers that are reluctant to distance purchasing.

HSS operations were strongly enhanced by the 2005 acquisition of the mistergooddeal.com e-commerce website, today a leading e-commerce participant and one of the 15 most visited websites in France (Source FEVAD).

In 2007, Mistergooddeal took advantage of the opening of TV advertising to the retail sector to consolidate its positioning as a multi-specialist online "good deal" distributor. Overall customer awareness of the brand nearly doubled: today, 40% of French people and two thirds of web users are aware of the brand (source TNS Sofres).

Mistergooddeal further expanded its geographic presence with an additional 12 collection points where customers can collect their products.

Finally, L'invité des Marques (invitedesmarques.com), an event-driven and exclusive sales website appealed to a different type of customers and therefore expand the internet audience of the distance selling business.

Following the acquisition of Mistergooddeal in November 2005, M6 Group's distance selling business is now positioned in complementary markets and benefits from the strong growth of e-commerce. Note: in 2006, online sales topped the € 19 billion mark in France, up nearly 40% for the second year running. The number of online purchasers was approximately 20 million, a 10% year-on-year increase. Today, one out of three French people buy on the internet (Source Fevad).

1.4.4.5 FOOTBALL CLUB DES GIRONDINS DE BORDEAUX

The wholly-owned Football Club des Girondins de Bordeaux provides M6 Group with access to the football market, a reputation in the sports world and an opportunity to develop an asset.

The club must be rigorously managed due to the volatility of sporting results. Within this context, the recent results of the LFP's (French professional football league) call for tender for the Ligue 1 and Ligue 2 broadcasting rights made the most significant portion of the Club's revenues secure for four seasons, starting from the summer of 2008.

In addition, investments made for a number of years in the Haillan training centre, recognised as one of the best-performing centres in Europe, currently give tangible results as testified by the quality of the Club players. FCGB asserts itself today as one of the most successful clubs in terms of young players training, with more than 50% of its professional team originating from the centre.

Finally, Football Club des Girondins de Bordeaux enables the Group to develop an audiovisual programme offering based on the club and on football (100% Girondins...) for the Group's channels.

1.5 Consolidated income statement

The Group consolidated income statement is presented for 2007 and 2006 by separating in the income statement the continuing activities from TPS contribution, in application of IFRS 5 - *Non-current assets held for sales and disposed operations*. The contribution of operations disposed of or held for disposal was nil in 2007 but totalled € 256.8 million in 2006, of which € 14.3 million corresponded to M6's share of the TPS net profit for the first 8 months of 2006 (period of joint control with TF1) and € 242.5 million for the net capital gain generated by the transfer of TPS to Canal + France.

In 2007, M6 Group realised a consolidated turnover of € 1,356.4 million, up 5.7% on 2006, including 6.9% growth in consolidated advertising revenues (M6 TV network, digital channels, Press and Internet) and 4.2% growth in non-advertising revenues.

M6 TV network's advertising revenues increased by 4.0% to € 675.9 million. In an advertising market adversely affected by the telecom and publishing decline and in spite of the arrival of retail sector advertisers, M6 indeed improved its gross advertising market share to 24.1%, due in particular to M6's audience ratings growth in strategic time slots.

Digital TV channel turnover continued to grow (up 32.3%, including 51.1% advertising revenue growth) to € 100.0 million compared to € 75.6 million in 2006. W9, which asserted itself in 2007 due to its audience levels as the leading new DTT channel, recorded a four-fold increase in turnover to € 25.3 million in 2007, thereby contributing € 18.9 million to digital channels revenue growth.

The diversifications and audiovisual right activities realised sales of € 574.6 million, a 4.3% increase.

Turnover growth was primarily due to the distance selling business, which includes HSS and Mistergooddeal, with a 20.8% increase in its turnover to € 270.8 million. Interactivity operations (internet and mobile phones) also progressed and recorded turnover of € 73.8 million (up 11.1%), driven by the success of the M6 Mobile by Orange offering (1.17 million subscribers) and the development of new media and entertainment consumption patterns.

Other diversifications and audiovisual rights operations posted a decline in their activities. As for SND and other audiovisual right distribution subsidiaries, as well as FC Girondins de Bordeaux, the decrease in turnover was due to an unfavourable comparison effect, since 2006 had been an exceptional year. Audiovisual rights production and distribution activities achieved a turnover of € 84.6 million, down 3.9%, with in particular less buoyant international rights sales in the absence of a successful film such as "Asterix and the Vikings". FC Girondins de Bordeaux realised a turnover of € 60.9 million, down 10.0% compared to 2006, a year in which the Club had ranked second in Ligue 1 and had played the Champion's League preliminary round.

M6 Interactions segment turnover significantly decreased (down € 20.5 million), adversely affected by the declining music and collection markets, to € 84.4 million.

Other operating income amounted to € 20.5 million, an increase of € 3.7 million compared to 2006, primarily comprising capital gains on the sale of FC Girondins de Bordeaux players (€ 16.3 million).

Operating income thus totalled € 1,376.9 million, an increase of € 76.7 million (+5.9%).

Excluding capital gains on the disposal of subsidiaries and investments and impairment of non-amortisable assets, operating expenses increased by € 63.8 million (+5.9%).

This increase reflected turnover growth and was more marked for Mistergooddeal (up € 34.7 million) the turnover of which grew by 34.6% and for W9 (up € 17.9 million), due to the rapid expansion of the channel and its reinforced programming.

Analysis of expenses by nature is as follows:

- consumables and other operating expenses increased by € 45.7 million (+6.2%) including € 32.5 million for Mistergooddeal;
- personnel costs increased by € 12.1 million (+6.1%) due to recruitment by operations that experienced strong growth in 2007 (Distance selling and Interactivity) and to the rising cost (up € 4.1 million) of share purchase and subscription option plans and free share allocation plans;
- the 6.1% increase in taxes and duties to € 60.6 million resulted from the growth in the major tax base, being advertising revenue;
- amortisation, depreciation and provision charges increased by 3.0% to € 85.3 million.

Group operating profit thus reached € 234.3 million in 2007, compared to € 219.5 million in 2006, an increase of 6.7%.

Excluding capital gains on financial asset disposal, impairment of non-amortisable assets and brand amortisation, this result, designated by the Group as profit from operations (EBITA), amounted to € 236.1 million in 2007, compared to € 223.0 million in 2006.

Financial income recorded strong growth of € 14.6 million to € 22.9 million, including the €18.9 million upward revaluation of the financial asset comprising Canal + France shares and the attached put option. Excluding the fair value impact of the shares held by the Group in Canal + France, financial income thus declined by € 4.3 million, primarily due to the reduction in average cash deposits in 2007 following investments made at the beginning of the year.

Since 1 November 2007, date at which 34% of **Annonces Jaunes** was equity accounted, **the Group recognised a loss of € 0.7 million net of tax in respect of this investment.**

The income tax charge was € 87.9 million, corresponding to a 34.3% effective tax rate. This is a € 12.4 million increase compared to 2006, during which the tax impact of intra-group reorganisations had reduced the effective income tax rate to 33.1%.

Net profit from continuing operations amounted to € 168.6 million.

2. Summarised 2007 consolidated income statement

The summarised consolidated income statement below is based on the segmentation of Group activities selected within the framework of IAS 14 – Segment reporting.

A change was made in the presentation compared to 2006: the Group's property companies (which own the buildings occupied by Group companies) as well as dormant companies are no longer allocated to any specific segment. Their results, which were previously allocated to the M6 TV network segment, are now posted to "Eliminations and unallocated items". For comparison purposes, 2006 data provided below were restated accordingly.

EBITA is also called profit from operations and defined as operating profit (EBIT) before impairment of non-amortisable assets, brand amortisation and capital gains on the disposal of investments or subsidiaries.

Eliminations and non allocated income/expenses relate to:

- The cost of share subscription options and cost of free share allocation plans;
- Profit from operations of property companies and dormant companies (€ 2.6 million in 2007 and € 3.0 million in 2006);
- Unallocated consolidation restatements primarily corresponding to the elimination of intra-Group capital gains on the disposal non-current assets or inventories.

SUMMARISED CONSOLIDATED INCOME STATEMENT

€ millions	31/12/07	31/12/06	2007 / 2006 change	
			(€ millions)	(%)
M6 Free -To-Air				
Turnover - advertising revenues	675.9	649.7	26.2	4.0%
Turnover - other	5.7	6.8	(1.1)	(16.4)%
EBITA	196.5	180.0	16.5	9.2%
Digital Channels				
Turnover- advertising revenues	60.5	40.1	20.5	51.1%
Turnover - other	39.5	35.5	3.9	11.1%
EBITA	0.3	(2.6)	3.0	(112.8)%
Diversification & audiovisual rights				
Turnover - advertising revenues	7.1	5.7	1.5	25.8%
Turnover other	567.5	545.3	22.1	4.1%
EBITA	45.7	51.2	(5.4)	(10.6)%
Other revenue	0.2	0.2	(0.0)	(5.3)%
Eliminations and unallocated items	(6.5)	(5.5)	(1.0)	17.6%
Turnover from continuing operations	1 356.4	1 283.4	73.0	5.7%
EBITA from continuing operations	236.1	223.0	13.1	5.9%
Brand amortisation charges	(0.9)	(0.9)	0.0	-
Impairment of non-amortisable assets	(0.9)	(2.6)	1.7	-
Capital gains on the disposal of non-current assets	0.1	-	0.1	-
Operating profit (EBIT) from continuing operations	234.3	219.5	14.8	6.8%
Net financial income/(expenses)	4.0	8.3	(4.3)	-
Movement in fair value of Canal+France shares	18.9	-	18.9	-
Share of associates' net profit	(0.7)	-	(0.7)	-
Profit before tax from continuing operations	256.6	227.8	28.8	12.7%
Income tax on continuing operations	(87.9)	(75.4)	(12.5)	-
Net profit on continuing operations	168.6	152.3	16.3	10.7%
Net profit (loss) on discontinued operations	-	256.8	(256.8)	N/S
Net profit	168.6	409.1	(240.5)	(58.8)%
Minority interests	0.1	(0.6)	0.7	-
Net profit – Group share	168.7	408.5	(239.8)	(58.7)%

2.1 M6 TV Channel

Contributions to M6 TV channel performance may be analysed as follows, by company:

€ millions	31/12/07			31/12/06			2007/2006 change		
	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA
M6 TV channel	690.4	675.9	155.5	664.4	649.7	138.2	26.0	26.2	17.3
M6 Publicité (Advertising)	68.7	1.3	41.9	65.6	2.7	41.4	3.1	(1.4)	0.6
M6 Films	1.5	1.1	0.6	1.8	1.3	0.6	(0.4)	(0.2)	0.0
Production companies	83.0	3.3	(1.6)	71.5	2.8	(0.2)	11.4	0.5	(1.4)
Intra-Group eliminations	(127.5)	-	-	(115.3)	-	-	(12.2)	-	-
M6 Free-To-Air business	716.0	681.6	196.5	688.1	656.6	180.0	28.0	25.1	16.5

M6 TV channel profit from operations may be analysed as follows based on M6 Free-to-Air gross profit on programming:

€ millions	31/12/07	31/12/06	2007/2006 change	
Turnover - external advertising revenues	675.9	649.7	26.2	4.0%
Turnover - intra-Group advertising revenues	12.2	14.6	(2.4)	(16.4)%
Advertising agency cost - (M6's share) taxes and copyright distribution costs	(129.5)	(119.0)	(10.5)	8.8%
Free-to-Air net revenues	558.6	545.3	13.3	2.4%
Programming costs	(299.1)	(302.5)	3.4	(1.1)%
Gross profit on programming	259.5	242.8	16.7	6.9%
Gross profit on programming (in%)	46.5	44.5	-	-
Net other operating revenue/(expenses)	(69.7)	(70.0)	0.3	(0.4)%
Ex-segment commissions net of advertising agency costs not allocated to M6	7.6	6.8	0.8	12.2%
M6 TV Network other subsidiaries EBITA	(0.9)	0.4	(1.3)	-
M6 TV Network EBITA	196.5	180.0	16.5	9.2%

Free to Air TV net revenues: These consist of advertising revenues earned by the M6 television network, offset by the costs of services provided by M6 Publicité (TV network share), mandatory charges levied as a proportion of turnover and broadcasting costs.

Programming costs: These represent the cost of programmes broadcast on M6 channel (purchased, produced or co-produced), including charges relating to rights that are invalid or unlikely to be broadcast.

Gross margin on programming: This represents the difference between Free to Air TV net revenues and programming costs.

■ MÉTROPOLE TÉLÉVISION (M6)

M6 Métropole Télévision is the Parent Company of the M6 Group and broadcasts the M6 channel. It sets programming strategy, programme acquisition and production policy and the network's programme line-up. M6 also collects revenues from advertising slots and sponsorships broadcast on the network.

In addition, M6 Métropole Télévision defines the strategic direction of the Group's various entities and manages the cross-organisational support functions. The majority of the Group's strategic economic assets are held by the Parent Company.

■ M6 PUBLICITÉ: A MULTIMEDIA AGENCY AT THE BRANDS' SERVICE

As the historical advertising agency of the M6 TV network, the growth of which it supported, M6 Publicité was able to transform itself into a true multimedia advertising agency. Today, M6 Publicité develops advertising for more than 50 media formats in a great diversity of markets:

- terrestrial TV (M6);
- digital terrestrial TV (W9 and Paris Première);
- cable, satellite and DSL with about ten strong brands;
- websites (more than 35 media websites and RTL Group's websites since the beginning of 2008);
- press (Femme en Ville, Citato, Fan 2 and Hit Machine Girl).

Such a diverse offering, both in terms of media and advertising targets enabled the agency to offer a highly extensive range of solutions to advertisers, including in particular cross-media operations, which appealed to leading brands.

■ M6 FILMS AND PRODUCTION COMPANIES

Other Free-to-Air activities include film and TV production.

As for film production, **M6 Films** is in charge of the Group's obligations and ambitions in terms of cinema production. It produces French and European films and also manages the pre-purchase of TV broadcasting rights on behalf of the Group. This activity comes within the framework of all French broadcasting groups' obligation of financing the French cinema industry by contributing a portion of their advertising revenues. M6's investment obligation is 3.2% of the TV network's net advertising revenues, to be reinvested in French and European cinema production.

In 2007, investments corresponding to this obligation amounted to € 21.25 million, up 21% in relation to 2006, enabling M6 Films to participate in the production of 15 new films.

M6 Group is committed to developing strong in-house expertise and providing significant resources in terms of entertainment, magazine, reality documentaries, game-shows, documentaries of event-driven production.

With this in mind, the Group's production activities are driven by three separate production companies.

Métropole Production produces audiovisual works, programmes and music magazines for the M6 TV network, primarily consisting of network flagship programmes such as *Zone Interdite*, *Turbo* and *Fan de* (delegated production). It also operates all of the Group's technical resources.

C. Productions is the second part of this segment, which primarily produced M6 TV network news magazines, such as *Capital*, *Secrets d'Actualité*, *Enquête Exclusive*, *66 Minutes* and *100% foot*, as well as historic documentaries.

Finally, **Studio 89 Productions** produces, both for the M6 TV network and the Group's digital channels, 44 different formats, most of which are powerful and original.

2.2 Digital channels

Contributions to digital channels performance are the following:

€ millions	31/12/07			31/12/06			2007/2006 change		
	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA
W9	25.8	25.3	(8.0)	6.6	6.4	(9.0)	19.2	18.09	0.9
Paris Première	32.7	32.3	3.2	31.0	30.6	1.0	1.7	1.7	2.1
Teva	17.7	17.6	1.8	16.3	16.2	1.2	1.4	1.4	0.6
M6 Music	6.4	6.3	2.4	5.3	5.2	1.9	1.1	1.1	0.6
Fun TV	2.4	2.3	(0.0)	3.5	3.4	0.5	(1.2)	(1.1)	(0.5)
TF6	11.2	11.2	0.7	9.7	9.6	1.4	1.6	1.7	(0.6)
Série Club	4.7	4.7	0.6	4.0	3.9	0.4	0.8	0.8	0.2
M6 Thématique	4.1	0.2	(0.3)	3.6	0.2	-	0.6	0.0	(0.3)
Intra-group eliminations	(3.6)	-	-	(2.7)	-	-	(0.9)	-	-
Digital channels	101.4	100.0	0.3	77.2	75.6	(2.6)	24.2	24.4	3.0

■ W9 – EDI TV (SNC)

Its contribution to consolidated turnover was € 25.3 million, a very sharp increase from the € 6.4 million advertising revenues recorded in 2006. W9 reduced its operating loss to € 8.0 million from € 9.0 million in 2006. This level of loss was due to investments in programming and to the cost of DTT broadcasting.

■ PARIS PREMIÈRE (SA)

Its contribution to consolidated turnover increased by 5.5%, primarily supported by the increase in subscription revenues. Profit from operations grew sharply to € 3.2 million, in spite of investments in programmes and the cost of digital terrestrial broadcasting that went hand-in-hand with increased R4 network coverage.

■ TÉVA – SEDI TV (SAS)

Accessible by nearly 13 million subscribers, Téva is broadcast by satellite, cable, DSL and 3G mobile phones.

Bolstered by its audience level success in the pay TV environment, the channel recorded a 9% increase in its 2007 turnover to € 17.6 million. Such turnover growth, combined with well-controlled expenses enabled the company to contribute € 1.8 million to profit from operations, compared to € 1.2 million in 2006.

■ M6 MUSIC HITS / ROCK / BLACK – M6 COMMUNICATION (SAS)

M6 Music Hits is an all music type, 100% music channel dedicated to current chart toppers and broadcast on satellite, major cable networks, DSL and 3G mobile phones. It can be accessed by more than 10 million individuals. The two complementary channels, M6 Music Black, and M6 Music Rock, are both broadcast on the same networks. Each totals 3.1 million potential viewers.

The contribution to consolidated turnover of these three channels increased slightly to € 6.3 million. Their contribution to Group profit from operations increased to € 2.4 million.

■ TF6 (SCS) AND SÉRIE CLUB – EXTENSION TV (SA)

These two channels, jointly-owned equally with TF1, are available to nearly 13 million individuals. They are distributed on the same networks as other Group pay TV channels, including 3G mobile phones.

Série Club, which provides viewers with a varied offer of TV series, many of which were never shown before, continued with its strategy of creating event-driven nightly specials. TF6's programming was enriched to make it a true mini-generalist channel providing an entertainment offering to a young adult audience.

In 2007, Série Club turnover experienced renewed growth to € 4.7 million and TF6 confirmed its success with turnover of € 11.2 million. The two channels generated positive contribution to Group profit from operations, of € 0.6 million for Série Club and € 0.7 million for TF6.

2.3 Diversifications and audiovisual rights

Contributions to diversifications and audiovisual rights activities are as follow:

€ millions	31/12/07			31/12/06			2007/2006 change		
	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA
Audiovisual rights	96.1	84.6	4.3	110.2	89.0	7.3	(14.1)	(3.4)	(3.0)
Interaction	95.3	84.4	0.0	116.9	104.9	7.2	(21.7)	(20.5)	(7.2)
Interactivity	89.4	73.8	19.8	76.6	66.4	21.6	12.8	7.4	(1.7)
Distance selling	278.6	270.8	9.6	229.4	224.1	9.0	49.2	46.7	0.6
FCGB	61.3	60.9	12.0	67.7	67.6	6.1	(6.4)	(6.6)	5.9
Intra-group eliminations	(20.4)	-	-	(28.2)	-	-	7.8	-	-
Total Diversifications and audiovisual rights	600.3	574.6	45.7	572.6	551.0	51.2	27.6	23.6	(5.4)

In 2007, the contribution to consolidated turnover from the diversifications and audiovisual rights businesses increased by 4.3% to € 574.6 million. Its contribution to Group profit from operations declined by 10.7% to € 45.7 million.

2.3.1 AUDIOVISUAL RIGHTS

This business includes the activities of SND (Société Nouvelle de Distribution SA), SNC (Société Nouvelle de Cinématographie SAS), TCM Droits Audiovisuels, Mandarin and Mandarin Films SAS and M6 Studio SAS. These various companies are in charge of rights acquisition, management or distribution activities.

During 2007, SND's cinema distribution business confirmed the high turnover level achieved in the previous year with 18 films distributed to cinemas, the same number as in 2006, recording more than 5.8 million box office sales, down from the 6.3 million achieved in 2006.

The Cinema business was marked in 2007 by noteworthy successes, including the action film *Ghost Rider* (close to 1.1 million tickets sold), the family film *Bridge to Terabithia* (more than 1 million tickets sold) and the Chinese success of the year, *Curse of the Golden Flower* (773,000 tickets sold).

Video business turnover decreased in 2007, in line with a market in decline for the third year running (down 10.6% in value - source GFK), in spite of volume growth to 4.7 million videos sold, compared to 4.4 million in 2006. SND moved up one place in the French video publisher table and now ranks in 9th place. In 2007, SND also distributed 118 new releases, including the first M6 Vidéo movie DVDs published in high definition, released at the same time in Blu-Ray and HD-DVD.

The first VOD revenues were also recorded. SND is now listed by virtually all major VOD operators on the market.

Rights sales business turnover sharply increased in 2007 (up 50%), primarily concerning leading 2006 cinema releases, such as movies *Mr & Mrs Smith*, *Lord of War* and *Prime*. Conversely, the international distribution business declined compared to 2006, which had been an exceptional year with *Asterix and the Vikings* sales.

Lastly, TCM benefited from the development of the DTT channels.

Overall, the audiovisual rights business contributed € 84.6 million to Group turnover, a slight decline from 2006, which had been driven by the *Asterix* release. Its contribution to profit from operations was € 4.3 million.

2.3.2 M6 INTERACTIONS

The main markets of M6 Interactions registered a marked slowdown in 2007. This unfavourable economic situation compelled the Group to commit a significant effort and a rapid adaptation of his structure's organisation, which beneficial effects should be felt during 2008. However, the situation of the various businesses included in M6 Interactions is relatively contrasted.

In a declining music sector, M6 Interactions managed to maintain its position, driven by major successes such as Christophe Willem's album, *Inventaire*, (which sold nearly 600,000 copies and received NRJ's Best Album of the Year Award), and Cascada's *Every Time we touch* (more than 120,000 albums sold). In addition, M6 Interactions supported the confirmation of the talent of artists previously discovered by its TV formats, as well as revealing new talents such as Les Déesses (*On a changé*), Faf Larage and NZH (*Dance Hall Fever*).

In respect of the show organisation business, M6 Interactions also continued in 2007 to produce the successful theatre play *Arrête de pleurer Pénélope 2* and participated in the promotion of numerous events such as *The Lion King* and *Cabaret*.

As regards publishing, press activities posted a satisfactory recovery, both by magazines (Fan2 and Hit Machine Girl) and the free press (Citato, Femme En Ville), in spite of operating in a difficult environment.

M6 Interactions also developed its literary publishing business under M6 Editions label, which renewed with a positive contribution to profit from operations. The success of practical guides was completed this year by the release of a number of books, often

originating or adapted from TV formats, and whose success was promising (*Prison Break* novel and fan book, *Kaamelott* cartoon, novelisation of *Un, Dos, Tres...*).

M6 Interactions developed many board and strategy game concepts in 2007, which now constitute an area of development of the structure, in addition to the distribution of multimedia game distribution activities.

The collection market also featured a marked slowdown and the lack of commercial success of collections launched in the second half of 2006 and in 2007 contributed to the significant deterioration in profitability generated by this business.

Lastly, M6 Interactions implemented in 2007 an ambitious policy of new licence acquisition in order to systematically position itself on brands developed by the Group's TV networks.

Interactions posted a contribution to Group turnover of € 84.4 million, down nearly 20%. Its contribution to operating profit was nil in 2007, after taking into account inventory writedowns and costs associated with the adjustment of its structure, whose positive effect on results are expected for 2008.

2.3.3 INTERACTIVITY

In 2007, all websites managed by M6 Web again demonstrated their success with 5.5 million unique visitors.

M6 Web continued its internet development with strong audience growth: visits up 32%, pages viewed up 60%, and 1.2 billion pages displayed for 116 million visits. For instance, the online adaptation of Nouvelle Star broke a new record with 32 million videos broadcast in 4 months. Habbo.fr, M6 Web's exclusive partner for France, also continued to grow and totals 4.5 million subscribers.

M6video.fr's VOD offer was also introduced to ISPs and has been integrated by their leaders, including Free and Neuf.

By taking a 34% shareholding in Annonces Jaunes, M6 Web also reinforced its presence in the classified ad market, in particular by providing a service complement to its editorial website Turbo.fr.

The teams of Echo6 and M6 Web's mobile entertainment division were reorganised and merged in July 2007 in order to significantly increase synergies and realise economies of scale. This new organisation enabled the Group to diversify the range of mobile services offered to the general public (music, images, videos, games, community services, clairvoyance...) and to improve the marketing of these products.

Finally, M6 mobile by Orange topped in 2007 the one million subscriber mark, totalling 1,170,000 customers at 31 December 2007, a year-on-year gain of 403,000 new customers.

The Interactivity business (including M6 mobile by Orange) thus recorded a further year of growth in 2007, with sales growth of 11.2% to € 73.8 million. Profit from operations was € 19.8 million, a slight decline due to new websites development and launching costs.

2.3.4 DISTANCE SELLING

The Distance selling business experienced strong organic growth in 2007, driven by M6 Boutique La Chaîne and its website, as well as Mistergooddeal.com, which grew by 35%.

M6 Boutique's 24/7 channel consolidated its offering and increased its audience levels. It continued to expand at a fast pace, with 70% year-on-year turnover growth. M6 Boutique's website benefited from the vigour of e-business, in spite of enhanced competition.

Mistergooddeal made its long-term growth more secure by completing its product and service offering, which included new household goods offers; the website thus reinforced its image as a multi-specialist distributor (furniture, childcare, musical instruments...). The company also initiated significant online advertising expenditure and benefited from the opening of TV advertising to the retail sector to increase consumers' awareness of Mistergooddeal.

A strategic development area of M6's distance selling business was to differentiate itself, not only through customer awareness of the brand and diversity and competitiveness of its offer but also by the quality of services provided to its customers (delivery, warranty, help line). These efforts bore fruits and Home Shopping Service and Mistergooddeal received several awards in 2007:

- HSS' customer service was voted Customer Service of the Year a (Viséo Conseil, generalist distance selling category);
- Mistergooddeal was designated by users as the number one e-commerce website in terms of satisfaction, willingness to repeat purchase and willingness to recommend (Direct Panel, January 2007);
- Mistergooddeal was voted web users' favourite website for technical products (Mediamétrie Netratings for Fevad - June 2007).

Even before their merger in the new Rungis head office in January 2008, HSS and Mistergooddeal teams shared their respective expertise:

- Mistergooddeal's web factory was called to begin the M6 Boutique website overhaul work;
- at the same time, HSS teams enabled Mistergooddeal to differentiate itself and improve the presentation of some of its products by integrating multimedia at the core of the sales process of its products;
- the two entities' support services implemented increased co-operation in all fields; for instance, HSS assisted Mistergooddeal in upgrading its ERP.

Finally, the division outsourced its logistics at the end of the year in order to optimise its organisation.

The contribution of the distance selling business to consolidated turnover was € 270.8 million, an increase of 20.9% compared to 2006. Its contribution to profit from operations grew 6.6% compared to last year's € 9.6 million, in spite of new service development costs associated with the relocation, which was finalised at the beginning of 2008.

2.3.5 FOOTBALL CLUB DES GIRONDINS DE BORDEAUX (SASP)

The SASP FC Girondins de Bordeaux is 99.76% owned by M6 Foot, which itself is a fully owned subsidiary of the Group.

The sporting season 2006/2007 was satisfactory for FCGB, which finished ranked 6th in Ligue 1, qualifying for the UEFA Cup, after having played the first round of the Champions' League in the second half of 2006. The club also won the French League Cup against Lyon in March 2007.

The Club changed the professional team manager for the 2007/2008 season, with the arrival of Laurent Blanc, world champion, as a player in 1998.

The team was also reinforced with renowned players such as Cavenaghi, Diarra and Bellion.

The FCGB's training centre, which is the guarantee that the Club will continue playing at top level in the future, had another successful year in 2007 with the recruitment of five young professional players.

FCGB's contribution to Group turnover totalled € 60.9 million, compared to € 67.6 million in 2006, due to the lack of Champions' League TV rights. In 2007, its contribution to Group profit from operations sharply increased to € 12.0 million, compared to € 6.1 million in 2006, thanks to well-managed operating costs and proceeds from the sale of players.

2.4 Unallocated items

Immobilière M6 owns Métropole Télévision Group's 10,000 m² head office facilities located at Neuilly sur Seine, which it leases to various Group companies. The SCI of 107, avenue Charles-de-Gaulle, owns two buildings covering 2,650 m² located in Neuilly-sur-Seine, which were acquired in January 1999 and which are leased to various Group companies. Immobilière 46D made the acquisition of a 4,000 m² building in Neuilly-sur-Seine in 2007. All space leasing and subleasing agreements provide for transparent billings, under normal conditions, to each tenant, of rent and related charges, based on their allocated area of space.

3. Financial structure and cash flow statement

3.1 Financial structure

At 31 December 2007, total assets were € 1,581.3 million, down € 24.7 million compared to 31 December 2006.

Non-current assets totalled € 678.9 million, an increase of € 101.9 million taking account in particular of the acquisition of a building in Neuilly-sur-Seine (net impact of € 38.2 million), investments in Summit Entertainment LLC and Annonces Jaunes (€ 25.8 million) and the € 18.9 million fair value revaluation movement of Canal + France shares.

Current assets, excluding cash and cash equivalents, amounted to € 813.3 million, an increase of € 35.0 million (up 4.5%) compared to 31 December 2006. € 61 million of this movement was due to the rise in advances paid for the purchase of programmes and to broadcasting right inventories following the recognition to the balance sheet of a portion of audiovisual right purchase commitments entered into by the Group's TV networks over the past few years, in order to step up their programming. Conversely, improved average collection of trade receivables resulted in a reduction in current assets of about € 20 million.

Cash and cash equivalents amounted to € 89.1 million, a € 161.5 million decline compared to 31 December 2006. This change, as explained in the cash flow statement, was due to the repayment on 4 January 2007 of the advance of € 52.5 million received in 2006 from Vivendi as part of the merger of TPS and Canal + Group pay TV operations. This advance had been treated as a financial liability at 31 December 2006.

Cash and cash equivalents net of financial debt, which is measured by adding cash, cash equivalents, current and non-current financial assets (loans and deposits) and deducting current and non-current financial debts and leases, declined by € 108.7 million, to a positive € 89.0 million at 31 December 2007, compared to € 197.7 million at the end of 2006.

Current and non-current assets decreased by € 13.0 million to € 793.3 million. The decline was primarily due to the refund of the € 52.5 million advance received from Vivendi. Operating liabilities increased by a total € 23.5 million, in line with the growth of Group operations. In application of IAS 32, *Financial instruments: disclosures and presentation*, a € 15.9 million financial liability was recognised in respect of financial instruments hedging free share allocation plans.

Group equity totalled € 788.0 million at 31 December 2007 down € 10.8 million compared to 31 December 2006.

The distribution of dividends (€125 million), the cancellation of shares as part of the share buyback programme (€ 45.2 million), the charging to equity of goodwill resulting from the acquisition of Téva and Citato's minority shareholders (€ 11.9 million) and the cost, expressed at fair value, of the forward purchase of M6 shares with a view to fund free share allocation plans (€ 10.2 million) all had an adverse impact on the level of equity.

Conversely, the following items contributed to increasing equity: net profit for the period (€ 168.7 million) and the treatment, pursuant to IFRS 2, *Share-based payments*, of remuneration paid in shares (€ 13.3 million).

3.2 Cash flow statement

Cash flow from continuing activities was € 218.2 million in 2007, compared to € 195.3 million in 2006.

The self-financing capacity before tax generated by the Group was € 318.5 million, an increase of € 2.5 million compared to 2006. This growth was lower than the increase in operating profit (€14.8 million). Capital gains on the disposal of assets, in particular those relating to the sale of FC Girondins de Bordeaux players (€ 16.0 million in 2007), were recognised under operating profit but were excluded in calculating the self-financing capacity, since proceeds from disposals are treated as cash flows from investing activities.

The change in working capital requirements (WCR), excluding tax receivable and payable amounted to € (16.8) million, a significant decline compared to 2006, which had totalled WCR cash flow usage of € (46.5) million.

The implementation of targeted inventory and trade receivables and payables follow-up actions contributed to contain the mechanical growth in working capital requirements resulting from increased turnover, increased audiovisual right inventory due to TV networks' stepped up programming, and advance payments made in respect of the broadcasting of the Euro 2008 in the near future.

Income tax outflows increased by € 9.2 million, from € 74.2 million in 2006 to € 83.4 million in 2007. This movement resulted from both the increase in taxable profit and of an atypical basis effect in 2006, since income tax payable in respect of 2005 and paid in 2006 had proved lower than estimates that had supported preliminary payments.

Cash flows applied to investments amounted to € 154.5 million in 2007, a much higher level than in 2006 (€ 44.5 million).

2007 was indeed marked by a large number of significant investments with the acquisition of a building in Neuilly-sur-Seine, fitting out the new (rented) distance selling site in Rungis, the purchase of minority interests in Mistergooddeal and Téva (5% and 49%, respectively), the 34% investment in Annonces Jaunes and the purchase of a shareholding in Summit Entertainment LLC. These investments totalled a net € 89.8 million.

In 2006, the corresponding cash outflow was € 5.7 million with the acquisitions of Mandarin Films and Femme En Ville and the collection of a € 5 million payment in respect of the 2005 disposal of RTL Shop.

The strong growth in investments having a virtually recurring nature was due to the level of acquisitions made by SND in the rights market, which increased from € 18.2 million to € 35.8 million, the net balance of cash inflows and outflows relating to the transfer of FC Girondins de Bordeaux players, which was a € 9.6 million outflow in 2007, compared to a € 2.0 million outflow in 2006.

Cash flow applied to financing activities used up a lot of cash, € 172.8 million in 2007 compared to € 122.7 million in 2006.

Due to the stable level of dividends paid in 2006 and 2007 (€ 125 million), the movement in cash flow applied to financing activities primarily related to the implementation in 2007 of a share buyback programme. At 31 December 2007, 1,960,000 shares had been bought back and cancelled at a total cost of € 45.2 million.

Cash flow relating to TPS or resulting from asset transfer transactions were specifically identified under “cash flow from discontinuing activities”.

Prior to the finalisation of the transfer of TPS to Canal+France on 4 January 2007, the Group refunded to Vivendi the advance received on 6 January 2006, including accrued interest, for a total of € 52.5 million. Conversely, the collection of the € 51 million advance in 2006 had constituted a resource for the Group.

The cash position thus decreased by € 161.6 million in 2007. Cash and cash equivalents totalled € 89.1 million at 31 December 2007.

The 2006 financial year had generated a € 7.6 million increase in the cash position.

4. Cash flow management policy

The Group carries out cash management with the objective of being able to rapidly mobilise short-term deposits and of limiting capital risk.

The Group has established the following prudent rules to control its cash deposit policy:

- not to invest more than 20% of Group bank balances in a single counterparty;
- for each fund:
 - not to hold more than 5% of the assets of a fund (control ratio),
 - fund valued at more than € 1 billion,
 - fund operating for at least two years,,
 - volatility of less than 0.25%,
 - the great majority of shares are "investment grade" rated.

Selected funds comply with criteria established by IAS 7, i.e.: short-term, highly liquid, easily convertible in a known amount of cash and subject to a negligible risk of loss in value.

From the beginning of the interest rate market crisis in July 2007, the Group stepped up previously established controls, demanding in particular the following:

- a comprehensive and detailed presentation of the investment portfolio of each fund and its breakdown by rating, on a monthly basis;
- that the percentage of unlisted shares be limited to 5% of the total of the fund.

A follow up on all products in which the Group is invested, as well as a list of products in which the Group may invest is produced on a daily basis; the Group then arbitrates between them in order to favour the most regular and most profitable funds, within the framework of above-mentioned constraints.

5. Investment policy

M6 investment policy is guided by the following:

- providing the Group with the necessary resources to develop future growth drivers that meet the challenges resulting from new broadcasting modes and media consumption patterns;
- the strategic obligation to supply existing operations with the best content and products as possible in order to confirm their positioning and attractiveness;
- the importance to provide the Group with a safe and efficient working environment, both in terms of infrastructures and equipment (offices, means of production...) and information and broadcasting systems;
- TV networks obligations and conventional commitment obligations, as well as regulations that govern these activities.

In order to guarantee the Group's development:

- in 2007, the Group acquired the shares held by minority shareholders in Mistergooddeal and Téva (5% and 49%, respectively) in order to fully own these strategic assets for the Group, within the e-commerce environment on the one hand and within a context of audience fragmentation on the other hand;
- with the objective of increasing the relative size of multimedia and digital activities, the Group also took a 34% shareholding in Annonces Jaunes in 2007 and entered into exclusive negotiations in March 2008 with Cyréal Group to take its control. The Group, through its subsidiary M6 Web, also significantly invested in implementing VOD services, more particularly "Catch up TV" services through the innovative M6 Replay offer launched in March 2008;
- lastly, after having invested in HD experiments in 2006 and 2007, M6 was granted an authorisation to broadcast an HD TV network from Autumn 2008. This new service will require broadcasting and production investment in order to adapt to the HD format.

With a view to supporting existing activities:

- SND stepped up its purchase level of audiovisual rights for resale (cinema and video distribution and TV sales) by investing € 35.8 million 2007;
- in the fields of audiovisual rights again, the Group took a 9% shareholding in 2007 in Summit Entertainment LLC, a US production company, and became its exclusive distributor in France. At the beginning of 2008, the Group also made the full acquisition of Hugo Films, which owns a catalogue of feature films;
- FC Girondins de Bordeaux strengthened its professional team with the value of the players bought exceeding that of players sold by € 9.6 million;
- TV networks continued to implement their programme investment policy, in particular W9, which, due to its ambitious programming policy, asserted itself as a leading DTT channel in spite of its € 8.0 million operating loss.

In order to secure and optimise the production and broadcasting environment, as well as guarantee support function efficiency:

- the Group finalised in 2007 the acquisition of a property asset in Neuilly-sur-Seine for approximately € 38 million, thereby limiting its exposure to rising office rent and providing yield that exceeds that of ordinary cash deposits;
- the distance selling division entered in 2007 into a process of operating merger between Mistergooddeal and HSS, which involves the harmonisation of information systems and the merger of personnel in a single new rented site in Rungis. The relocation was implemented in January 2008;
- the Group continued efforts to modernise its information systems, renew its office equipment and digitalise its control room.

Finally, within the framework of conventional commitments and/or regulatory obligations, M6 Group invested € 125.05 million in the production of cinematographic and audiovisual works, that is 22% of consolidated advertising revenues, net of tax and contributions for the previous year, compared to an obligation of 21.2% (18% for audiovisual works and 3.2% for cinema works).

6. Off-balance sheet commitments

At 31 December 2007, commitments given by the Group totalled € 884.3 million, compared to € 909.9 million at 31 December 2006, a decline of € 25.6 million.

This movement resulted from contrasting developments:

- commitments entered into by the Group in respect of co-productions and rights purchases amounted to € 691.1 million, a decrease of € 38.5 million. This movement primarily concerned the M6 TV network (decrease of € 50.3 million), reflected the delivery to inventory of part of audiovisual right purchase commitments, which generated as a result an increase in broadcasting right inventories. The majority of the balance in the movement was attributable to SND;
- commitments given for image transmission and satellite and transponder rental increased by € 41.8 million to € 157.1 million, due to the extended term of contracts signed with technical broadcasters following renegotiations, as well as extended DTT coverage;
- the € 12.6 million increase in operating leases was primarily due to the relocation of the distance selling business to new premises in Rungis;
- the balance of commitments given, amounting to € 41.4 million, was primarily due to the finalisation in 2007 of the acquisition of a building in Neuilly-sur-Seine. A € 37.5 million commitment had been recognised at the 2006 year end in respect of this purchase.

At 31 December 2007, commitments received by the Group totalled € 140.9 million, a decline of € 48.5 million.

They primarily comprised commitments received from Canal + France, cable operators and internet service providers in respect of the distribution of Group channels. These commitments decreased by € 22.0 million to € 120.1 million, due to contracts progressing closer to their terms.

7. Agreements between M6 and subsidiaries

7.1 Shareholders' agreements

M6 and TF1 concluded in 2002 a shareholders' agreement stipulating that the joint management of TPS be undertaken by TPS Gestion as sole statutory manager.

As part of the transactions relating to the transfer of TPS to Canal + France, finalised on 4 January 2007, this agreement ceased to apply.

Today, Métropole Television and its subsidiaries have entered into shareholders' agreements with a view to organising, as a complement to bylaws, relations with joint shareholders in jointly controlled companies. The companies concerned are Echo6, Extension TV (Série Club), TF6, TCM Gestion, Multi 4 and Pages Jaunes Petites Annonces.

7.2 Direct shareholding interests over 5%, 10%, 20%, 33% or 50% of capital and of controlling interests (Article L 233-6 of the Commercial Code) at 31 December 2007

In accordance with legal provisions, the attached table states the direct shareholding interests held by Métropole Télévision or one of its subsidiaries during the 2007 financial year.

Company	Legal form	2007 shareholding	Shareholding		%
			M6 direct	M6 indirect	Total
Diem 2	SA	100%	100%		100%
Citato	SARL	20%		100%	100%
Pages Jaunes Petites Annonces (Annonces Jaunes)	SA	34%		34%	34%
SND USA	INC	100%		100%	100%
Summit Entertainment	LLC	9.06%		9.06%	9.06%
Sedi TV - Téva	SAS	49%		100%	100%
CANAL + France	SA	5.1%		5.1%	5.1%
Mistergooddeal	SA	5%		100%	100%

7.3 Parent company/subsidiaries relationships

Métropole Télévision has its own business activities and also defines the strategic objectives for the Group in its capacity as Parent Company.

It sets and defines the framework for oversight of the activities of Group entities as follows:

- through the strategic objectives defined for Group activities;
- through the specific features of its three core business lines: Free-to-Air, Digital TV and the Diversification ventures;
- through the existing horizontal functional departments (Finance, Facilities Management, Human Resources, Legal Affairs, Information Systems, Internal Communications, etc.) which operate as shared services within the Group. Functional responsibilities are held by specialists from each of the business lines. The provision of these resources is formalized in Technical Assistance Agreements and is invoiced to each subsidiary.

From a financial point of view:

- the cash pooling agreement with subsidiaries enables M6 to manage and consolidate the cash resources of most Group subsidiaries;
- Métropole Télévision is the head of a tax consolidation group pursuant to the provisions of Article 223 A of the General Tax Code.

At 31 December 2007, the Métropole Télévision Group had 63 subsidiaries and affiliates as follows:

- 23 significant consolidated subsidiaries;
- 35 insignificant consolidated subsidiaries;
- 5 unconsolidated subsidiaries.

Significant consolidated subsidiaries were the following:

Significant consolidated subsidiaries (23)	Country	Financial transactions with Métropole Télévision		% interest (rounded up)	Impact of minority interest
		Member of cash pooling agreement	Significant intercompany transactions *		
M6 TV NETWORK					
M6 Publicité	France	yes	Broadcast schedule payment	100%	-
M6 Films	France	yes	NS	100%	-
Métropole Production	France	yes	Rights acquisitions Technical or support services	100%	-
C. Productions	France	yes	Rights acquisition	100%	-
Studio 89 Productions	France	yes	Rights acquisition	100%	-
DIGITAL CHANNELS					
M6 Thématique	France	yes		100%	-
Extension TV					
Série Club	France	yes	NS	50%	-
Fun TV	France	yes	NS	100%	-
Paris Première	France	yes		100%	-
TF6	France			50%	-
EDI TV - W9	France	yes		100%	-
M6 Communication (M6 Music Black - Rock - Hit)	France	yes		100%	-
SediTV - Téva	France	yes		100%	
DIVERSIFICATION AND AUDIOVISUAL RIGHTS					
Football Club des Girondins de Bordeaux	France	no	NS	100%	
Home Shopping Service	France	yes	NS	100%	-
M6 Editions	France	yes	Advertising	100%	-
M6 Evénements	France	yes		100%	-
Société Nouvelle de Distribution	France	yes	Rights acquisition	100%	-
Société Nouvelle de Cinématographie	France	yes	NS	100%	-
M6 Interactions	France	yes	Advertising	100%	-
M6 Web	France	yes	Advertising	100%	-
TCM Droits Audiovisuels	France	no	Rights acquisition	50%	-
Mistergooddeal	France	yes	Advertising	100%	

* Transactions valued in excess of € 500 thousand

In view of the size of their business activities, the transactions between the following companies and M6 Métropole Télévision are insignificant.

Insignificant consolidated subsidiaries (35)	% interest (rounded up)	Insignificant consolidated subsidiaries (35)	% interest (rounded up)
M6 Numérique (1)	100%	M6 Récréative (1)	100%
M6 Studio (1)	100%	Immobilière M6 (1)	100%
M6 Toulouse (1)	100%	Live stage (1)	99%
Mandarin (1)	100%	M6 Bordeaux (1)	100%
SCI du 107 (1)	100%	M6 Diffusion (1)	100%
TF6 Gestion	50%	M6 Foot (1)	100%
SND USA	100%	Immobilière 46D (1)	100%
Multiplex R4	58%	Citato (1)	100%
M6 Développement (1)	100%	Femmes en Ville	50%
Echo6	50%	M6 Divertissement (1)	100%
Mandarin Films (1)	100%	M6 Créations (1)	100%
Pages Jaunes Petites Annonces	34%	DIEM 2 (1)	100%

Distance selling sub-group:

Boutique du Monde (2)	100%	Clic and Deal (2)	100%
M6 Boutique la Chaîne (2)	100%	Télévente promotion (2)	100%
HSS Belgique	100%	Unité 15 Belgique	100%
HSS Hongrie	100%	Unité 15 France (2)	100%
SETV Belgique	100%	Retail Concept (2)	100%
Operating group (2)	100%		

(1) M6 cash pooling

(2) HSS cash pooling

In addition, the following companies were not consolidated, due to a percentage of interest below 10% (Canal + and Summit Entertainment), or to insignificant operations (ENEX, Métropolest and TCM Gestion).

Unconsolidated subsidiaries (5)	% interest
ENEX	20%
Métropolest	49.88%
Canal + France	5.1%
TCM Gestion	50%
Summit Entertainment	9.06%

Please find on next page the contributions of major Group companies in terms of non-current assets, financial debt, balance sheet cash and cash equivalents, cash flow from operations and dividends paid by subsidiaries to the parent company during the financial year presented below to disclose the respective scale of every company within the Group and more specifically the relative size of the parent company compared to the direct and indirect subsidiaries.

The Group's bank borrowings and finance leases amounted to € 1.1 million and primarily related to the Distance selling business and FCGB, primarily to finance warehouse and logistics-related fittings and equipment.

€ millions	2007	2006 *
Non-current assets	653.8	554.7
M6 Numérique	342.9	324.1
SND	42.5	40.9
Mistergooddeal	41.7	42.5
Immobilière 46D	39.6	
FCGB	34.2	11.9
Immobilière M6	30.1	30.7
Métropole Télévision	21.7	22.1
Annonces Jaunes	15.4	
Paris Première	14.5	16.0
SNC	12.6	13.4
SND USA	10.4	
TCM DA	10.3	14.9
HSS Group	9.5	6.8
Mandarin Films	9.3	10.2
Autres	19.1	21.2
Balance sheet cash and cash equivalents	89.1	250.7
Métropole Télévision	62.2	202.0
Mistergooddeal	8.7	5.1
HSS	7.9	7.6
FCGB	3.2	5.8
SND	0.4	10.6
TCM	0.2	5.0
Autres	6.5	14.6
Cash flow from operations	218.2	195.3
Metropole Télévision	58.4	56.0
M6 Publicité	45.2	44.0
SND	40.9	36.0
M6 Web	22.4	29.5
HSS	14.8	-0.8
M6 Interactions	13.0	-2.5
Mistergooddeal	10.4	1.1
FCGB	9.9	15.9
Autres	3.2	16.0
Dividends paid to Métropole Télévision	60.5	44.0
M6 Publicité	27.4	26.7
M6 thématique	15.3	
M6 Interactions	14.3	13.8
Mandarin Films	1.3	
SNC	1.1	2.7
M6 Web	1.0	0.7
Capital Production	0.1	-

*2006 data has been restated to the line «others» depending on 2007 main contributing subsidiaries

8. Significant post-balance sheet events

On 13 February 2008, M6 Éditions acquired the 50% stake in Femme en Ville previously held by the founder of the magazine and financial shareholders.

On 26 February 2008, M6 acquired the company Hugo Films in full. With Hugo Films, a movie production company that owns a catalogue of feature films, the Group consolidated its position in its Audiovisual Rights distribution business.

On 5 March 2008, the French Conseil d'Etat cancelled an addendum to the W9 agreement negotiated with the CSA. This clause had been subject since 2005 of an appeal from competing channels (TF1 and NRJ groups).

M6 Group and the CSA had entered negotiation, prior to the effective launch of DTT in March 2005, with a view to provide W9 with the necessary resources to actively contribute to a diversified DTT offering. The Conseil d'Etat decision does not refer to adjustments introduced at that time, which it deemed in compliance with the law, and therefore has no impact on the identity features and programme offer of the W9 channel.

However, the Conseil d'Etat considered that this addendum should have provided for adjustments regarding the channel's peak time hours, which had been initially defined extensively, covering the 7am to 12am time slot. Consequently, the Conseil d'Etat requested that this point be renegotiated between M6 Group and the CSA before 1 July 2008.

On 10 March 2008, M6 Web entered into exclusive negotiations with a view to acquiring Cyréalys Group in full. This company operates three editorial websites covering high-tech (clubic.com), video games (jeuxvideo.fr) and e-business themes (neteco.com), as well as a price comparison engine (achetezfacile.com).

The merger of Cyréalys and M6 Web will significantly expand M6 Group's web content and service offering. By integrating the online expertise of Cyréalys' teams, M6 Group would acquire the necessary resources to stimulate all its editorial and become a leading online media participant. The integration of Cyréalys should thus enable the Group to rank within the top 15 most visited websites in France.

To the Company's knowledge, no other significant event occurred since 1 January 2008 is likely to have or to have had in the recent past a significant impact on the Company and Group's financial position, results, activities and assets.

9. 2008 outlook

In 2008, M6 Group will continue to implement its strategy of developing all its activities. In line with previous financial years, content will be at the core of growth, with a view to confirming the position of the family of channels, within a market environment undergoing extensive change, marked by the rapid development of Digital Terrestrial Television (DTT) and audience fragmentation.

9.1 Free-to-Air TV and High Definition

Following the acquisition of the broadcasting rights of half of Euro 2008 matches, M6 Group announced a significant increase in M6 TV network's programming costs for 2008, due to the € 50 million costs incurred for the Euro. The M6 channel will continue to implement its strategy of developing audience levels at key time slots, including prime time, post prime time and access prime time.

The M6 TV network was granted a High Definition DTT frequency by the Conseil Supérieur de l'Audiovisuel in November 2007, which will allow it, from 2008, to offer to a large segment of the population, free of charge and with extended coverage, access to its programmes with unequalled image quality.

This success results from M6 Group's several year-long commitment to an aggressive HD policy, since the Group took part in the three HD channel experiments conducted by the CSA in 2006 and 2007. In addition, M6's HD programmes are already broadcast on most cable, satellite and DSL networks, which testifies to the Group's intention of supporting this major technological development, with a view to offer the best quality programmes to a large segment of the population, in the best possible viewing conditions.

M6's HD commitment is focused on three major directions:

- HD broadcast of a growing portion of its programmes, to reach 80% in 2012 (in the 4pm-midnight time slot);
- attractive programming, based on the channel's events and flagship brands, starting from 2008 with a full-scale test during Euro 2008 matches;
- a long-term commitment to original HD production, to reach 90% in 2011.

By these commitments, M6 Group intends to extend HD to all types of programmes, in order to fully play its role as a generalist channel and introduce a growing audience to HD.

9.2 Digital TV

Within this competitive and technological context, marked by rapid developments, digital channels' editorial lines will be strengthened to consolidate the complementarity and power of the Group's family of channels.

Increased penetration of digital TV, with the success of the DTT and DSL distribution modes, will provide the Group's DTT channels with access to a further extended number of equipped individuals.

In line with the strategy implemented since its launch on this platform in March 2005, W9, the Group's second free-DTT channel, will benefit from stepped up investments in order to improve its positioning.

9.3 Diversifications and Audiovisual Rights

Future growth drivers implemented over the last financial years will continue to contribute to the vigour of diversification activities, whether it be the distance selling business, the M6 mobile by Orange agreement or the partnership established with PagesJaunes (the latter did not contribute to turnover and Group operating profit however due to being equity accounted).

Interactive activities, and more generally speaking the Group's presence on the internet will remain major thrusts of the growth strategy, along with the audiovisual rights activity, the development of which has been initiated several years ago and is currently accelerating in order to consolidate the Group's access to more secure and diversified content.

9.4 CSA's Personal Mobile Television call for tender

In January 2008, M6 Group submitted a bid in response to the call for tender issued by CSA for the granting of sixteen personal mobile television services, including three frequencies for public channels. The Group submitted application on behalf of three of its services, choosing to promote M6, W9 and Téva. Results of the call for tender are expected to be released in the course of 2008.

In addition, M6 Group announced on 14 January 2008 that it had signed the Charter for the Development of Personal Mobile Television in France, along with other publishers, thereby marking their common willingness to promote the development of PMT in France by proposing a co-operative model to finance the network and its operation. M6 Group thus demonstrated its asserted intention of being present in all available broadcasting formats in order to make its programmes accessible by as large a segment of the population as possible.

9.5 Ongoing regulatory developments

Driven by the President of the Republic and the Minister for Culture and Communication, modernisation and reform work on the regulatory and legal framework governing audiovisual communication companies was launched at end 2007 – start of 2008.

- Change in relations between broadcasters and producers:

On 8 October 2007, the Minister for Culture and Communication entrusted Messrs. Kessler and Richard with a mission of consultation with audiovisual sector professionals with a view to propose amendments to the Decrees of 2001 and 2002 that organise relationships between broadcasters and producers.

- Reform of audiovisual public service

On 8 January 2008, the President of the Republic wished to introduce a “cultural revolution in the audiovisual public service”, primarily concerning the abolition of advertising on all or some of the channels of the France Télévisions Group. A parliamentary commission chaired by Mr. Copé was instituted on 19 February 2008 in order to conduct the consultations necessary to implementing this reform.

- Transposition of European Directive on audiovisual media services

The SMA (Services de médias audiovisuels) directive shall be transposed into French Law on 31 December 2009 at the latest. This directive introduces a number of relaxing measures compared to French Law, in particular in terms of advertising.

10. Compliance with legal obligations of the agreement

In 2007, M6 Group met all of its contractual undertakings and regulatory obligations, according to its own assessments and subject to CSA validation.

Broadcasting quotas, requiring that 40% of audiovisual programming be originally produced in French and that 60% of audiovisual programming be European produced, were complied with, throughout the day as well as during significant viewing hours, i.e. 2 pm to 11 pm on Wednesdays and 5 pm to 11 pm on other days. In addition, M6 complied with the free to air broadcast quota of 100 hours of brand new programmes originally produced in France and Europe beginning between 8:00 and 9:00 pm.

M6 also complied with the film broadcast quota of a maximum of 192 films during the year, with no more than 144 films during prime time, with at least 40% of these films originally produced in France and 60% produced in Europe.

Lastly, M6 complied with all other obligations concerning the broadcast of music shows, cartoons and subtitled programmes for deaf people and those with hearing deficiencies.

In total, M6 committed itself to € 125.05 million in audiovisual programming and film production (including € 3.06 million film production investments carried forward from 2006 to 2007), representing 22% of its 2006 financial year net advertising revenues (21,47% excluding postponed investments), for an obligation quota of 21.2% (18% for audiovisual programming and 3.2% for films).

11. Significant contracts signed over the past 24 months

The TPS agreement, as described in the “changes in Group structure” section, is the sole significant contract entered into by M6 Group outside the normal scope of its operations over the last 24 months.

12. Share capital

12.1 Share listing

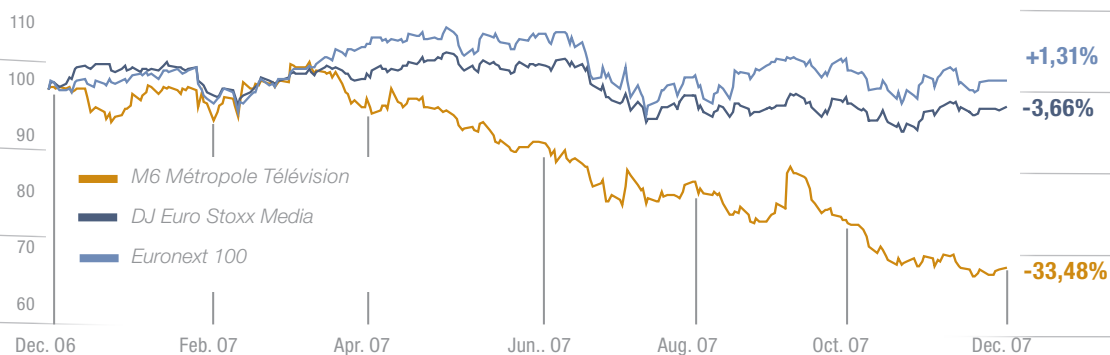
The share price opened 2007 at € 27.15 on 2 January and closed the year at € 18.00 on 31 December, achieving its lowest trading price of € 17.32 on 17 December and its highest trading price of € 28.44 on 5 and 11 April.

The Company's share price decreased by 33.7% in 2007 (based on the 2007 closing price). The performance of French commercial TV networks in 2007 was in keeping with European broadcasters' general downward trend, the share price of which declined between 19.9% and 42.3%. In France, the terrestrial TV advertising market, which was expected to rise at the beginning of 2007 following its opening to the retail sector, eventually recorded virtually no growth this year. Other European media posted contrasting performances, reflecting diverse competitive situations and varying degrees of maturity in their national markets.

The Company had a market capitalisation of € 2,374.0 million at 31 December 2007. The average number of shares traded on a daily basis in 2007 amounted to 520,879, compared to 414,200 in 2006.

Since the reform of the Euronext Paris Stock Exchange listing of 21 February 2005, the Company's share is now listed in Compartment A (companies whose average market capitalization exceeds € 1 billion). It is also a component of the CAC MID100 and CAC Mid&Small190 indices.

■ COMPARED TRENDS OF M6 SHARE, EURONEXT 100 AND DJ EURO STOXX MEDIA INDICES SINCE 1 JANUARY 2007



■ SHARE DATA SINCE 2002

	2002	2003	2004	2005	2006	2007
Number of shares	131,888,690	131,888,690	131,888,690	131,888,690	131,888,690	129,934,690
High price (€)	35.50	27.68	29.30	25.07	27.52	28.44
Low price (€)	19.50	14.25	18.94	19.12	22.29	17.32
Closing price (€)	20.89	26.02	20.90	23.40	27.06	18.00

12.2 Information policy and documents available to the general public

In order to establish and maintain frequent communication with shareholders and the whole financial community, a large number of meetings, in addition to the Annual General Meeting of 2 May 2007, were organised in 2007, including:

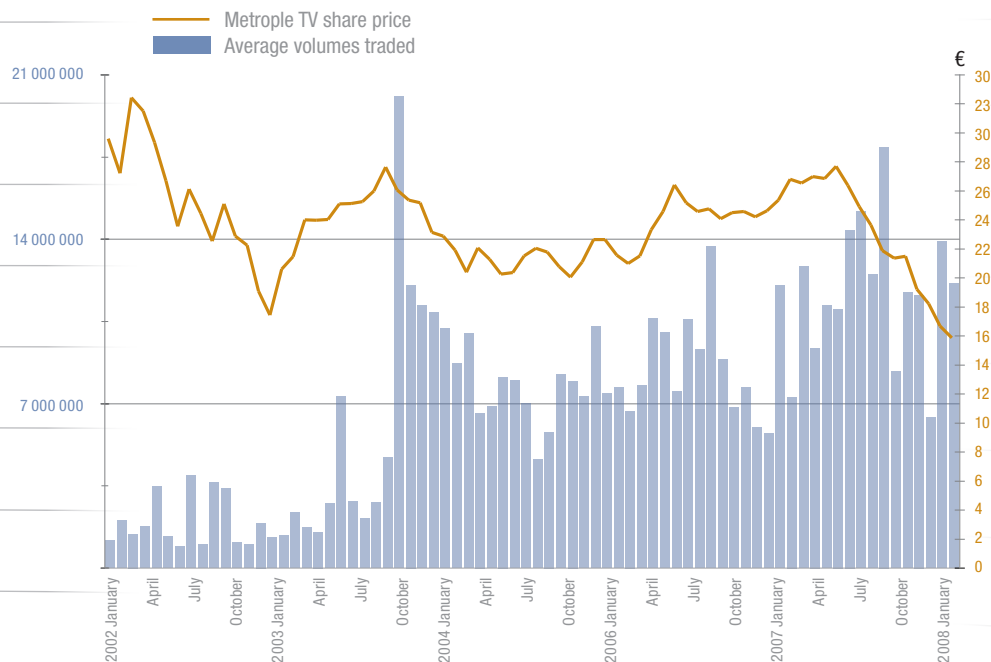
- an annual result presentation meeting;
- a phone conference upon the occasion of the publication of half-year results.

In addition, the Group has taken steps to meet the financial community in France and abroad at the occasion of road shows and investor conferences. Lastly, numerous individual meetings with analysts, investors and managers took place in 2007.

As a result of the efforts made with the financial community, M6 Group had the honour of being nominated for the "Investor Relations" Award organised in November by Question ComFi, SFAF, Nyse Euronext and Middlednext, in the best mid caps Investor Relations team category.

In order to improve the quality and availability of information provided, new sections were added to the www.m6finances.com website, which is dedicated to Group shareholders and investors. This website is regularly updated with our reference documents, latest publications, presentations, press releases, bylaws... in French and in English. In compliance with the Transparency Directive, the website also features a section dedicated to regulatory information, which comprises all required information, and calls on a professional publisher to ensure its effective and comprehensive publication. Lastly, the Shareholders' General Meeting is a privileged time for dialogue and exchange between the Group and its shareholders. A notice is sent to all holders of registered shares and sent to any shareholder upon request.

12.3 M6 share price and trading volume performance



MANAGEMENT REPORT

Date	Traded value	Average closing price (€)	Monthly high (€)	Monthly low (€)	Traded value (€ millions)
2004 January	4,702,017	27.48	29.30	26.00	130.71
February	20,092,974	25.92	28.45	24.45	526.56
March	12,044,250	25.22	28.30	23.22	308.94
April	11,187,213	25.04	26.12	23.83	278.67
May	10,871,677	22.98	24.44	21.60	251.47
June	10,217,074	22.74	23.74	21.84	231.48
July	8,713,417	21.76	23.80	20.60	187.95
August	9,982,569	20.24	21.18	19.14	200.24
September	6,613,623	21.91	23.00	20.46	144.60
October	6,873,562	21.12	22.47	20.07	144.87
November	8,137,349	20.12	21.31	19.47	163.46
December	7,978,258	20.22	21.00	18.94	160.29
2005 January	7,017,033	21.37	22.00	20.20	149.50
February	4,613,010	21.88	22.62	21.18	101.16
March	5,793,573	21.64	22.50	20.90	125.30
April	8,235,525	20.63	21.69	19.56	168.63
May	7,957,168	19.89	20.59	19.12	158.74
June	7,310,855	20.95	21.68	19.96	152.99
July	10,279,858	22.49	23.05	21.11	230.08
August	7,439,025	22.48	23.20	21.71	167.52
September	7,712,411	21.42	22.15	20.90	166.00
October	6,690,850	20.86	21.53	20.06	139.67
November	7,770,319	21.36	22.30	20.62	165.75
December	10,608,354	23.17	25.07	21.57	247.36
2006 January	10,048,792	24.43	25.93	23.35	246.18
February	7,528,877	26.25	27.14	25.12	197.09
March	10,589,672	25.02	25.60	24.21	264.50
April	9,303,744	24.43	25.74	23.21	226.96
May	13,695,431	24.60	26.40	23.15	336.39
June	8,873,899	23.94	25.40	22.29	211.86
July	6,854,558	24.36	25.20	23.20	166.81
August	7,691,345	24.44	25.87	23.31	187.93
September	5,980,897	24.07	24.80	23.40	143.82
October	5,732,695	24.47	24.90	23.91	140.11
November	12,030,676	25.21	26.47	23.80	302.49
December	7,290,447	26.64	27.52	25.37	194.35
2007 January	12,857,899	26.40	27.37	25.25	338.80
February	9,370,686	26.83	27.35	25.31	250.34
March	11,185,511	26.71	27.69	24.95	296.79
April	11,032,376	27.53	28.44	26.01	301.54
May	14,394,036	26.23	27.05	25.25	377.35
June	15,185,569	24.76	26.06	23.71	374.06
July	12,486,583	23.48	24.69	21.61	292.40
August	17,928,990	21.73	23.78	20.98	391.78
September	8,364,253	21.21	22.47	20.18	177.56
October	11,740,682	21.35	23.79	20.16	255.08
November	11,634,874	18.88	20.64	17.70	221.01
December	6,635,709	18.07	18.80	17.32	120.59
2008 January	13,916,538	16.35	18.19	14.52	225.70
February	12,131,237	15.72	17.08	14.80	189.87

Source: Euronext

12.4 Cash dividend policy

Cash dividend distributions over the last 5 financial years were as follows:

(€)	2006	2005	2004	2003	2002	2001
Cash dividend	0.950	0.950	0.840	0.670	0.570	0.570
Tax credit	-	-	-	0.335	0.285	0.285
Gross dividend	0.950	0.950	0.840	1.005	0.855	0.855
Yield (based on closing share price)	3.51%	4.10%	4.02%	2.57%	2.73%	1.78%
(% of Net profit - Group share of continuing operations)	82%	80%	80%	67%	67%	65%

With regard to its financial and cash flow generation situation, M6 Group submitted for approval to the General Meeting of 2 May 2007, in respect of the 2006 financial year, an increase in the distribution rate in order to reach 82% of Group share of consolidated net profit. Thus over the past 5 years, M6 shareholders have benefited from an average annual dividend increase of 10.8%.

In respect of the 2007 financial year, a proposal will be submitted for approval to the Combined General Meeting of 6 May 2008 for the payment of a cash dividend of € 1 per share, corresponding to a payout ratio of 77% of Group share of consolidated net profit of continuing operations, and 80% of M6 TV SA net profit. The yield, based on the closing price, is 5.6%.

12.5 Main shareholders at 31 December 2007

	At 31 december 2007				At 31 december 2006				At 31 december 2005			
	Number of shares	% share capital	Number of voting rights	% voting rights	Number of shares	% share capital	Number of voting rights	% voting rights	Number of shares	% share capital	Number of voting rights	% voting rights
RTL Group	63,089,571	48.55%	44,090,156	34.00%	64,049,571	48.56%	44,748,654	34.00%	64,049,571	48.56%	44,674,874	34.00%
Suez	-	-	-	-	-	-	-	-	6,594,435	5.00%	6,594,435	5.02%
Swilux (CNP Group)	6,614,435	5.09%	6,614,435	5.10%	6,594,435	5.00%	6,594,435	5.01%	-	-	-	-
Treasury shares	257,761	0.20%	-	0.00%	275,002	0.21%	-	0.00%	492,002	0.37%	-	0.00%
Personnel	130,100	0.10%	130,100	0.10%	119,600	0.09%	119,600	0.09%	115,400	0.09%	115,400	0.09%
Institutional & general public	59,842,823	46.06%	59,842,823	46.15%	60,850,082	46.14%	60,850,082	46.23%	60,637,282	45.98%	60,637,282	46.15%
in France	36,374,971	27.99%	36,374,971	28.05%	32,108,096	24.34%	32,108,096	24.40%	32,916,149	24.96%	32,916,149	25.05%
in other countries	23,467,852	18.06%	23,467,852	18.10%	28,741,986	21.79%	28,741,986	21.84%	27,721,133	21.02%	27,721,133	21.10%
Total	129,934,690	100.00%	110,677,514	85.35%	131,888,690	100.00%	112,312,771	85.34%	131,888,690	100.00%	112,021,991	85.25%

At 31 December 2007, some 24,760 shareholders held shares in the Company, according to a Euroclear bearer share survey and to the register of shares held in nominative form.

At that date, 84,219 of these shares were held by members of the Management Board (0.06% of the company's share capital), with a further 2,000 shares held by members of the Supervisory Board.

No legal threshold crossing was brought to the attention of the Company in 2007.

At 31 December 2007, after taking into account declarations of upward and downward legal threshold crossings (1% of the Company's share capital) disclosed to the Company:

- one institutional shareholder held more than 3% of the Company's share capital;
- one institutional shareholder held more than 2% of the Company's share capital;
- and five institutional shareholders held more than 1% of the Company's share capital.

The Company was not aware of any investor, whether institutional or from the general public, that directly or indirectly owned more than 5% of the Company's share capital or voting rights. There are no shareholder agreements currently in existence. No concert action has been brought to the attention of the Company.

By virtue of its corporate purpose and status as an operator of a Free-to-Air and digital television broadcasting license, the Company is governed by a specific legal and regulatory regime which applies in addition to the ordinary provisions, as specified in section 1.2 of the Legal information chapter of this document. This legal framework applies in particular to provisions in terms of shareholders and shareholding. Under the terms of Article 39 of Law no. 86-1067 of 30 September 1986 as amended, as an individual or entity, acting alone or in concert, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a national television service by Free-to-Air terrestrial transmission with a nationwide audience level of more than 2.5%.

The Conseil Supérieur de l'Audiovisuel (CSA) ensures that conditions and data that motivated the granting of the broadcasting authorisation are complied with. The breakdown of the share capital and governing bodies of license holders is such a data pursuant to Article 42-3 of the Law of 30 September 1986 in which light the authorisation was granted. In accordance with the ruling of the Conseil d'Etat, the CSA abandoned the application of the above-mentioned article by including multi-party representation guarantees in the agreement signed with M6. This agreement states that the company must inform the CSA of any substantial change in the amount or distribution of the share capital and voting rights as well as the crossing of thresholds, and that no change liable to result in a change of controlling shareholder may occur without the prior consent of the CSA.

In application of the bylaws revised by the General Meeting of 18 March 2004 (Article 35), following the withdrawal of Suez and the amendment to the CSA agreement signed on 2 February 2004, no other shareholders or group of shareholders acting jointly can own more than 34% of voting rights. Therefore, RTL Group voting rights are limited to 34%. Subject to this provision, voting rights attached to shares are proportional to the portion of the share capital they represent and each share gives the right to one vote. There are no double voting rights.

In accordance with the new regulations on threshold crossing disclosure, and in respect of the obligation of providing continuous information, the Group now discloses at the end of each month the total number of voting rights and shares comprising its share capital (in the event a change occurred since the previous declaration). These new regulations suggest that the total number of voting rights based on "all shares to which voting rights are attached, including shares deprived of voting rights". Therefore, information disclosed by M6 Group comprises a theoretical number of voting rights, calculated according to the new regulation. This document also mentions the number of actual voting rights by taking into account the 34% statutory limit. Measures undertaken in order to prevent unwarranted control are detailed in the report on internal control (Legal Information section 14.6).

12.6 Buyback of company shares

The Combined General Meeting of 28 April 2005 decided in its ninth resolution to allocate existing treasury shares at 31 December 2004 to the following objectives, in accordance with the provisions of European Regulation n° 2273/2003 of 22 December 2003, coming into force on 13 October 2004:

- allocation of free shares, for a maximum of 130,502 shares;
- allocation of share purchase options, for a maximum of 840,530 shares;
- market support, within the framework of a liquidity contract, for a maximum of 176,515 shares.

During the financial year just ended, the Company successively used the two authorisations to buy its own shares that had been granted by the General Meetings of 24 April, 2006 and 2 May 2007.

These authorisations were used within the framework of:

- the activation of the share buyback programme with a view to cancelling them, as indicated on 5 March 2007, within a maximum limit of 10% of the share capital over 3 years;
- the liquidity contract, in accordance with the AFEI Ethics Charter. The implementation of the liquidity contract was entrusted to CA Chevreux investment services on 15 December 2004. Note: the contract was signed for one year, renewable by tacit agreement. The maximum amount of resources allocated to this liquidity contract is 250,000 shares and € 5 million. At the date of implementation of the contract, only 145,500 treasury shares were effectively allocated to the operation of this contract, 104,500 additional shares can thus be transferred to the service provider.

In respect of the share buy back programme 1,960,000 Métropole Télévision shares were acquired in the 2007 financial year with a view to cancelling them, for an overall amount of € 45.25 million.

These acquisitions were made in two tranches:

- acquisition in June and July of 980,000 shares through Oddo Securities, at an average weighted price of € 24.19 (including 480,000 Métropole Télévision shares acquired off-market from RTL Group – Immobilière Bayard d'Antin at the same weighted average price);
- acquisition in July and August of 980,000 shares through CM-CIC Securities, at an average weighted price of € 21.94 (including 480,000 Métropole Télévision shares acquired off-market from RTL Group – Immobilière Bayard d'Antin at the same weighted average price).

The 1,960,000 Métropole Télévision shares were cancelled subsequent to their purchase, thereby reducing the number of shares comprising the share capital to 129,934,690 (including the issue of 6,000 new shares following the exercise of share subscription options by a beneficiary).

483,290 shares were purchased in the 2007 financial year by CA Cheuvreux at an average price of € 23.41 and 399,731 shares were sold at an average price of € 23.83 pursuant to the operation of the liquidity contract, which had treasury shares holdings of 103,559 and cash holdings of € 1,256,106.43 at 31 December 2007. Note: at 31 December 2006, the liquidity contract had treasury share holdings of 20,000 and cash holdings of € 2,896,015.80.

Lastly, on 3 June 2007, 100,800 shares were transferred to the beneficiaries of the free share allocation plan of 2 June 2005, previously authorised by the Annual General Meeting of 28 April 2005. M6 Métropole Télévision also covered, with the implementation of forward purchases, the two free share allocation plans decided on 6 June 2006 and 2 May 2007. The forward purchases concern 440,000 and 200,000 Métropole Télévision shares, with a maturity date of 6 June 2008 and 4 May 2009, and a purchase price of € 25.63 and 25.38, respectively.

12.6.1 REPORT ON THE PREVIOUS SHARE BUYBACK PLAN

The Combined General Meeting of 24 April 2006 authorised the Company to implement a share buyback plan. This share buyback plan was approved by the AMF on 5 April 2006. It was in force up to 2 May 2007, the date of the Combined General Meeting, which approved the new share buyback plan currently in force.

At 24 April 2006, the Company held 381,002 of its own shares.

Between the General Meetings of 24 April 2006 and 2 May 2007, the Company used the authorisation to buy its own shares as follows:

- shares were purchased through the liquidity contract at an average price of € 25.13 and sold at an average price of € 25.52;
- a total of 429,261 shares were purchased and 441,761 shares sold within the framework of this share buyback plan.

Consequently, at 2 May 2007, which is the date of implementation of the new share buyback plan, the Company held 297,502 treasury shares, being 0.22% of its share capital.

Liquidity contract (shares actually held by CA Chevreux)

Number of shares held under the liquidity contract at 24 April 2006	Number of shares purchased under the liquidity contract from 25 April 2006 to 2 May 2007	Number of shares sold under the liquidity contract from 25 April 2006 to 2 May 2007	Number of shares held under the liquidity contract at 2 May 2007
55,000	429,261	441,761	42,500

In addition, 71,000 shares were transferred to beneficiaries of stock option plans during this period, for a total value of € 1.33 million.

12.6.2 REPORT ON THE CURRENT SHARE BUYBACK PLAN

The Combined General Meeting of 2 May 2007 decided in its ninth resolution to approve a Company share buyback plan for a duration of 18 months, allowing the Management Board to purchase Company shares, up to a maximum of 10% of the Company's share capital, in order to fulfil the following objectives:

- activate the Métropole Télévision share secondary market or the share liquidity through a investment service provider, within the framework of a liquidity contract complying with the AFEI Ethics Charter approved by the AMF;
- retain all or some of the purchased shares for future exchange or payment, within the framework of potential operations of growth by acquisitions, providing shares purchased to this end do not exceed 5% of the share capital of the Company;
- allocate shares upon the exercise of rights attached to marketable securities allocated to Group employees and management, in particular within the framework of profit sharing or through a company saving plan or the allocation of free shares;
- allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations;
- cancel shares, subject to the approval of the extraordinary 11th resolution by the Combined General Meeting of 2 May 2007.

The maximum purchase price has been set at € 37 per share. The maximum amount to be committed to this purchase programme was € 487,988,153.

This programme was the object of an information note approved by the AMF on 5 April 2007. During the financial year just ended, the Company used the authorisation to buy its own shares within the framework of the liquidity contract and also with a view to cancelling them.

Summary disclosure table by the issuer of transactions carried out on its own shares from 2 May 2007 to 29 February 2008

Percentage of share capital directly or indirectly held	0.23%
Number of shares cancelled over the past 24 months	1,960,000
Number of treasury shares	303,202
Book value of treasury shares at 29 February 2008	4,769,367
Market value of treasury shares at 29 February 2008	4,742,079

The Company did not use any derivative products within the framework of its share buyback programme.

Total gross flows

	Purchases	Sales / transfers
Number of shares	492,367	385,867
Transaction average price (€)	20.63	21.02
Amounts (€)	10,157,531	8,110,924

12.6.3 DESCRIPTION OF THE NEW SHARE BUYBACK PLAN

A proposal was submitted for approval to the Combined General Meeting of 6 May 2008 for a new share buyback programme according to the following conditions:

- shares involved: ordinary Métropole Télévision shares listed on compartment A of Euronext Paris Eurolist, ISIN code: FR0000053225;
- maximum purchase price: € 30. The maximum amount of the transaction is thus set at € 389,804,070;
- maximum shareholding: 9.77% of the share capital, being 12,694,619, taking account of treasury share held at 29 February 2008, within the regulatory limit of 10%;
- maximum duration: 18 months from the date of the General Meeting.

Shares may be purchased to fulfil the following objectives:

- activate the Métropole Télévision share secondary market or the share liquidity through a investment service provider, within the framework of a liquidity contract complying with the AFEI Ethics Charter approved by the AMF;
- retain all or some of the purchased shares for future exchange or payment, within the framework of potential operations of growth by acquisitions, providing shares purchased to this end do not exceed 5% of the share capital of the Company;
- allocate shares upon the exercise of rights attached to marketable securities allocated to Group employees and management, in particular within the framework of profit sharing or through a company saving plan or the allocation of free shares;
- allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations;

- cancel acquired shares, subject to the approval of the extraordinary 26th resolution by the present Combined General Meeting.

At 29 February 2008, the Company held 303,202 treasury shares, representing 0.23% of the share capital. These shares can be analysed as follows

Treasury share allocation to the different objectives at 29 February 2008			Total treasury shares at 29 February 2008
Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
49,702	0	253,500 shares including 149,000 shares actually held by the contract	303,202 shares

12.7 Treasury shares

At 31 December 2007, M6 held a total 257,761 of its own shares, amounting to 0.20% of its share capital, which were classified on the consolidated Balance Sheet of Métropole Télévision as a reduction of equity at their acquisition cost of € 10.2 million. The number of shares includes the 103,559 shares actually held by the liquidity contract at 31 December 2007.

The table below summarises the allocation of treasury shares held at 31 December 2004, as approved by the General Meeting of 28 April 2005, in accordance with European rule N°2273/2003. It explains the change in volumes of treasury shares according to different objectives for 2005, 2006 and 2007 financial years.

Treasury shares allocated to the different objectives at 31 December 2004			Total treasury shares at 31 December 2004
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Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
130,502 shares	840,530 shares	176,515 actions dont 72,015 shares held by the contract	1,147,547 shares

Changes over the 2005 financial year

Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
0	(611,530)	(44,015)	(655,545) shares

Treasury shares allocated to the different objectives at 31 December 2005			Total treasury shares at 31 December 2005
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Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
130,502 shares	229,000 shares	132,500 shares including 28,000 shares held by the contract	492,002 shares

Changes over the 2006 financial year

Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
0	(209,000)	(8,000)	(217,000)

Treasury shares allocated to the different objectives at 31 December 2006			Total treasury shares at 31 December 2006
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Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
130,502 shares	20,000 shares	124,500 shares including 20,000 shares held by the contract	275,002 shares

Changes over the 2007 financial year

Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
(80,800)*	(20,000)*	83,559	(17,241)

Treasury shares allocated to the different objectives at 31 December 2007			Total treasury shares at 31 December 2007
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Granting of free shares	Granting of share purchase options	Increasing share liquidity within the framework of the liquidity contract	
49,702	0	208,059 including 103,559 shares held by the contract	257,761 shares

* The 20,000 shares held at 31 December 2006 to service the share purchase option plans were reallocated to fund free share allocation plans.

12.8 Share purchase and subscription option plans

12.8.1 INFORMATION ON SHARE PURCHASE AND SUBSCRIPTION OPTION PLANS

In accordance with the authorisation granted by the Combined General Meeting of 2 May 2007, the Management Board decided to grant share options following the approval by the Supervisory Board meeting of 2 May 2007.

The 801,500 options allocation concerns 161 beneficiaries, including Directors of the Company. Note: the option exercise price was set at € 27.52, without any discount to the average share price over the last 20 trading days preceding the implementation of the plan.

This new plan comes within the framework of the remuneration policy by allocating share purchase options and subsequently free shares on an annual basis.

All of these plans are detailed below:

Date of meeting	04/06/99	26/05/00					28/04/04			02/05/07	Total
Date of Board Meeting	19/01/00	30/06/00	07/06/01	07/06/02	25/07/03	14/11/03	28/04/04	02/06/05	06/06/06	02/05/07	
Option type	Purchase	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	
Total number of options allocated	175,000	338,100	551,800	710,500	713,500	20,000	861,500	635,500	736,750	827,500	5,570,150
- of which senior executives	20,000	86,000	113,000	168,000	130,000	20,000	175,000	90,500	90,500	75,500	968,500
- of which the top ten salaried employees	155,000	112,400	89,000	139,500	146,000	-	155,000	108,500	112,500	120,000	1,137,900
Star of exercise of options	19/01/05	01/07/04	08/06/05	08/06/06	26/07/07	15/11/07	29/04/06	02/06/07	06/06/08	02/05/09	
Expiry date	18/01/07	29/06/07	06/06/08	07/06/09	25/07/10	14/11/10	28/04/11	01/06/12	05/06/13	01/05/14	
Subscription and purchase price	44.63	58.58	30.80	28.06	22.48	23.82	24.97	19.94	24.60	27.52	
Subscriptions and purchase options outstanding at 31/12/2006	17,500	189,500	345,300	516,500	588,500	20,000	721,500	587,000	728,750	-	3,714,550
- options allocated	-	-	-	-	-	-	-	-	-	827,500	827,500
- options exercised	-	-	-	-	6,000	-	-	-	-	-	6,000
- lost/cancelled options	17,500	189,500	52,200	76,500	85,500	-	99,000	79,000	97,750	48,250	745,200
Subscriptions and purchase options outstanding at 31/12/2007	-	-	293,100	440,000	497,000	20,000	622,500	508,000	631,000	779,250	3,790,850
Options outstanding on 15/02/2008	-	-	293,100	440,000	497,000	20,000	622,500	508,000	631,000	779,250	3,790,850

12.8.2 10 LEADING STOCK OPTION BENEFICIARIES AND 10 LEADING OPTION EXERCISE TRANSACTIONS BY EMPLOYEES OF THE GROUP (EXCLUDING BOARD MEMBERS)

The 10 leading share option beneficiaries of the option allocation plan of 2 May 2007 were the following:

10 leading beneficiaries of allocation of share subscription or purchase option, excluding board members	Number of options granted	Price (€)	Management Board meeting date
> Options granted - overall information	120,000	27.52	02/05/2007

The 10 leading option exercise transactions in 2007 concerned the following prior allocations:

10 leading subscription or purchase option exercise transactions, excluding board members	Number of shares subscribed to or purchased	Price (€)	Management Board meeting date
> Options exercised - overall information	6,000	22.48	25/07/2003

12.8.3 TRANSACTIONS ON THE SHARE CAPITAL IN THE COURSE OF THE PREVIOUS FINANCIAL YEAR (FROM 22 MARCH) PERFORMED BY BOARD MEMBERS, EXECUTIVE OFFICERS AND RELATED PARTIES.

During the financial year, Board members and Executive officers informed the company of the following transactions on the share capital, performed by themselves or related parties:

Name and position	Nature of the transaction	Date	Number of shares	Price per share	Total
Legal person related to Albert Frère, Member of the Supervisory Board	Purchase of shares	22/06/2007	20,000	24.33 €	486,320€
Zeiler, Gerhard Member of the Supervisory Board	Sale of shares through a legal person (RTL Group SA)	09/10/2007	7,975	23.84 €	190,164 €
Sautter, Rémy Member of the Supervisory Board	Purchase of shares through a legal person (Immobilière Bayard d'Antin SA)	09/10/2007	7,975	23.84 €	190,164 €

12.9 Free share allocation plan

Since the 11th resolution on the allocation of free shares was approved by the Combined General Meeting of 28 April 2005, three free share allocation plans have been implemented, the last of which was proposed by the Management Board on 2 May 2007 and approved on the same day by the Supervisory Board.

This share allocation plan had the following features:

Date of AGM	28/04/2005		
Management Board meeting date	02/06/2005	06/06/2006	02/05/2007
Total of number of shares granted	128,000	480,472	188,306
- to board members	36,200	392,222	25,167
- to the other 10 leading beneficiaries	44,600	34,417	72,846
Date of final vesting	03/06/2007	07/06/2008	02/05/2009
Number of shares delivered at 31 December 2007	100,800	0	0
Number of shares not yet allocated at 31 December 2007	0	437,415	176,800
Allocated shares cancelled between 31 December 2007 and 15 February 2008 due to individuals leaving the Company	0	2,500	0

In addition, Immobilière Bayard d'Antin SA sold to M6 by off-market blocks a total of 960,000 shares as part of the share buyback programme in order to cancel them.

Each of these three plans is subject to beneficiaries being effectively employed by the Group over the two years following the grant. As regards performance conditions, the 2005 and 2007 plans required the achievement of turnover and profitability objectives. 2005 plan objectives were significantly exceeded, resulting in maximum share allocation. Conversely, 2007 plan data provided do not include the revalued number of shares that may be allocated in the event objectives are over achieved. The maximum number of shares was thus set at 272,479. However, due to effective departures to date, 2007 performances and 2008 forecasts, the number of shares to be delivered on 2 May 2009 is estimated today at 212,000.

The ten leading beneficiaries (excluding board members) received a total of 72,846 shares on 2 May 2007, under condition.

In addition, 2005 plan shares were delivered on 6 June 2007. The ten leading beneficiaries, excluding board members, received 39,100 shares.

12.10 General information on the share capital

12.10.1 CHANGES IN THE SHARE CAPITAL AND VOTING RIGHTS

Any change to the share capital or rights conferred by securities that comprise it, must be made in accordance with the provisions of the Bylaws. Share capital increases may only be decided by shareholders at an Extraordinary General Meeting, upon presentation of a report of the Management Board.

Where the Company's share capital is increased by capitalisation of reserves, profits or share issue premiums, the General Meeting must vote in accordance with quorum and majority requirements applicable to Ordinary General Meetings.

12.10.1.1 PAID-IN CAPITAL, NUMBER AND CLASSES OF SHARES

At 31 December 2007, the Company's share capital was € 51,973,876, represented by 129,934,690 fully paid-in shares of the same class with a par value of € 0.40 each.

Date	Description	Nominal amount of capital increase	Number of shares issued/(cancelled)	Share capital value	Total number of shares outstanding
15.09.86	Incorporation of the Company	FF 10,000,000.00	100,000	FF 10,000,000	100,000
16.05.87	Subscription	FF 190,000,000.00	1,900,000	FF 200,000,000	2,000,000
21.05.90	Capital reduction	FF (198,000,000.00)	(1,980,000)	FF 2,000,000	20,000
21.06.90	Share subscription	FF 200,000,000.00	2,000,000	FF 202,000,000	2,020,000
31.12.93	Exercise of share options by employees ¹	FF 6,900,000.00	69,000	FF 208,900,000	2,089,000
06.09.94	5 for 1 share split	-	-	FF 208,900,000	10,445,000
31.12.95	Exercise of share options by employees ¹	FF 4,337,000.00	216,850	FF 213,237,000	10,661,850
31.12.95	Conversion of bonds ²	FF 50,387,700.00	2,519,385	FF 263,624,700	13,181,235
03.12.99	Conversion 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
04.07.07	Capital reduction	€ 392,000.00	(980,000)	€ 52,363,476	130,908,690
03.09.07	Capital reduction	€ 392,000.00	(980,000)	€ 51,971,476	129,928,690
03.09.07	Exercise of subscription options	€ 2,400	6,000	€ 51,973,876	129,934,690

(1) Par value

(2) FF 158,050,720 share premium

12.10.1.2 SHAREHOLDERS' AGREEMENT

No shareholders agreement exists to the best of the Company's knowledge.

12.10.1.3 PLEDGES OF THE ISSUERS' SHARES

Nil.

12.10.1.4 ALIENATION OF SHARES IN ORDER TO REGULARISE CROSS SHAREHOLDING

(Article 251 of the Decree of 23 March 1967)

Nil.

12.10.1.5 TREASURY SHARES

(Article L.233 13 of the Commercial Code)

Controlled companies holding a share in the capital of the Company: Nil.

12.10.1.6 CAPITAL INCREASE RESERVED FOR EMPLOYEES

The most recent General Meeting to consider a proposal to increase the share capital reserved to employees was that of 2 May 2007, which authorised the Management Board, at its sole discretion, in one or more offerings, to increase share capital by issuing ordinary shares for cash and by the granting of free ordinary shares or other securities giving access to the share capital reserved for employees of the Company and its subsidiaries members of a company savings plan, with cancellation of the pre-emption right for an amount not exceeding 0.5% of the nominal share capital par value and for a period of 26 months.

12.10.2 POTENTIAL SHARE CAPITAL

The exercise of all options would lead to the creation of 3,790,850 new shares, which would increase the share capital from 129,934,690 shares at 31 December 2007 to 133,725,540 shares, a maximum potential dilution of 2.92%.

At the same date of 31 December 2007, no option remained to be exercised since the share price was lower than the subscription price.

Notwithstanding this, only the share subscription plan approved at the Board meetings of 25 July 2003, resulted in the exercise of 6,000 share options in 2007, due to the level of subscription prices of the various granting plans compared to the share price.

The maximum potential dilution may be analysed as follows by plan:

Date of General Meeting authorising the plan	26/05/00	26/05/00	26/05/00	26/05/00	28/04/04	28/04/04	28/04/04	02/05/07
Date of Supervisory Board meeting granting the options	07/06/01	07/06/02	25/07/03	14/11/03	28/04/04	02/06/05	06/06/06	02/05/07
Maximum number of shares which may be subscribed upon exercise of all options	293,100	440,000	497,000	20,000	622,500	508,000	631,000	779,250
Vesting date	08/06/05	08/06/06	26/07/07	15/11/07	29/04/06	02/06/07	06/06/08	02/05/09
Expiry date	06/06/08	07/06/09	25/07/10	14/11/10	28/04/11	01/06/12	05/06/13	01/05/14
Potential share capital upon exercise of share options	117,240	176,000	198,800	8,000	249,000	203,200	252,400	311,700
Exercise price (€)	30.80	28.06	22.48	23.82	24.97	19.94	24.60	27.52
Number of shares comprising the share capital	129,934,690	129,934,690	129,934,690	129,934,690	129,934,690	129,934,690	129,934,690	129,934,690
Nominal value per share (€)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Share capital (€)	51,973,876	51,973,876	51,973,876	51,973,876	51,973,876	51,973,876	51,973,876	51,973,876
Number of shares comprising the share capital upon exercise of options	130,227,790	130,374,690	130,431,690	129,954,690	130,557,190	130,442,690	130,565,690	130,713,940
Share capital upon exercise of outstanding share options	52,091,116	52,149,876	52,172,676	51,981,876	52,222,876	52,177,076	52,226,276	52,285,576
Potential dilution arising	0.23%	0.34%	0.38%	0.02%	0.48%	0.39%	0.49%	0.60%

(1) Average weighted subscription price

Non-issued authorised share capital and existing delegations (Article L.225 100 paragraph 7 of the Commercial Code) were as follows:

	Maximum nominal amount of capital increases	Maximum nominal amount of debt securities to be issued	Term of authorisation	Remaining terms (1)	General Meeting	Resolution N°
Capital increase by contributions in cash (2) (delegation of competence to the Management Board)	€ 50 million		26 months	14 months	AGM 02/05/07	12
Capital increase with cancelled pre-emption right (2) (delegation of competence to the Management Board)	€ 50 million		26 months	14 months	AGM 02/05/07	13
Capital increase by contributions in kind (authorisation given to the Management Board)	10%		26 months	14 months	AGM 02/05/07	15
Capital increase reserved for employees (authorisation given to the Management Board)	0.5%		26 months	14 months	AGM 02/05/07	16
Bonds Not giving access to capital (authorisation given to the Management Board)		€ 300 million	5 years	3 years	AGM 14/04/06	8

(1) With effect from AGM of 6 May 2008

(2) the number of shares to be issued may be increased according to the terms and conditions provided by Article L 225-135-1 of the Commercial Code and up to the limits set by the 12th and 13th resolutions of the AGM of 2 May 2007

12.10.3 ACQUISITION BY MÉTROPOLE TÉLÉVISION OF ITS OWN SHARES: CURRENT AUTHORISATIONS AND THEIR USE

	Maximum nominal amount	Term of authorisation	Remaining term	General meeting	Resolution number
Share repurchase programme	(2)	18 months	18 months	AGM 02/05/07	9
Capital reduction	(2)	AGOA 2008	12 mois	AGM 02/05/07	11

(1) With effect from the AGM of 2 May 2007

(2) Within the limit of 10% of the share capital

12.10.4 FORM OF SHARES AND RIGHTS ATTACHED TO SHARES

12.10.4.1 RIGHTS ATTACHED TO SHARES

All shares are part of the same class and hold equal rights to the Company's profits and assets on liquidation. Each share confers the right to a single vote at shareholders meetings. None of the shares entitle their holders to double voting rights.

The right to distributed dividends and interim dividends lapses after 5 years to the benefit of the French state.

12.10.4.2 TRADING IN SHARES

Shares are freely traded on the Eurolist market of Euronext Paris.

12.10.4.3 FORM OF SHARES

Since the Stock Market introduction, shares are held at the option of the holder:

- in pure registered form held in account maintained by CACEIS;
- in administered registered form;
- in identifiable bearer form held in account by an authorised intermediary.

Shares are approved for EUROCLEAR-SICOVAM transactions

12.10.4.4 IDENTIFICATION OF SHAREHOLDERS

The Company is authorised to apply the provisions of French company law at any time to identify holders of shares giving immediate or eventual voting rights at its General Meetings.

12.10.4.5 WITHHOLDING TAX ON DIVIDENDS

A significant overhaul of the tax treatment of dividends was implemented following the adoption of the 2008 French Finance Act. Shareholders now have the option to select a deduction at source of 18% in discharge of income tax for all dividends received (excluding PEA – personal equity plans). This option must be exercised with the intermediary holding the shares, at the payment date of the dividend at the latest.

If the option is exercised, the 18% flat-rate withholding tax will be added to the 11% social contributions, which are automatically deducted at source by the intermediary holding the shareholders' share account from 1 January 2008 (for non-PEA dividends); the option thus discharges dividends from subsequent taxation but do not discharge shareholders from reporting dividends received in their annual income return. If the option is not exercised,

the dividend shall be declared and taxed in accordance with usual conditions. The option is not open to legal entities and non-resident shareholders, who remain taxed according to the specific conditions applicable to them based on their particular situation.

Due to its scope of application, of its irrevocable nature and related consequence (in particular, taxation on 100% of the amount of dividends, early payment of tax, non-deductibility of CSG tax, loss of the tax rebate and annual tax credits applicable to income from shares), we recommend shareholders to contact the intermediary holding their shares or ask for their advice before the dividend payment date, in order to examine the applicability and terms and conditions of the option in the light of the conditions their shares are held (in the event in particular of shares held through an investment holding company), as well as the merit of this option in the light of their personal asset and tax position.

12.10.5 EMPLOYEE SHAREHOLDING

12.10.5.1 M6 GROUP SAVINGS PLAN

Established in September 1994 as a Fonds commun de placement (collective investment scheme), the M6 Group savings plan invests exclusively in Company shares.

At 31 December 2007, the savings plan had 790 unit holders holding indirectly 130,100 shares).

The fund represents 0.10% of the share capital.

12.10.5.2 PURCHASE OF SHARES FOR ALLOCATION TO EMPLOYEES UNDER A PROFIT SHARING AGREEMENT

(Articles L.225 211 paragraph 2 and L.225 208 of the Commercial Code)

Nil.

13. Corporate governance

Métropole Télévision is a public limited company governed by a Management Board and a Supervisory Board.

The Company makes sure it abides by recognised standards and applies the best practices of the Euronext Paris Stock Exchange in terms of governance.

The corporate governance rules of the M6 Group conform to current French legal and regulatory standards and recommendations issued by the various French and European institutions.

The approach is explained in the Report of the Chairman of the Supervisory Board.

Rules applicable to operations performed on financial instruments by executive management

The rules governing operations on financial instruments by executive management are detailed in the company's Ethics Charter.

These rules state that by reason of the nature of their function, and their duties, the executive management of M6, namely the members of the Management Board and the Supervisory Board, may have access to privileged information. "Privileged information" means particular non-public information (turnover, performance, proposals of every kind, etc.) which, if it became public knowledge, might affect the price of the M6 share and more generally its business.

The rules prohibit members of executive management for using such information on the financial market, either for their own account or for any other, whether directly or through a third party, by buying or selling shares or financial products linked to these shares. They must abstain from communicating privileged information for any other purpose or activity than that for which it is held. This also applies to privileged information concerning the ordinary business of the company or the preparation or execution of any financial transaction.

Pursuant to current regulations, executive management is subject to the declaration requirements relating to transaction in shares and restrictions relating to trading periods.

13.1 Management Board

13.1.1 MEMBERSHIP OF THE MANAGEMENT BOARD

The Management Board is appointed for a period of five years and since 22 November 2006, has had four members, all natural persons, designated by the Supervisory Board who are employees of the Métropole Télévision Group and are aged less than 65 years.

Members of the Management Board	Age	Principal function within the Company	Date of first appointment	Expiry date of appointment
Nicolas de Tavernost	57	Chairman of the Management Board	26/05/2000	27/04/2010
Thomas Valentin	53	Deputy Chairman with responsibility for programmes	26/05/2000	27/04/2010
Éric d'Hotelans	57	Deputy Chairman with responsibility for management	14/11/2003	27/04/2010
Catherine Lenoble	58	Member with responsibility for advertising	28/01/2001	27/04/2010

13.1.2 OPERATION OF THE MANAGEMENT BOARD

The Management Board has the widest possible powers to act in all circumstances on behalf of the Company pursuant to Article 18 of the bylaws.

Investments and divestments over € 20 million not provided for in the budget, however, require the prior approval of the Supervisory Board.

The Management Board meets as often as required in the interests of the company and usually once a week.

In 2007, the Management Board met 41 times, with minutes kept for each of these meetings. The Management Board prepares all files to be submitted to Supervisory Board meetings by providing a detailed presentation of the situation of each activity of the Group during the previous quarter. To that end, the Management Board ensures the relevance of operating management indicators presented to the Supervisory Board in order to reflect developments affecting the various activities and businesses.

The Management Board examines and collectively takes decisions on investment projects submitted to it by operating teams. In 2007, the Management Board decided in particular to submit for prior approval by the Supervisory Board investments in an office building in Neuilly-sur-Seine, the acquisition of the minority interests in Téva and Mistergooddeal, as well as the investments in Summit Entertainment in the US and Pages Jaunes Petites Annonces.

The Management Board also approves interim and annual financial statements which are subsequently presented for approval to the Supervisory Board. Lastly, the Management Board decides on the Group's financial communication.

In addition, the Management Board directs the Group's senior executive managers by calling regular meetings of:

- the Executive Committee, comprising the main operational and functional managers, which is in charge of implementing the Management Board's major operational and strategic decisions,
- the Management Committee, comprising the main managers responsible for activities and functional services, which informs the Group on business management.

In 2007, the Executive Committee met 20 times and the management Committee 23 times. Detailed minutes of each meeting were kept and handed out to each member.

Members of the Management Board

Nicolas de Tavernost

Appointments and functions

- *Outside the M6 Group*
 - Member of the Supervisory Board of Ediradio SA
 - Director of Nexans SA
 - Director of Antena 3 (Spain)
- *Within the M6 Group*
 - Director of Extension TV SA; TF6 Gestion SA and Société Nouvelle de Distribution SA
 - Permanent representative of:
 - a. Métropole Télévision in his capacity as Director of Home Shopping Service SA and Mistergooddeal SA;
 - b. Home Shopping Services in his capacity as Director of Télévante Promotion SA
 - c. Métropole Télévision in his capacity as Director of SASP Football Club des Girondins de Bordeaux and Paris Première SA
 - d. Métropole Télévision in his capacity as Chairman of: M6 Publicité SAS; M6 Toulouse SAS; M6 Bordeaux SAS and M6 Foot SAS
 - e. Métropole Télévision in his capacity as a Member of the Shareholders' Committee of Multi4 SAS
 - f. M6 Interactions in his capacity as Chairman of M6 Développement SAS
 - g. Métropole Télévision in his capacity of Managing Partner of SCL du 107, av. Charles de Gaulle

Appointments and functions expiring in the course of the last five financial years

- *Outside the M6 Group*
 - Director of Ediradio SA, Business Interactif and Hôtel Saint-Dominique (in his personal capacity)
- *Within the M6 Group*
 - Permanent representative of:
 - a. M6 Thématique in his capacity as Managing Partner of SEDI TV SNC
 - b. Métropole Télévision in his capacity as Chairman of M6 Affaires SAS
 - c. M6 Thématique in his capacity as Managing Partner of M6 Numérique SNC
 - d. M6 Thématique in his capacity as Chairman of M6 Numérique SAS
 - e. M6 Interactions in his capacity as Chairman of M6 Créations SAS
 - f. M6 Numérique in his capacity as Director of TPS Gestion SA

Thomas Valentin

Appointments and functions

- *Outside the M6 Group*
 - Director of Channel 5 Broadcasting Limited (UK)
- *Within the M6 Group*
 - Chairman of the Board of Directors of M6 Films SA; Métropole Production SA; Chairman of Mandarin SAS; M6 Studio SAS
 - Director of Société Nouvelle de Distribution SA, C. Productions SA, Extension TV SA and TF6 Gestion SA
 - Permanent representative of:
 - a. Métropole Production in his capacity as Director of M6 Diffusion SA
 - b. M6 Films in his capacity as Director of Paris Première SA

Appointments and functions expiring in the course of the last five financial years

- *Outside the M6 Group*
 - None
- *Within the M6 Group*
 - Chairman of W9 Productions SAS
 - Chairman of C.Productions SA
 - Permanent representative of M6 Thématique in his capacity as Director of TPS Gestion SA

Éric d'Hotelans

Appointments and functions

- *Outside the M6 Group*
 - None
- *Within the M6 Group*
 - Chairman of the Board of Directors of Mistergooddeal SA
 - Chairman of Home Shopping Services SA
 - Managing Director of Télévente Promotion SA
 - Chairman of M6 Web SAS; M6 Interactions SAS; Unité 15 Fulfilment SAS and Retail Concept SAS
 - Director of SASP Football Club des Girondins de Bordeaux and Echo6 SAS
 - Permanent representative of:
 - a. Unité 15 Fulfilment in his capacity as Director of Télévente Promotion SA;
 - b. M6 Thématique in his capacity as Director of Paris Première SA;
 - c. M6 Interactions in his capacity as Director of Société Nouvelle Distribution SA;
 - d. Métropole Télévision, in his capacity as Director of M6 Films SA, DIEM 2 SA, C. Productions SA and Métropole Production SA;
 - Manager of Citato SARL

Appointments and functions expiring in the course of the last five financial years

- *Outside the M6 Group*
 - None

- *Within the M6 Group*
 - Chairman of Télévente Promotion SA;
 - Chairman of Téciexpress SAS;
 - Permanent representative of Home Shopping Services, in his capacity as Director of Mistergooddeal SA;

Catherine Lenoble

Appointments and functions

- *Outside the M6 Group*

None
- *Within the M6 Group*

Permanent representative of M6 Publicité in her capacity as Director of M6 Diffusion; M6 Éditions SA; M6 Événements SA; Paris Première SA and Mistergooddeal SA

Appointments and functions expiring in the course of the last five financial years

- *Outside the M6 Group*

Director of Novacor SA (in her personal capacity)
- *Within the M6 Group*

Permanent representative of M6 Publicité in her capacity as Non-Partner Manager of Sedi TV SNC

13.2 Supervisory Board

13.2.1 MEMBERSHIP OF THE SUPERVISORY BOARD

At the date of this report, the Supervisory Board of Métropole Télévision comprised thirteen members, all individuals, appointed for a period of four years. No member of the Supervisory Board was elected by the employees.

In accordance with addendum n°3 to the Agreement between the Company and the Conseil Supérieur de l'Audiovisuel, the Supervisory Board observed that one third of its members are independent, after having considered their position in the light of the independence criteria laid down by the AFEP-MEDEF report of October 2003.

Indeed, the Board found that 6 (six) of its members are independent to date according to those criteria, namely Albert Frère, Gérard Worms, Guy de Panafieu, Bernard Arnault, Jean Laurent, and Gilles Samyn, none of whom has any relationship with the Company, its group or its management that might compromise the free exercise of his judgment.

The members of the Board possess great experience which they make available to the Supervisory Board of Métropole Télévision.

It is consistent practice that any member of the Supervisory Board who has a direct or indirect interest in an issue submitted to the Board does not vote on that issue.

Current Members of the Supervisory Board

Members of the Board	Age	Principal function within the Company	Date of first appointment	Expiry date of appointment	Date of departure
Albert Frère*	82	Chairman	26 May 2000	2008	
Gérard Worms*	71	Deputy Chairman	26 May 2000	2008	
Guy de Panafieu *	65	Deputy Chairman	18 February 2004	2008	
Jean Laurent *	63	Member	18 February 2004	2008	
Remy Sautter	63	Member	26 May 2000	2008	
Bernard Arnault *	59	Member	18 February 2004	2008	
Gilles Samyn *	59	Member	2 May 2007	2011	
Gerhard Zeiler	52	Member	8 March 2002	2008	
Axel Duroux	44	Member	6 February 2007	2008	
Vincent de Dorlodot	43	Member	18 March 2004	2008	
Andreas Walker	42	Member	2 May 2007	2011	
Andrew Buckhurst	42	Member	7 November 2007	2008	
Elmar Heggen	39	Member	22 November 2006	2008	
Axel Ganz	70	Member	7 March 2003		1 January 2007
Constantin Lange	40	Member	7 March 2006		7 November 2007

*Independent member: "a member of the Supervisory Board is independent when he/she has no relationship with the company, the group or its management that may compromise the exercise their freedom of judgement" (source: AFEP-MEDEF Report and Recommendations of October 2003 and January 2007)

The attendance rate is calculated for the effective period of the term of office in 2007, as follows:

Members	Supervisory Board Meetings				
	6 février 2007	5 mars 2007	2 mai 2007	23 juillet 2007	7 novembre 2007
Albert Frère	x	-	-	x	x
Gérard Worms	x	x	x	x	x
Guy de Panafieu	-	x	x	x	x
Jean Laurent	x	-	x	x	-
Rémy Sautter	x	x	x	x	x
Bernard Arnault	-	-	-	-	-
Gilles Samyn	N/A	N/A	N/A	x	x
Gerhard Zeiler	x	x	x	x	-
Axel Duroux	N/A	N/A	x	x	x
Vincent de Dorlodot	x	x	x	x	x
Andreas Walker	N/A	N/A	N/A	x	x
Andrew Buckhurst	N/A	N/A	N/A	N/A	x
Elmar Heggen	x	x	x	x	x
Constantin Lange*	x	x	x	x	-

* Leaving member

A. Current members of the Supervisory Board

Albert Frère

Number of company shares held: 100

Biography and principal functions outside the Company

Albert Frère took an interest in the family business from a very early age before launching determinedly into industry. Along with his associates, he gained control over the entire steel industry of the Charleroi region, diversifying production and modernizing equipment. In 1981, in partnership with other entrepreneurs, he founded Pargesa Holding (Geneva). The following year the company bought into the Bruxelles Lambert SA group (Brussels). The creation of the Pargesa-GBL block led to an international business diversifying into three key sectors: finance, energy/services and audiovisual communications. He is notably a Grand Officer of the Order of Leopold (Belgium) and Grand Officer of the Legion of Honour (France).

Appointments and functions

- Chairman of the Board of Directors and Managing Director of Bruxelles Lambert SA Group (Belgium)
- Chairman of the Board of Directors of Frère-Bourgeois SA, ERBE SA, Financière de la Sambre SA; Fingen SA; Stichting Administratiekantoor Frère-Bourgeois
- Deputy-Chairman, Managing Director and member of the Management Committee of Pargesa Holding SA
- Deputy Chairman of the Board of Directors of Suez
- Director of LVMH SA, Château Cheval Blanc SA; Raspail Investissements; Fondation "FRESERTH" (Belgium), Centre TSIRA Asbl
- Permanent representative of Beholding Belgium SA, Director of Arnault SA Group
- Permanent representative of Frère-Bourgeois SA, Manager of GBL Verwaltung SARL (Luxembourg)
- Director of Gruppo Banca Leonardo
- Member of the Board of Directors of the Université du Travail Paul Pastur
- Member of the International Committee of Assicurazioni Generali SpA (Italy)
- Member of the Strategic Committee of the Université Libre de Bruxelles (ULB)
- Honorary Regent of the Banque Nationale de Belgique
- Honorary Chairman of the Charleroi Chamber of Commerce and Industry
- Honorary Councillor for Overseas Commerce

Appointments and functions expiring in the course of the last five financial years

- Chairman of the Board of Directors of Petrofina
- Commissaris of Supervisory Board of Parjointco NV, Agesca Nederland NV and Frère-Bourgeois Holding BV
- Member of the International Consultative Council of the Power Corporation du Canada (Canada)

Gérard Worms

Number of company shares held: 300

Biography and principal functions outside the Company

Gérard Worms graduated from the École polytechnique in 1957 and the École nationale supérieure des mines in 1960. He was Ingénieur en chef des Mines before joining the Rothschild Group in October 1995. After beginning his career as advisor to the Minister for Industry (Olivier Guichard), and later to the Prime Minister (Jacques Chaban-Delmas), he became Managing Director of the Hachette Group and later Managing Director of Rhône-Poulenc, with responsibility for finance and the pharmaceuticals business. He subsequently became Managing Director and then Chairman of the Compagnie de Suez and Chairman of the Banque Indosuez and Chairman of insurance group Victoire. He is Honorary Chairman of the Association Nationale de la Recherche Technique and of the Société d'Économie Politique. As well as being Vice Chairman of Rothschild Europe, since June 2006 he is the current Chairman of COE-Rexecode, one of France's leading economic forecasters, and Chairman of the French National Committee of the International Chamber of Commerce (ICC) since June 2006.

Honour: Officer of the Legion of Honour.

Publication: Les Méthodes modernes de l'économie appliquée (Dunod).

Appointments and functions

- Vice-Chairman of Rothschild Europe
- Director of Éditions Atlas SA
- Member of the Supervisory Board of Publicis SA; Médias and Régies Europe SAD and Paris-Orléans SA
- Censor of ONDEO Degrémont SA

Appointments and functions expiring in the course of the last five financial years

- Chairman of the Board of Directors of SGIM SA
- Member of the Supervisory Board of SIACI SA (2007)
- Managing Partner of Rothschild & Cie Banque and Rothschild & Cie SCS
- Chairman of the theme channel Histoire SA
- Director of Mercapital SA; ONDEO Degrémont SA; Paris-Orléans SA, SIACI SA and Cofide SA (2007)
- Censor and member of the Supervisory Board of Francarep SA

Guy de Panafieu

Number of company shares held: 100

Biography and principal functions outside the Company

Guy de Panafieu is Senior Advisor to Calyon Corporate and Investment Bank, Chairman of the India Committee of Medef International and Deputy Chairman of the Business and Industry Advisory Committee (BIAC) of the OECD. He was Chairman of the BULL Group from 1997 to 2001. From 1983 to 1997 he worked in the Lyonnaise des Eaux group, in

various management posts and latterly as Deputy Chairman and Managing Director. From 1968 to 1982 he worked in the Ministry of Economics and Finance with various responsibilities in the department of foreign trade and international economic relations. From 1978 to 1981 he was a technical adviser to the President of the French Republic on questions of international economics. He is a graduate of the Institut d'études politiques de Paris, licencié des lettres et sciences économiques, and a former finance inspector.

Appointments and functions

- Chairman of the Supervisory Board of Gras Savoye SCA
- Member of the Supervisory Board of IDI SCA
- Member of the Board of Directors of SANEF

Appointments and functions expiring in the course of the last five financial years

None

Jean Laurent

Number of company shares held: 110

Biography and principal functions outside the Company

Jean Laurent is a civil aeronautical engineer (École nationale supérieure de l'aéronautique) and holds a Master of Science degree from Wichita State University (USA).

His entire career has been with the Crédit Agricole Group. He was successively Deputy Director of the Caisse régionale de Toulouse and of the Caisse régionale du Loiret, before being appointed Deputy Managing Director of the Caisse régionale de Paris et d'Ile-de-France. He joined CNCA as Central Director in 1993 and was Deputy Managing Director from 1994 to 1999. He was Chairman of the Board of Directors of Calyon from 2000 to May 2007, as well as Director of Crédit Agricole Indosuez (which became Calyon in May 2004) since 1997.

Jean Laurent was Chairman of the Board of Directors of Crédit Lyonnais from 2003 to the end of 2005. He is also a member of the Executive Committee of the Fédération bancaire française (FBF), of which he was the first Chairman (from January 2001 to June 2002).

Appointments and functions

- Member of the Supervisory Board and Financial Committee of Eurazeo SAD
- Director, Chairman of the Corporate Responsibility Committee and Member of the Appointment and Remuneration Committee of Danone SA Group
- Chairman of the Board of Directors of Institut Europlace de Finance (Association Loi 1901)
- Chairman of Crédit Agricole Egypt SAE
- Chairman of Pôle de Compétitivité Finance Innovation

Appointments and functions expiring in the course of the last five financial years

- Chairman of the Board of Directors of CALYON SA
- Director and Deputy-Chairman of Banco Espírito Santo SGPS (Portugal)

- Director of Banca Intesa SPA (Italy), Sofinco, Banque de Gestion Privée Indosuez, Crédit Agricole Asset Management, Amacam and SA Rue Impériale
- Managing Director and Chairman of the Executive Committee of Crédit Agricole SA and Deputy Managing Director of Caisse Nationale de Crédit Agricole
- Chairman of the Board of Directors of Crédit Lyonnais SA
- Member (Associations Loi 1901) of: the Executive Committee of Fédération Bancaire Française, the Council of Association Française des Banques and Paris- Europlace, the Bureau of the Association Française des Etablissements de crédits et des entreprises d'investissements
- Vice-Chairman of Pacifica, Prédica and Banca Intesa
- Chairman and Director of the management Committee of CEDICAM
- Director and Chairman of Union d'Études et d'Investissement, Segespar
- Member of the Conseil National du Crédit et du Titre

Rémy Sautter

Number of company shares held: 690

Biography and principal functions outside the Company

Rémy Sautter has a law degree and is a graduate of the Paris Institut d'études politiques and of the École nationale d'Administration. He began his career in the Caisse des dépôts et consignations (1971-1981) before being appointed technical advisor on Financial and Budgetary Matters in the Ministry of Defence (1981-1983).

He then worked as Finance Director of Agence Havas from 1983 to 1985 and Deputy Chairman and Managing Director of RTL Radio until 1996. Rémy Sautter was Managing Director of CLT-UFA until 2000 and Chairman and Managing Director of RTL Radio until 2002, since December 2002 he has been Chairman of the Supervisory Board of Ediradio that operates RTL Radio.

Appointments and functions

- Chairman and Managing Director of Immobilière Bayard d'Antin SA
- Chairman of the Supervisory Board of Ediradio SA (RTL)
- Chairman of Five/Channel 5 Television Group Ltd
- Director of SERC SA(Fun Radio),
- Director of SASP Football Club des Girondins de Bordeaux.
- Director of Pages Jaunes SA
- Member of the Supervisory Board of INSERT and NAVIMO (Duke Street Capital)
- Director of Taylor Nelson Sofrès Ltd
- Director of Partner Reinsurance Ltd
- Director of Thomson
- Censor of H.G.L gestion
- Director of TVI SA Belgique
- Permanent representative of CLT-UFA, director of SODERA SA (RTL2)
- Permanent representative of Ediradio, director of IP France SA
- Permanent representative of Bayard d'Antin, director of IP régions SA

Appointments and functions expiring in the course of the last five financial years

- Chairman and Managing Director of Ediradio SA
- Director of Wanadoo SA, IP France (2007), IP Régions (2007) and SODERA (2007)
- Chairman of SICAV "multimedia and technologies"

Bernard Arnault

Number of company shares held: 100

Biography and principal functions outside the Company

Bernard Arnault's chosen career was as an engineer, working for Ferret-Savinel. In 1974 he became the firm's Construction Director, Managing Director in 1977 and finally Chairman from 1978 until 1984, when he became Chairman and Managing Director of Financière Agache SA and Christian Dior SA. He then undertook the reorganisation of the Financière Agache group as part of a development strategy focussing on prestige brand names, making Christian Dior the cornerstone of the new structure.

In 1989 he became the majority shareholder of LVMH Moët-Hennessy-Louis Vuitton, thus creating the first worldwide luxury group. He became its Chairman in January 1989 to this day.

Appointments and functions

- Chairman and Managing Director of LVMH Moët-Hennessy-Louis Vuitton SA (France)
- Chairman of the Board of Directors of Christian Dior SA (France) and Louis Vuitton pour la Création, Fondation d'entreprise (France)
- Chairman of Groupe Arnault SAS (France)
- Director of: Christian Dior Couture, SA (France), Raspail Investissements SA (France), Société Civile du Cheval Blanc (France) and LVMH Moët-Hennessy-Louis Vuitton (Japan) KK Japon
- Member of the Supervisory Board of Lagardère SCA (France)

Appointments and functions expiring in the course of the last five financial years

- Chairman and Managing Director of Montaigne Participations et Gestion SA (France)
- Director of Vivendi Universal, SA (France) and Moët Hennessy Inc. (USA)
- Legal representative of Montaigne Participations and Gestion, Chairman of Gasa Développement SAS (France) and Société Financière Saint Nivard SAS (France)
- Permanent representative of Montaigne Participations et Gestion, Director of Financière Agache SA (France)

Gilles Samyn

Number of company shares held: 100

Biography and principal functions outside the Company

Gilles Samyn, aged 59 and a French national, is a sales engineer graduate from Ecole de Commerce de Solvay (Université Libre de Bruxelles, Belgium). He is currently the Managing Director of FRERE Group and Deputy-Chairman and Managing Director of COMPAGNIE NATIONALE A PORTEFEUILLE (CNP).

Appointments and functions

- Managing Director of Frère-Bourgeois SA, Belholding Belgium SA, Carpar SA, Erbe SA, Europart SA, Fibelpar SA, Financière de la Sambre SA, Fingen SA, Investor SA, SLP SA., Société des Quatre Chemins SA;
- Chairman of Centre de Coordination de Charleroi SA, Distripar SA, Erbe Finance SA, Financière FLO SA, Groupe FLO SA, Groupe Jean Dupuis SA, Helio Charleroi Finance SA, Kermadec SA, Solvay Business School Alumni A.S.B.L., Swilux SA, Transcor Astra Group SA, Unifem SAS;
- Deputy-Chairman and Managing Director of Compagnie Nationale à Portefeuille;
- Chairman and Managing Director of Manoir de Roumont SA;
- Director of Acide Carbonique Pur SA, AOT Holding SA, Banca Leonardo SpA, Belgian Sky Shops SA, Cheval des Andes (ex. Opéra Vineyards SA), Entremont Alliance SAS, Filux SA, Gesecalux SA, Groupe Bruxelles Lambert SA, MESA SA, Société Civile du Château Cheval Blanc, Pargesa Holding SA, Stichting Administratiekantoor Frere-Bourgeois, Swifin SA, Tikehau Capitak Advisors SAS;
- Representative of Société des Quatre Chemins SA, Chairman of the Board of Directors of Finimpress SA;
- Commissaris of Agesca Nederland NV, Frere-Bourgeois Holding BV and Parjointco NV;
- Censor of Marco Polo Capital SA;
- Liquidator of Loverfin SA;

Appointments and functions expiring in the course of the last five financial years

- Member of the Supervisory Board of Bertelsmann AG (2006), Groupe Entremont SAS (2005), Imerys SA (2005)
- Member of the Management Board of Groupe Taittinger SA (2005)
- Chairman of Gargefin SA (2005), FEM SA, Fomento de Construcciones y contratos (2003), Helio Charleroi SA (2004),
- Deputy-Chairman des Hopitaux Saint Joseph Sainte Thérèse & IMTR Asbl (2004), Project Sloane Ltd (2005)
- Director of Eiffage SA (2007), Fortis Banque SA (2003), FREE Asbl (2005), Gib SA (2004), Loverfin SA (2003), Petrofina SA (2003), Quick SA (2005), Rtl Group SA (2006), Swilux SA (2003), Taittinger CCVC (2005), The Polaris Centre Asbl (2006)
- Representative of Compagnie Immobilière de Roumont SA: Chairman of the Board of Directors of Editions Dupuis SA (2005), Chairman of Groupe Jean Dupuis SA (2003),
- Representative of Compagnie Nationale à Portefeuille, Director of Société du Louvre SA (2005)

Gerhard Zeiler

Number of company shares held: 100

Biography and principal functions outside the Company

Gerhard Zeiler was appointed by Bertelsmann as CEO of RTL Television in November 1998 and continued until March 2003, when he was appointed CEO of the RTL Group. In September 2005 he decided to concentrate exclusively on his work in the RTL Group. In his capacity as CEO of the RTL Group, Gerhard Zeiler is also a member of the Supervisory Board of M6 France. Since October 2005 he has also been a member of the Management Board of Bertelsmann AG, the main shareholder in RTL Group. In August 2006, the Board of Directors of RTL Group renewed Gerhard Zeiler's contract as CEO until May 2011. Gerhard Zeiler began his career as a journalist before becoming spokesman for the Austrian Minister for Education and the Arts, retaining this position when the Minister became Federal Chancellor of Austria in 1983. Then he became Secretary General of the Austrian public broadcaster ORF from 1986 to 1990. After two years as CEO of Tele 5 and another two as CEO of RTL II, he was appointed CEO of ORF in 1994, remaining until November 1998.

Appointments and functions

- Director and Managing Director of RTL Group SA and CLT-UFA SA (Luxembourg)
- Chairman of the Board of Directors of M-RTL ZRT (Hungary)
- Chairman of the Supervisory Board of RTL Television GmbH (Germany) and RTL Radio Deutschland GmbH (Germany)
- Member of the Supervisory Board of RTL Hrvatska doo za usluge (Croatia)
- Permanent representative of CLT-UFA SA, Director of Ediradio SA
- Member of the Management Board of Bertelsmann AG (Germany)

Appointments and functions expiring in the course of the last five financial years

- Manager of RTL Television GmbH, RTL Group Deutschland GmbH and UFA Film-Und Fernseh GmbH (Germany)
- Chairman of the Board of Directors of Broadcasting Center Europe SA, Channel 5 Television Ltd and Freemantle Media SA
- Member of the Supervisory Board of Nachrichtenfernsehen Beteiligungs- GmbH (N-TV) and Ediradio SA

Axel Duroux

Number of company shares held: 100

Biography and principal functions outside the Company

Axel Duroux, aged 44 and a French national, is the holder of a master's degree in international law, a DEA in Law and a DESS from Institut Français de la Presse. Axel Duroux was successively a reporter for the SIPA agency and a journalist for LA CINQ (1986-1992), prior to his appointment as Communication Advisor to the Chairman of IBM

France (1992). He then joined the CLT-UFA Group (which subsequently became RTL-GROUP) in 1994 as managing Director of M 40, entrusted with the mission of creating the RTL2 radio. He was appointed Chairman of Fun Radio in 1998. From 2000 to 2004, Axel Duroux was Chairman and Chief Executive Officer of Endemol Development and Vice-Chairman of Endemol France, a subsidiary of the European leader for audiovisual production. In November 2004, he was appointed Advisor to the executive management of RTL-GROUP in Luxembourg. Since 2005, Axel Duroux has been responsible RTL Group's French radio division: RTL, RTL2, Fun Radio and advertising agency IP France. He is also a director of CLT-UFA.

Appointments and functions

- Permanent representative of Bayard d'Antin SA, Director of Médiamétrie
- Permanent representative of IP France SA, Director of IP Régions
- Chairman of the Management Board of Ediradio SA
- Representative of the Radio Committee of Médiamétrie
- Chairman of the Board of Directors of IP France SA, SERC SA (FUN Radio), SODERA SA (RTL 2)
- Chairman of RTL Net SAS
- Member of the Supervisory Board of Europacorp SA
- Director of CLT-UFA
- Joint Manager of Information & Diffusion SARL:
- Manager of SCP SARL
- Managing Partner of RTL Fun développement SARL

Appointments and functions expiring in the course of the last five financial years

None.

Vincent de Dorlodot

Number of company shares held: 100

Biography and principal functions outside the Company

Vincent de Dorlodot was appointed General Counsel of the RTL Group in April 2000. A law graduate from Louvain University (Belgium) and Leiden University (Netherlands), Vincent de Dorlodot also holds a Masters in law from Duke University (USA). He began his career in 1990 as a lawyer with Brandt, Van Hecke et Lagae (now Linklaters De Brandt). He later joined the Bruxelles Lambert Group as a legal advisor in 1995 before joining the RTL Group in 2000.

Appointments and functions

- General Counsel of RTL Group SA
- Chairman of the Board of Directors of B & CE SA (Luxembourg)
- Director of Audiomedia Investments SA; CLT UFA SA, RTL Group Germany SA (Luxembourg) and Soparad Holding SA

Appointments and functions expiring in the course of the last five financial years

- Chairman of the Board of Directors of FremantleMedia SA
- Director of CLT-UFA Holding SA; LUXAIR SA; RTL 4 Radio SA (Luxembourg); Sportfive SA (France); IP Polska SP ZOO (Poland) and Suprafin SA (Belgium)

Elmar Heggen

Number of company shares held: 100

Biography and principal functions outside the Company

Aged 39 and a German national, Elmar Heggen graduated from the European Business School and with an MBA in Finance. He began his career in 1992 with the Félix Schoeller group. He became Deputy Chairman and Managing Director of Felix Schoeller Digital Imaging in the United Kingdom in 1999 and joined the Head Office of the RTL Group in 2000 as Deputy Chairman of mergers and acquisitions. In January 2003 he was named Senior Deputy Chairman of Investment and Control activities and fulfilled the role of Deputy Chairman of control and strategy from July 2003 to December 2005. As a member of RTL Group's Management team from January 2006, Elmar Heggen was in charge of the group's operational development in emerging markets in Southern, Central and Eastern Europe, in radio activity and the Belgian market.

Since 1 October 2006, Elmar Heggen is the Chief Financial Officer and Chairman of RTL Group, Corporate Center.

Appointments and functions

- Chief Financial Officer, Head of Corporate Center and Luxembourg Activities of RTL Group SA
- Executive Director of RTL Group Central and Eastern Europe SA (Luxembourg)
- Chairman of the Board of Directors of Broadcasting Center Europe SA; MediaAssurances SA (Luxembourg) and Audiomedia Investments SA (Belgium)
- Chairman of the Supervisory Board of RTL Hrvatska Doo (Croatia)
- Director of CLT UFA SA; RTL Group Germany SA; RTL 9 SA; Fremantle Media SA (Luxembourg); INADI SA; Immobilière Bayard d'Antin SA; Sportfive SA (France); Radio H SA; TVI SA (Belgique); Media Holding Ren TV (Russia); Antena 3 de Television SA (Spain); RTL TV Doo;
- Member of the Supervisory Board: Ediradio SA (France) and RTL Nederlan Holding BV (Germany)
- Permanent representative of Immobilière Bayard d'Antin, Director of IP France SA;
- Manager of RTL Radio Deutschland GMBH; RTL Radio Berlin GMBH; CLT Multi Media GmbH; UFA Film und Fernseh GmbH; RTL Group Vermögensverwaltung GmbH; RTL Group Deutschland GmbH; RTL Group Central and Eastern Europe GmbH (Germany); S5 Sarl (Luxembourg); RTL Television GMBH

Appointments and functions expiring in the course of the last five financial years

- Director of Sportfive SA, Media Capital SA, M-RTL zrt (2007) and Radio H SA (2007)
- Manager of RTL Radiovermarktung GmbH & Co KG

B. Members of the Supervisory Board whose co-option is subject to ratification by the General Meeting of Shareholders

Andrew Buckhurst

Number of company shares held: 100

Biography and principal functions outside the Company

Andrew Buckhurst, aged 42 and a British national, began his professional career in the UK with Ernst & Young as a Chartered Accountant. He subsequently joined AEA Technology as a Financial Analyst. In 1995, he was Treasury Controller for the ORIFLAME International Group in Belgium, prior to being appointed Regional Financial Controller in Athens. He joined RTL Group in August 2000 as financial Controller. From 2003 to 2006, he headed the External Communication Department in addition to his duties as Investor Relations Officer. Andrew Buckhurst is Deputy CFO of RTL Group, in charge of investor relations.

Appointments and functions

- Director of Bertelsmann Capital Investment SA (SICAR)
- Director of Bertelsmann Digital Media Investments SA
- Director of Channel 5 Broadcasting Limited
- Director of CLT-UFA UK Television Ltd
- Director of Hei Elei Film Production SA
- Member of the Supervisory Board of M- RTL zrt

Appointments and functions expiring in the course of the last five financial years

None

IMMOBILIERE BAYARD D'ANTIN represented by Fabrice Boé

Number of company shares held by the legal person: 63,089,571.

Biography and principal functions outside the Company by the representative of the legal person

Following his national service in the French Navy, Fabrice Boé worked for L'Oréal Group from 1986 to 2002. From 1990 to 1993, he was Marketing Director of L'Oréal Paris, followed by Managing Director of L'Oréal Paris in Italy from 1993 to 1996. In 1996, he took over as Managing Director of L'Oréal Paris France's mass-consumption goods department. In January 2000, he was appointed Global Managing Director of Helena Rubinstein and then Global Managing Director of Lancôme's luxury product division. From May 2002 to Autumn 2003, he acted as General Manager of Hermès International. Fabrice Boé subsequently joined Prisma Presse in January 2004 as editor of the women's press division in March 2004, after spending 3 months with Gruner+Jahr in Germany. In January 2005, he was appointed Managing Director in charge of the magazine divisions. Fabrice Boé became manager of Prisma Presse Group in July 2005 and, since January 2006, member of the Management Board of Gruner+Jahr. He was elected Chairman of the Association pour

la Promotion de la Presse Magazine in April 2007 and has been a Chevalier de l'ordre national du mérite since June 2007.

Appointments and functions

- Manager of Prima Presse SNC
- Chairman of Bien dans ma Vie SAS

Appointments and functions expiring in the course of the last five financial years

- Manager of PP1, liquidated company,
- Manager of Vivia, SNC

13.2.2 OPERATION OF THE SUPERVISORY BOARD

The Supervisory Board exercises permanent control over the management of the Company and subsidiary by the Management Board and grants the latter the prior approval for operations that it may not perform without such authorisation.

Throughout the year, the Supervisory Board performs whatever verifications and checks it considers appropriate and may call for any documents it requires to fulfil its tasks.

■ INTERNAL REGULATIONS

At its first meeting on 26 May 2000, the Supervisory Board adopted its own internal regulations to detail and complete the Company bylaws so that they now cover its own organisation and functions, in particular regarding its committees.

Reaffirming its commitment to corporate governance, the Supervisory Board, at its meeting on 30 April 2003, completed its own internal regulations to ensure it has the ability and resources to operate efficiently in the service of the Company and its shareholders.

The internal regulations of the Supervisory Board and its committees cover in particular:

- arrangements for Board meetings;
- how the Board exercises its powers;
- membership of Board committees, i.e. the Audit Committee and the Remuneration and Appointments Committee, the purpose and attributions of the Board committees.

■ SELF ASSESSMENT BY THE SUPERVISORY BOARD

The Board reviews its own *modus operandi* once a year at one of its meetings.

In 2007, a questionnaire was handed out to each member to assess the Supervisory Board's operating rules, which each member filled out anonymously.

The following emerged from the review:

- the Board benefits from the independence necessary to carrying out its mission;
- member participation in discussions is of good quality;

- the work of the Audit Committee and Appointment and Remuneration Committee is suitably carried out and covers the matters entrusted to them in a comprehensive and thorough manner.

The information available to Board members is satisfactory owing to the quarterly operating report from the Management Board and attendance of Management Board members at meetings which provide a detailed insight into the Group's operations.

The expert knowledge and experience of the members of the Supervisory Board are specified elsewhere in this Report (See positions held in other companies, in particular media Groups).

The Board has examined the qualifications of each of its members, in order to validate the list of independent directors.

The Supervisory Board meets as often as required in the interests of the Company and at least once a quarter. It met five times in 2007 and the overall attendance rate was 80%.

■ COMPANY SHARES HELD BY MEMBERS OF THE SUPERVISORY BOARD

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

■ DIRECTORS' FEES

The Combined General Meeting on 28 April 2004 allocated € 120,000 for attendance fees to be shared among the members of the Supervisory Board in respect of 2004 and thereafter until decided otherwise. In 2007, as in previous financial years, attendance fees were allocated as follows:

	Theoretical Directors' fee allocation	TOTAL
Chairman of the Supervisory Board	€ 18,000	€ 18,000
Committee Chairmen	€ 12,000	€ 24,000
Committee members	€ 10,000	€ 30,000
Other Supervisory Board members	€ 8,000	€ 48,000

The Management Report details the attendance fees actually paid to individual members of the Supervisory Board (see paragraph 13.3.5 of the Management Report).

13.2.3 COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has had the following two committees since it was established in 2000:

■ AUDIT COMMITTEE

The Audit Committee, first set up in 2000, has a minimum of three and a maximum of five members chosen by the Supervisory Board from among its own members.

Its members were the following:

Members of the Audit Committee		Date of first appointment	Expiry date of appointment	Attendance rate 2007
Guy de Panafieu*	Chairman of the Committee	18 February 2004	2008	100%
Remy Sautter	Member	26 May 2000	2008	100%
Elmar Heggen	Member	22 November 2006	2008	100%

* Independent member

It meets at least twice a year and has the following responsibilities:

- to review the annual financial statements and the Group's interim and quarterly results;
- to consider proposals for the appointment and remuneration of the Statutory Auditors and examine their conclusions.

The Committee met three times in 2007 and the overall attendance rate was 100%.

In 2007 the work of the Committee included:

- scrutiny of the financial statements;
- the 2007/2008 assignments and fees of the statutory auditors;
- risk assessment and management;
- the financial statements as at 30 June and 30 September 2007;
- review of the audiovisual rights portfolio;
- internal audit;
- financial reporting.

In the course of this work the Committee consulted with the Statutory Auditors, the Financial Director and the Accounting and Management Control departments.

To ensure that the Audit Committee is working efficiently, a detailed file is prepared by the Company's financial staff.

The Audit Committee makes recommendations to the Management Board regarding financial reporting, as well as financial, accounting or taxation issues that the company may have to face.

The Audit Committee presents the conclusions of its deliberations to the Supervisory Board at the meetings to discuss the half-yearly and annual financial statements.

■ REMUNERATION AND APPOINTMENTS COMMITTEE

The Remuneration and Appointments Committee, first set up in 2000, has a minimum of two and a maximum of five members appointed by the Supervisory Board from among its own membership.

Members of the Remuneration and Appointments Committees are the following:

Members of the Remuneration and Appointments Committees		Date of first appointment	Expiry date of appointment	Attendance rate 2007
Gérard Worms*	Chairman of the committee	26 May 2000	2008	100%
Gerhard Zeiler	Member	30 April 2003	2008	100%

* Independent member

It meets at least once a year to:

- make proposals for the remuneration of members of the Supervisory Board and of the Management Board;
- examine the proposal(s) for the allotment of stock options and free shares to members of the Management Board and executives;
- ensure that the independence of the Supervisory Board is effective.

The Committee met three times in 2007 with a 100% attendance rate.

At these meetings the Committee decided on:

- the conditions under which share subscription options and free shares are allocated and the list of beneficiaries of these allocations;
- the rules governing the sale of marketable securities by Board members;
- the principles and terms and conditions of the remuneration of the Chairman of the Management Board and other Management Board members, and more particularly in 2007, the application of the provisions of the Law of 30 December 2006 (overall senior executives and board members' remuneration policy) and the Law of 21 August 2007 (TEPA).

For each of its meetings, the Remuneration and Appointments Committee is provided with a file prepared by the Company to give the clearest possible insight into the implications of its decisions.

13.3 Board members' remuneration and fringe benefits

In application of Article L. 225-102-1, paragraphs 1 and 2 of the Commercial Code, the total remuneration received by the Group's Board members, including fringe benefits was as follows.

13.3.1 MANAGEMENT BOARD MEMBERS' REMUNERATION AND FRINGE BENEFITS

Name	Company	Position	Date appointed	Remuneration (€)					
				2006			2007		
				Fixed (1)	Variable		Fixed (1)	Variable	
					Additional remuneration (2) paid in 2007	Performance bonus (2) paid in 2007		Additional remuneration (2) paid in 2008	Performance bonus (2) paid in 2008
Nicolas de TAVERNOST	Métropole Télévision	Chairman	26/05/2000	759,300	300,100	250,000	857,835	267,607	200,000
Thomas VALENTIN	Métropole Télévision	Vice Chairman	26/05/2000	379,160	180,060	150,000	457,412	160,564	125,000
Éric d'HOTELANS	Métropole Télévision	Vice Chairman	14/11/2003	277,324	66,022	45,000	295,295	69,578	27,500
Catherine LENOBLE	M6 Publicité		26/01/2001	247,470	60,873	45,000	268,031	75,126	30,000

(1) including use of a company car for each member of the Management Board, with no other fringe benefits available.

(2) variable remuneration comprising the following two items:

- additional remuneration based on the level of achievement to the Group's objective of consolidated EBITA (before bonus, profit sharing and participations), as defined by the Supervisory Board. As regards Catherine Lenoble, this remuneration is measured on the basis of M6 Publicité turnover objective;
- a Management Board performance bonus determined by the Supervisory Board as a function of an audience criteria measured for all channels held by M6 Group and a gross advertising market criteria, within the limit of a maximum amount set for each individual.

In addition, Board members benefit from a legal retirement benefit at the end of their career, in the same conditions as Group employees.

Lastly, since July 2007, Management Board members benefit, as do all senior executives of the Group, from a compulsory defined contribution supplementary pension plan, building up an individual pension life annuity.

13.3.2 SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO BOARD MEMBERS

Board members benefited from the option allocation plan of 2 May 2007 in the following conditions:

Share subscription or purchase options granted to each Board member	Number of options granted	Price (€)	Expiry date	Plan authorised by AGM dated 2 May 2007
				Allocation date
Nicolas de Tavernost	27,500	27.52	1 May 2014	Board meeting of 02/05/2007
Thomas Valentin	18,000	27.52	1 May 2014	Board meeting of 02/05/2007
Catherine Lenoble	15,000	27.52	1 May 2014	Board meeting of 02/05/2007
Éric d'Hotelans	15,000	27.52	1 May 2014	Board meeting of 02/05/2007

No member of the Management Board exercised previously allocated options.

13.3.3 FREE SHARE ALLOCATION PLAN

In accordance with the authorisation granted by the Combined General Meeting of 28 April 2005 in its 11th resolution, the Management Board decided on 2 May 2007 to grant free shares following the approval by the Supervisory Board on the same day.

This share allocation plan relates to 188,306 shares granted to 73 beneficiaries under the conditions of being members of staff on 2 May 2009.

In that respect, Board members benefited from the following allocation of shares, after approval by the Supervisory Board and upon the proposal of the Remuneration Committee:

Shares granted free of charge to each Board member	Number of shares granted*	Share price on allocation date (€)	Expiry date	Plan approved by the AGM of AGM of 28 April 2005 Allocation date
Nicolas de Tavernost	11,000	26.55	2 May 2009	Board meeting of 02/05/2007
Thomas Valentin	7,200	26.55	2 May 2009	Board meeting of 02/05/2007
Catherine Lenoble	6,000	26.55	2 May 2009	Board meeting of 02/05/2007
Éric d'Hotelans	6,000	26.55	2 May 2009	Board meeting of 02/05/2007

* Maximum attributable number of shares, subject to achievement of 2007 performance condition.

Based on results reported by the Management Board at 28 February 2008, only a total of 25,490 shares should be granted to Board members in May 2009.

13.3.4 SEVERANCE PAY

All Board members cumulate an employment contract and their position as members of the Management Board. However, the Chairman of the Board's employment contract has been suspended since 6 December 1990.

In respect of their employment contract and in the sole case of a break at the initiative of the Company, except cases of services or gross misconduct, it is provided that compensation will be payable to every member of the Management Board, including its chairman. This would be based on their fixed and variable remuneration of the past 12 months.

As regards Mr. de Tavernost, the Supervisory Board decided, upon proposal by the Remuneration Committee, to attach severance pay to his position as member of the Management Board. As compensation for the provision of severance pay in respect of his position as member of the Management Board, Mr de Tavernost waived the severance pay condition previously provided by his employment contract.

In addition, in application of the provisions of the TEPA Law dated 21 August 2007, the Supervisory Board approved the proposal of the Remuneration Committee that added a condition of performance to provisions existing between the Company and each member of the Management Board in respect of severance pay (a). The application of the Law thus modified provisions applicable to severance pay for all members of the Management Board (b).

(a) New performance condition

The Supervisory Board decided to make the payment of severance pay for the benefit of members of the Management Board subject to the fulfilment of the following performance condition.

Profit from operations (EBITA) of Métropole Télévision for the 36 months prior to the termination of contract shall at least equal to 80% of the budgeted objective, as approved by the Supervisory Board. The amount of severance pay shall then be calculated in proportion (between 80% and 100% of its reference amount) of the percentage of profit from operations (EBITA) achieved compared to the budgeted objective. No severance pay shall be paid when profit from operations (EBITA) for the past 36 months prior to the termination of contract proved lower than 80% of the budgeted objective.

Payment of severance pay is subject to prior approval by the Supervisory board, which will verify that the performance condition was fulfilled.

(b) Terms and conditions applicable to severance pay of each member of the Management Board

Nicolas de Tavernost benefits, in addition to legal and conventional severance pay due in respect of his employment contract, from severance pay in the event of his departure or termination of his position as member of the Management Board, subject to the above-mentioned new performance condition, equal to 24 months of gross monthly remuneration, measured on the basis of his total fixed and variable gross remuneration of the past 12 months preceding the termination of his position as Chairman of the Management Board.

Catherine Lenoble, Thomas Valentin and Eric d'Hotelans, who cumulate an employment contract and their positions as members of the Management Board, benefit, in respect of their work contract, of severance pay equal to 24 months of fixed and variable gross monthly remuneration, excluding performance bonuses, received in respect of the last 12 months preceding the termination of their employment contract. Note that severance pay includes legal and conventional indemnities that would be due to them in respect of their seniority. The addition of the performance condition was formalised by the signing of an amendment to their employment contracts, duly authorised by the Supervisory Board.

13.3.5 SUPERVISORY BOARD ATTENDANCE FEES

Pursuant to the decision of the Combined General Meeting of 28 April 2004, which had given its opinion on the amount of directors' fees to be distributed among Management Board members, 2007 directors' fees were allocated as follows

Albert FRERE	€ 18,000
Gérard WORMS	€ 12,000
Guy de PANAFIEU	€ 12,000
Gerhard ZEILER	€ 10,000
Bernard ARNAULT	€ 8,000
Remy SAUTTER	€ 10,000
Elmar HEGGEN	€ 10,000
Jean LAURENT	€ 8,000
Constantin LANGE	€ 6,816
Gilles SAMYN	€ 5,348
Axel DUROUX	€ 7,211
Vincent de DORLODOT	€ 8,000
Andrew BUCKHURST	€ 1,205
Andréas WALKER	€ 5,348

13.3.6 MANAGEMENT BOARD MEMBERS' COMMITMENT TO RETAIN SHARES AND TERMS AND CONDITIONS OF EXERCISE

Within the framework of the Law on the Development of Employee Shareholdings of December 2006, the Remuneration Committee proposed to the Supervisory Board to compel Management Board members to retain, without any conditions, 20% of the shares originating from the exercise of share subscription or share purchase options, as well as shares granted free of charge. This proposal was approved by the Supervisory Board on 3 March 2008 and will apply to all options and shares granted from 31 December 2006.

13.4 Supplementary information on the membership of the Management Board and Supervisory Board

To the best of the Company's knowledge, no member of the Management Board or Supervisory Board, and no company of which any member of the Management Board or Supervisory Board is an agent, general partner or founder, or in which any such member is in any way involved with administration, management or supervision, has been found guilty of fraud, or been subjected to proceedings for bankruptcy, sequestration and/or liquidation, or found guilty of any offence and/or subjected to any public official sanction by any statutory or regulatory authority (including the relevant professional associations), or to any impediment, in the course of the last five years.

To the best of the Company's knowledge, there is:

- no family connection between any members of the Management Board and of the Supervisory Board;
- no potential conflict of interest (as regards the issuer) between the duties of any member of the Management Board or the Supervisory Board and their own private interests and other duties;
- no arrangement or agreement between any member of the Management Board or of the Supervisory Board and any of the major shareholders, clients or suppliers;
- no service contract between any member of the Management Board or Supervisory Board of Métropole Télévision and any of its subsidiaries.

In relation to the restrictions in trading in Company securities implemented by the members of the Management Board and the Supervisory Board, the Supervisory Board has decided, on the recommendation of the Remuneration Committee, to implement the following rules:

- a minimum holding of 100 shares by each member of the Supervisory Board during their term;
- a ban on trading in the Company's shares during periods to be defined annually by the Management Board to prevent insider trading.

Trading ban periods for the 2007 financial year were as follows:

- from 11 January to 2 February 2007;
- from 12 February to 7 March 2007;
- from 10 April to 4 May 2007;
- from 2 July to 25 July 2007; and
- from 16 October to 9 November 2007.

13.5 Statutory Auditors

		Address	Date of first appointment	Expiry date of appointment
PRINCIPAL AUDITORS				
KPMG Audit	Grégoire MENU	1, cours Valmy 92923 Paris-La Défense Cedex	2001	2011
Ernst & Young and others	Bruno BIZET	41, rue Ybry 92200 Neuilly-Sur-Seine	2002	2008*
ALTERNATE AUDITORS				
Guillaume LIVET		1, cours Valmy 92923 Paris-La Défense Cedex	2001	2011
Pascal MACIOCE		41, rue Ybry 92576 Neuilly-Sur-Seine Cedex	2002	2008

* Reappointment proposed to the Combined General Meeting of 6 May 2008

14. Risk management

14.1 Business risks

14.1.1 AUDIOVISUAL AND ADVERTISING MARKET RISKS

M6 operates in a competitive environment in which four TV networks accounted for virtually all TV advertising revenues in France, at least up to the end of 2007.

M6 does not depend particularly on its sales and purchases from a limited number of customers, given the large number of advertisers and producers of programmes.

The advertising TV market primarily serves advertisers of mass consumption products and services.

Regulation changes that result in additional constraints in terms of costs or that lead to uncertainties in the level of advertisers' revenues on this segment can have an influence on the level of their TV advertising investments, and thus have an adverse impact on the Group's advertising revenues. However, the advertising market regularly features the appearance of new industries, which become new development opportunities for the Group. In addition, their significant number, the constant renewal of brands, and the highly competitive environment significantly limit the risks associated with such a concentration.

The advertising market in France is fully transparent, notably following the introduction of the Law of 1 April 1993, otherwise known as the «Loi Sapin».

The advertising market features similarly apply to the Group's digital channels, which however operate on a much smaller scale market for the time being. The Group's digital channels also benefit (except for W9, which is a free DTT channel) from revenues from cable operators and distribution platforms.

For its other activities and sources of revenues, M6 Group has developed a products and services offer essentially focusing on the general public, through major national distribution networks.

14.1.2 CUSTOMER RISKS

In order to secure its advertising revenues, M6 Publicité avails of two major levers:

- solvency surveys, carried out by specialised external companies for some of its recurring advertisers and systematically for its new advertisers;
- payment terms differentiated by industry and amounts involved. General Conditions of Sale provide for the prepayment of advertising campaigns for those advertisers not meeting the required solvency criteria.

Due to this prudent policy, the risk of non-payment of M6 advertising campaigns is less than 0.1% of advertising revenues.

TV advertising: Free-to-air TV and digital TV advertisers

This population of advertisers is highly stable, with more than 90% recurring customers year on year. It virtually only comprises companies listed on the first and second compartments of the Euronext Paris Stock Exchange.

Internet and press advertisers

These customers commit much smaller amounts and primarily operate on a one-off basis. A single team follows up the risk represented by these customers taking account of their industry, unit cost of their campaigns and potential history in the customer base.

There are no individual customer risks of importance that would impact the Group's sustained profitability for its other activities.

The Group neither securitises nor refinances trade receivables.

14.2 Market risks

14.2.1 FOREIGN EXCHANGE RISKS

The Group is primarily exposed to foreign exchange risk through the purchase of audiovisual rights, both for broadcast on its TV networks and for its cinema distribution activity. These purchases are primarily denominated in US dollars.

The foreign exchange risk management policy implemented by the Group is highly prudent: hedging is systematically undertaken at the signing of supplier contracts and is weighted as a function of the underlying risk and contractual maturity.

Only rights acquisition commitments exceeding 24 months are partly hedged.

Instruments used by the Group are primarily forward purchases, and, to a lesser extent, the purchase of foreign exchange options.

The currency forward hedge portfolio is subject to constant follow-up. Maturity dates are reviewed on a monthly bases in connection with operational departments concerned.

The Group's exposure to the foreign exchange risk may be analysed as follows:

€ millions (1)	USD	Total
Assets	3.1	3.1
Liabilities	(4.3)	(4.3)
Off-Balance Sheet	(57.8)	(57.8)
Unhedged position	(59.0)	59.0
Hedges	54.5	54.5
Net exposed position	(4.5)	(4.5)

(1) at closing price: € 1 = USD 1.4417

At 31 December 2007, the full balance sheet exposure was hedged, as well as 90% of off-balance sheet commitments.

The Group's US dollars net exposed position for all its activities is € 4.5 million put position, which would yield a € 0.05 million loss in the event of an unfavourable foreign exchange movement of € 0.01 against the US dollar.

14.2.2 INTEREST RATE RISK

I. MATURITY SCHEDULE OF FINANCIAL DEBT AND FINANCIAL ASSETS AT 31 DECEMBER 2007

(€ millions)	< 1 year	1 to 5 years	> 5 years	Total
Variable rate financial debt	(1.2)	(5.9)	0.0	(7.1)
Other unexposed financial debt	0.0	0.0	0.0	0.0
Total financial debt	(1.2)	(5.9)	0.0	(7.1)
Variable rate financial assets	89.1	7.4	0.0	94.0
Other unexposed financial assets	0.0	0.0	0.0	0.0
Total financial assets	89.1	7.4	0.0	96.5

Financial debt includes leases of € 0.7 million.

II. ANALYSIS OF EXPOSURE OF VARIABLE RATE NET POSITIONS

(€ millions)	Variable rates		unexposed	Total
	< 1 year	> 1 year		
Financial liabilities	(1.2)	(5.9)	0.0	(7.1)
Financial assets	89.1	7.4	0.0	96.5
Net position	87.9	1.5	0.0	89.4

Group variable rate position is positive by € 89.4 million. This position is primarily comprised of OPCVMs (monetary cash instruments), which all comply with criteria of IFRS 7, as well as variable rate loans, in compliance with M6 Group deposit procedures (described in section 4 "Cash flow management policy").

The Group had the following debts at 31 December 2007:

- the portion of debts towards other shareholders in jointly owned companies;
- a lease implemented by a subsidiary to finance facilities.

14.2.3 SHARE RISK

To the extent that the Group does not own any listed financial asset, share risk exposure only relates to treasury shares.

In consolidated financial statements, treasury shares are recorded at their acquisition cost as a reduction of equity. Therefore, M6 Group share price movements have no impact on the Group's consolidated financial statements.

In the parent company financial statements, the net value of treasury shares is aligned with the corresponding asset at the listed share price, except for treasury shares held with a view to funding free share allocation plans, the net value of which is written down to zero over a two-year period.

The overall net position of the treasury share portfolio is € 3.8 million and 208,059 shares at 31 December 2007. A 10% movement in the M6 share price would have a € 0.4 million impact on the value of treasury shares.

14.2.4 LIQUIDITY RISK

M6 Group is not exposed to any liquidity risk, in light of its net financial position and since it does not use credit derivatives.

14.3 Legal risks

14.3.1 REGULATORY RISKS

M6 operates a private terrestrial TV network, whose signals are broadcast unscrambled and free of charge throughout continental France. It is primarily financed by advertising revenues.

M6 was authorised on 1 March 1987, on the basis of Article 30 of the Law 86-1067 of 30 September 1986 subsequently modified, pursuant to the freedom of communication. It has also broadcast since March 2005 in an integrated and similar manner free-to-air in digital mode pursuant to paragraph 111 of Article 30-1 of the Law.

M6 was initially awarded a 10-year broadcasting licence on 1 March 1987. M6's licence was renewed pursuant to the provisions of paragraph 1 of Article 28-1 of the above-mentioned Law of 30 September 1986, for two successive 5-year terms, from 1 March 1997 and 1 January 2002, respectively.

In addition, M6's licence was renewed for two further terms of five years each, the first of which in respect of the launch of digital terrestrial television (Article 82 of Law n° 2000-719 of 1 August 2000), awarded in January 2007. The second renewal will come into force upon the cessation of M6's analogue broadcasting, – planned for 30 November 2011 at the latest – if digital broadcasting of the channel reaches 95% of mainland France in 2011 (Article 96-2 of the Law of 30 September 1986).

M6 is subject to legal and regulatory authorisations provided by the Law of 30 September 1986 and related application decrees. The Conseil Supérieur de l'Audiovisuel ensures that channel meets its obligations. The channel is also bound to this regulatory body in application of Article 28 of the Law of 30 September 1986. This agreement sets the specific rules applicable to M6, due to the extent of the area serviced, of the channel's share in the advertising market, of the obligation of equal treatment between all TV networks and competitive conditions specific to each of them, as well as the development of digital terrestrial radio and television.

Sanctions incurred in the event of non-compliance with commitments are listed in Articles 42 and subsequent of the Law of 30 September 1986: summons, suspension reduction of the broadcasting licence to a single year, monetary sanctions limited to 3% of turnover or 5% in case of repeat offence, cancellation of the licence. Lastly, M6 may not lay claim to the renewal of its licence for a further period of five years, if it has not complied with the commitment to cover the country referred to above.

In order to minimise risks, M6 has put into place a set of control systems that monitors daily its prescribed production and broadcast quotas. In addition, 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.

The main risk identified to date lies in the implementation of Law n° 2007-309 of 5 March 2007 on the modernisation of audiovisual broadcasting and the television of the future.

In particular, this law provides for the extension of digital terrestrial television coverage, the extinguishment of analogue broadcasting on 30 November 2011, the launch of high definition television and personal mobile television, as well as the implementation of an asset-based sub-quota in the audiovisual production financing system.

M6 will meet these new requirements as follows

M6 was granted, following a call for tender, an authorisation to broadcast a high definition television service, the effective launch of which has been set by the CSA for the second half of 2008. Constitution of the multiplex in charge of the HD broadcasting of the TF1, France 2 and M6 channels is ongoing and an amendment to the initial M6 agreement was negotiated with the CSA for the broadcasting of M6 HD.

M6 also fully participates in the extension/extinguishment process. It is subject to the

obligation to gradually extend its digital coverage of mainland France, pursuant to Article 96-2 of the previously-mentioned Law of 30 September 1986, in accordance with the schedule defined by the CSA on 10 July 2007, and allocates the necessary resources to fulfill its commitments.

At the same time, the Group answered the public consultation launched by the CSA with a view to designing the national analogue signal termination schedule, to be approved by the French Prime Minister. Pursuant to Article 99 of the previously-mentioned Law of 30 September 1986, the analogue broadcasting signal will be extinguished from 31 March 2008 at the earliest.

Talks relating to the implementation of an “asset-based” sub-quota began in spring 2007. However, they were interrupted in autumn to look at the wider issues of redefining relations between producers and broadcasters.

Three ongoing or future reforms of the audiovisual sector (see section 9 on 2008 outlook) are also liable to impact Métropole Télévision. However, it is as yet too early to determine what conclusions will originate from this consideration process and new equilibriums that may be found to assess their impact on M6.

The Company is not aware of any new regulations adopted since the beginning of 2007 that could have a significant impact on Métropole Télévision Group.

14.3.2 INTELLECTUAL PROPERTY, FREEDOM OF PRESS, AND PERSONAL PRIVACY

M6 Group's broadcast of audiovisual programmes, whether produced in-house or by third parties, is susceptible to claims of various natures concerning the violation of provisions relating to laws on intellectual property rights, press rights and personal privacy rights.

Such claims relate in particular to certain intellectual property rights, copyright and ancillary rights (performers' rights for instance) paid by the Group in the form of overall royalties, based on a percentage of turnover, to collecting organisations which subsequently distribute them to the beneficiaries.

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, Métropole Télévision Group diversification activities may generate claims regarding the infringement of the aforementioned rights.

Nevertheless, procedures have been implemented within Métropole Télévision 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.

14.4 Major operating risks

The Group does all that is possible to ensure the uninterrupted broadcast of programmes on the M6 TV Network and on digital channels it controls.

Any exceptional event resulting in the inability to access the different buildings of the Métropole Télévision Group would have a major impact on its activity. For this reason, the Group this year strengthened procedures guaranteeing continuity of service for key processes by locating them at an extremely secure external site.

14.4.1 BROADCASTING AND TRANSMISSION SIGNAL BREAK RISKS

M6 programmes are currently received by French households through the following transmission means:

1 – Analogue transmission:

- electromagnetic beams from 107 main transmission sites and 856 retransmission sites operated by TDF, fed by the AB3 satellite;
- satellite transmission (Atlantic Bird 3 for unscrambled transmission);
- cable TV transmission (“must-carry analogue” 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 analogue and satellite network.

TDF is the sole television signal transmission operator in France, as there is no other alternative offer that could act as a substitute for the TDF network, except a limited number of sites of the secondary network.

2 – Digital transmission:

- by the 113 main transmission sites authorised by the CSA;
- by Astra for satellite transmission;
- by the DTTSAT system upon request from the lawmaker; and
- by cable.

Within the framework of the launch of DTT, M6 Group depends on the R4 multiplex for the two existing operators on the French market (TDF, Towercast).

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, or Towercast to a lesser extent.

Transmission sites are for the most part secured thanks to their multiplicity.

However, antenna systems are not fully sheltered from mishaps (antennas, guide wave and frequencies multiplexer), and electric supply continuity may be overlooked by TDF (responsibility of EDF).

The injury that M6 may be subject to 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 and Towercast very short service times in the event of transmission failure.

Lastly, the failure of a circuit breaker in the channel's general power supply resulted, on 13 May 2007, in a complete break in signal broadcasting for thirty minutes. To avoid a repeat of this technical issue, M6 has stepped up its protection system, by renewing part of its equipment, as well as by making its power supply more secure, in partnership with EDF.

14.4.2 INDUSTRIAL AND ENVIRONMENTAL RISKS

M6 Group operations do not structurally generate any significant environmental impacts, and as a result do not incur any industrial or environmental risks in light of existing regulations.

Nevertheless, Métropole Télévision Group does take its environmental protection responsibilities seriously, particularly with regard to the recycling of waste produced by its activities, such as the recycling of batteries, laser cartridges, neon lights and videocassettes through a recycling unit (see also paragraphs on environmental responsibility in section 15).

14.5 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. Métropole Télévision Group ensures the appropriateness of its insurance policies in relation to its requirements.

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), 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: Damages to a maximum of € 47,500,000 per loss per year of coverage.

Policy: All risks for IT and technical equipment.

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies.

Guarantees: monetary damages arising from all direct material losses and all direct material damages caused to equipment to a maximum of € 34,000,000 per loss per year.

PUBLIC GENERAL 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 loss for all professional liability type damages and up to a maximum of € 7,000,000 per loss per year for all civil liability type damages.

EXECUTIVE OFFICER 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.

Guarantees: 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 subsidiaries.

In 2007, the annual cost of insurance premiums to the Group amounted to about € 720 thousand.

All of M6 Group insurance contracts were renewed in 2008 on similar bases as those of 2007.

There are no captive insurance companies.

14.6 Report of the Chairman of the Supervisory Board on corporate governance and internal control procedures

Dear shareholders,

In accordance with the Law and in my capacity as Chairman of the Supervisory Board of METROPOLE TELEVISION, I am honoured to introduce this report on the performance, planning and organisation of the work of the Supervisory Board and on the internal control procedures implemented by the Company.

Since the shares in our Company trade on a regulated market, this report also specifies the principles and rules used to determine remuneration and benefits of all nature granted to members of the Management Board.

The present report was submitted for approval to the Supervisory Board's meeting of 3 March 2008 and made available to the Statutory Auditors.

I - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

In terms of corporate governance, our company refers to the recommendations of AFEP/ MEDEF on listed companies' corporate governance dated October 2003 and January 2007.

In addition to legal requirements in terms of membership and organisation of the work of the Supervisory Board, the present report lists the additional rules the company set itself.

• Membership of the Supervisory Board

Note: the Supervisory Board comprises thirteen members, including twelve individuals and one legal entity, the latter having been co-opted by the Supervisory Board's meeting of 3 March 2008. Pursuant to Company bylaws, members are appointed for a period of four years.

In accordance with amendment n°3 to the Agreement between the company and the Conseil Supérieur de l'Audiovisuel, the Supervisory Board observed that one third of its members are independent, since, after having considered their position in the light of the independence criteria laid down by the AFEP-MEDEF report of October 2003, six of its members are deemed independent.

In addition, as far as the Company is aware, all members of the Supervisory Board comply with all legal requirements regarding multiple directorships. The list of positions held by each member is disclosed in the Group's 2007 annual report.

• **Conditions of preparation of the work of the Supervisory Board**

Prior to each of its meetings, the Supervisory Board is provided by the Management Board with all necessary information and documents to prepare their meetings, in the form of a file covering all items of the agenda.

Each member of the Supervisory Board is also provided throughout the year with all of the company's corporate communications.

Works Council representatives also benefited from the same information as Supervisory Board members, within the same timeframes.

• **Supervisory Board's meetings**

Notices of meeting are sent in writing by the Chairman, on average ten days before the date of the meeting. Several days prior to a meeting, a detailed file is sent by the Management Board to each member, which presents the Group's operations over the past quarter as well as the various projects submitted for approval to the Supervisory Board.

In 2007, the Supervisory Board met five times in compliance with the quarterly legal framework and the schedule of decisions submitted to it for approval.

The overall attendance rate of its members was 80% in 2007, and at least one Works Council representative attended each meeting.

Lastly, Statutory Auditors were requested to attend two meetings of the Supervisory Board in which annual and interim financial statements were considered.

• **Supervisory Board's internal regulations**

At its first meeting in June 2000, the Supervisory Board adopted its own internal regulations, which primarily organise arrangements for Board meetings, how the Board exercises its powers, as well as membership, purpose and attributions of its committees (Audit and Remuneration Committees).

A summary of significant items of internal regulations is provided in the Group's 2007 annual report.

• Subjects discussed by the Supervisory Board in 2007

The key undertakings of the Supervisory Board since the last Annual General Meeting of Shareholders were as follows:

- budget for the 2008 financial year;
- interim and annual financial statements;
- membership and self-assessment of the Supervisory Board;
- implementation of the Management Board members' general remuneration policy, and more specifically setting the number of marketable securities that the latter shall retain as long as they hold their positions with the Company; setting the required performance conditions for the potential payment of severance pay; setting the number of free shares and stock options granted during the financial year; and the conditions of allocation of free shares and stock options for the benefit of employees of the Company and its subsidiaries;
- conditions for the buyback of shares with a view to cancelling them;
- investment in Pages Jaunes Petites Annonces;
- major programme investment projects.

The Management Board also informed or sought the opinion of the Supervisory Board even when its prior approval was not necessary.

• Self-assessment by the Supervisory Board

The Board reviews its own *modus operandi* once a year at one of its meetings, by including in the agenda of one of its meetings the subject of its operations.

In respect of the 2007 financial year, a questionnaire was handed out to each member to assess the Supervisory Board's operating rules, which each member filled out anonymously.

The following emerged from the review:

- the Board benefits from the independence necessary to carrying out its mission, in particular in terms of information provided to it;
- member participation in discussions is of good quality;
- the work of the Audit Committee and Appointment and Remuneration Committee is suitably carried out and covers the matters entrusted to them in a comprehensive and thorough manner.

• Remuneration and Appointment Committee

The Remuneration and Appointment Committee comprises two members and is chaired by Gérard WORMS. Gerhard ZEILER is the second member.

The Committee met three times in 2007 and decided on:

- the conditions under which share subscription options and free shares are allocated and the list of beneficiaries of these allocations;
- the rules governing the sale of marketable securities by Board members;
- the principles and terms and conditions of the remuneration of the Chairman of the Management Board and other Management Board members, and more particularly in 2007, the application of the provisions of the Law of 30 December 2006 (overall senior executives and board members' remuneration policy) and the Law of 21 August 2007 (TEPA).

The Committee reported on its work to the Supervisory Board, which took note of it and followed all of the Committee's recommendations.

• The Audit Committee

The Audit Committee comprises three members and is chaired by Guy de PANAFIEU. Rémy SAUTTER and Elmar HEGGEN are the other two members.

The Committee met three times in 2007. Its work included:

- scrutiny of the financial statements;
- the 2007/2008 assignments and fees of the statutory auditors and financial consultants;
- risk assessment and management;
- review of the conditions of implementation of the share buyback programme;
- review of the financial statements as at 30 June and 30 September 2007;
- review of the audiovisual rights portfolio;
- internal audit;
- financial reporting.

The Committee reported on its work to the Supervisory Board, which took note of it and followed all of the Committee's recommendations.

II - PRINCIPLES AND RULES GOVERNING DIRECTORS' REMUNERATION

2.1 Remuneration of members of the Supervisory Board

The Supervisory Board shares among its members the directors' fees allocated by the Combined General Meeting on 28 April 2004, within the limits set by the latter and as a function of responsibilities held within the Supervisory Board.

2.2 Management Board members' remuneration

Every year, the Supervisory Board sets the Management Board members' remuneration policy, as well as the remuneration of Supervisory Board members, upon recommendation of the Remuneration Committee, with reference to the AFEP/MEDEF recommendations of January 2007 on the conditions or setting the remuneration of listed companies' directors.

The remuneration policy sets all fixed, variable and exceptional remuneration items, in addition to commitments of any nature undertaken by the company for the benefit of its directors.

It is not only based on the performance of work but also on results achieved, level of responsibility assumed, as well as practices observed in comparable companies and remuneration paid to other directors of the company.

Management Board members' remuneration comprises the following items:

- a fixed element, approved every year by the Supervisory Board upon proposal by the Remuneration Committee including a benefit in kind limited to a company car;
- variable remuneration comprised of two elements, described in details in the Group's Management Report and comprising:
 - complementary remuneration based on the level of achievement of an operating profit objective, as for all executive officers of the Group,
 - a Management Board performance premium based on three group performance criteria.

In 2007, this variable share represented between 32% and 62% of the fixed remuneration of each Management Board member.

- annual granting of options and free shares, which may be taken up at the same time as those granted to other employees of the Group and the quantity of which reflects individual performance. The Supervisory Board also decided to set at 20% the number of shares originating from the exercise of options or the allocation free shares that must be retained in registered form as long as they are employed by the company. This rule applies to shares and options granted from 1 January 2007;

- severance pay to be paid in the event of termination:

- of his position as Chairman of the Management Board as regards Nicolas de Tavernost,
- of the employment contract as regards other members of the Management Board, only if the termination was initiated by the company, excluding serious fault or gross misconduct;

The individual amount of this compensation is detailed in the group's Management Report. Its payment is now subject, in accordance with the provisions of the TEPA Law of 21 August 2007, to the achievement of a performance condition.

From now on, the Supervisory Board will only allow the payment of severance pay if the group has achieved at least 80% of budgeted objectives approved by the Supervisory Board over the 36 months preceding the termination of contract. No severance pay shall be paid if this threshold is not met. If the 80% threshold is exceeded, the compensation will be paid pro rata up to its maximum contractual of 100%.

- a compulsory defined contribution supplementary pension plan, put into place in July 2007, for the benefit of all senior executives of the group, building up an individual pension life annuity.

III- INTERNAL CONTROL PROCEDURES

3.1 Company's objectives regarding internal control procedures

The Métropole Télévision Group is determined that management acts, performance of operations, and conduct of its employees, will remain within the framework defined by:

- the guidance given to Group activities by the Management Board;
- the specific requirements of each of the Group's business units;
- the existence of certain functional activities performed across the entire Group. Responsibility for these functions lies with a team of experts in each business unit.

The internal control procedures are hereby presented in accordance with the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), on the basis of:

- a general control environment (3.1.1);
- a risk assessment method (3.1.2);
- responsibility of operational and functional senior executives (3.1.3).

3.1.1 The Group's control environment

The Métropole Télévision Group has set up an internal control environment for its activities based on:

- fundamental values specified in an Ethics Charter which defines and implements the professional standards to be respected by the Group's managers and staff with regard to their own conduct and to the choices they make in the course of their work;

- a system of delegations of powers established within the Group with a view to ensuring operational efficiency and compliance of the decision making process with corporate governance principles applicable, among others, to listed companies;

- an organisation that ensures the proper conduct of business, the achievement of operating results, within the framework of objectives set by the Supervisory Board, and is based on the market features specific to each business unit.

In that respect:

- the programming department controls content costs and risks;
- the advertising agency assesses the quality of the channels' partners and how homogeneous marketing as a function of programming schedules;
- the management of diversification subsidiaries (other than television) assess the quality of their contractual partners and monitor the development of labels created by the Group's TV channels;
- the technical department is in charge of broadcasting reliability and security.

3.1.2 A risk assessment method

The Métropole Télévision Group has developed an approach to identifying and analysing risks and ensuring that the main risks are adequately controlled in view of the nature of its business and its objectives.

To this end, the Group has mapped all the operational and functional risks, which are brought up to date each year, and which allows the development of a continuous improvement plan for the entity, its employees and tools.

The work was performed by the Risk Committee and with the support of the members of the Group's Executive Committee, the main heads of departments, both operational and functional.

The risks were classified in order of their quantitative impact on the Group's financial statements.

3.1.3 Responsibility of operational and functional senior executives

Métropole Télévision Group's internal control system is based on a set of policies and procedures determined either by the management of Métropole Télévision or within each business unit:

- internal control procedures in areas for which the management of Métropole Télévision

or group-wide activities are responsible, are determined by functional management at Head Office. The main departments concerned are Programming, Finance, Human Resources, Communications, Strategy and Development, Legal and Technical;

- internal control procedures in the sales and marketing area are determined, implemented and monitored chiefly by the management and staff of the subsidiaries, depending on the requirements and special needs of each business unit.

Internal control was stepped up in 2007 by the appointment of a Risk Management Officer, who will coordinate control assignments in compliance with the action plan decided by the Management Board.

3.2 OVERVIEW OF EXISTING CONTROL PROCEDURES

3.2.1 Overall organisation of internal control procedures

In order to attain its operational and financial goals, the Group has set up organisational and internal control mechanisms as part of the general organisation described above. All tools and procedures aim at providing management information to prevent and control risks originating from Company operations, as well as risks of errors and frauds, in particular in the areas of accounting and finance.

a. Corporate governance: forms and approaches

Since 2000, Métropole Télévision has been a limited liability company with a Management Board and Supervisory Board. This legal form facilitates the separation between company management and the supervision of that management. It also satisfies the regulatory constraints imposed by the agreement with the Conseil Supérieur de l'Audiovisuel (CSA), which governs the operation and broadcasting rules of the network.

The rules of corporate governance in the Métropole Télévision Group are set down in the bylaws (Articles 14-19 for the Management Board and Articles 20-25 for the Supervisory Board) in the 2007 Annual Report and in the first part of the present report

b. Operational control participants

The Management Board has invested the following collegial organisations or functional departments with control powers:

- the **EXECUTIVE COMMITTEE**, which meets twice a month for the purpose of identifying in advance the principal risks arising from operations.

It has twelve members, including the Management Board; others are the Group's main functional and operational departments, including the General Programming Secretariat

and the Research, Finance, Human Resources, Legal, Technical and Programming Departments;

- the **MANAGEMENT COMMITTEE**, which meets twice a month and includes the members of the Executive Committee and representatives of the principal subsidiaries. Its purpose is to inform the Group about major decisions.
- the **FINANCE COMMITTEES**, of subsidiaries in which the Group does not have a majority interest; they ensure the Group is informed of major decisions and directions;
- the **FINANCIAL DEPARTMENT**, which:
 - co-ordinates and steers the weekly and monthly reporting of majority-held subsidiaries, thereby guaranteeing regular financial follow-up to the Group;
 - co-ordinates financial operations that are of importance to the Group;
 - in consultation with the subsidiaries, manages the Group's cash flow and exchange risks by setting up financial indicators and hedging instruments as it considers appropriate;
 - monitors the handling of direct and indirect taxation as part of tax planning;
 - in collaboration with the subsidiaries, maintains a network of management controllers suited to the needs of the Group's individual business units;
 - strengthens the security of accounting information and the way it is passed up the Group for consolidation purposes.
- the **LEGAL DEPARTMENT**, which:
 - advises the Group and issues legal opinions as required;
 - liaises with the subsidiaries and other functional departments to prepare and negotiate common legal documentation;
 - maintains a network of lawyers to monitor and manage the Group's legal risks.

c. Company internal reference

In order to enable each of its employees to take part in reinforcing internal control of operations, the Company implemented the following:

- an **Ethics Charter** which must be observed by all employees of the Métropole Télévision Group. It was updated in 2000 and a copy was sent to every member of staff. It details all the professional standards which every employee must respect in his/her own conduct, and all the Group's employees, whatever their status or position in the hierarchy – even the very highest – are expected to take it as a guide to their actions;
- **descriptive manuals specifying the operational and administrative processes** applying to all its operations of whatever nature;
- a **commitment control procedure** backed by a system for the delegation of signatory powers;

- a **procedure for artistic validation of programmes content**, ensuring it respects editorial and ethical values and current legislation. This procedure is enacted by preparing recommendations for the attention of programme Management and the Management Board.

d. Preparation of financial and accounting information

The internal control procedures relating to the preparation and processing of financial and accounting information are primarily implemented by the Accounting, Consolidation, Reporting and Management Control divisions of the Group's Financial Department.

Most of these processes are deployed in the subsidiaries to ensure best fit with the current *modus operandi* of the Group.

3.2.2 Principal internal control procedures established by the Company

The Métropole Télévision Group has a system of centralised control procedures with a high rate of hierarchical control based on a priori control of decisions and strict monitoring of individual objectives.

The Group's operational controls involve monitoring commitments, programming, content, quantity and compliance with regulations (CSA, CNC, etc.).

The procedures, and underlying principles, within the Group include:

- an integrated information system for monitoring operations in the audiovisual business units. This system simultaneously manages the purchase and broadcasting of programmes as well as the sale of advertising slots;
- a financial reporting system and procedures to cover payment of general expenses;
- centralised cash flow procedures.

The Group's internal controls for the preparation and processing of financial information comprise a number of procedures.

a. Accounting procedures

The Accounts Department gathers and records all movements and accounting documents throughout the accounting period using financial reporting systems controlled by system administrators which ensure such systems are correctly used and monitor updates in close collaboration with the publishers.

Document validation paths prioritise the Accounts Department; internal procedures exist to ensure a posteriori control of the consistency of accounting entries. Reviews are conducted at each balance sheet date to check the work done.

b. Consolidation procedures

The Group has been applying IFRS accounting standards since 1 January 2005, the provisions of which had led to the implementation of a system migration and staff training plan throughout 2004. Since that date, particular attention has been paid to the comparability of information with prior financial years, due to the change of accounting policies.

In 2005, the Group also adopted the consolidation software Magnitude, a tool recognised by many large groups. This migration enriched and strengthened the Group's financial reporting.

The Consolidation Department is in regular contact with the accounting departments in the subsidiaries, ensuring that accounting standards are consistently applied throughout the Group. It also gathers and monitors non-accounting data included in financial reports that are relevant to the consolidated financial statements.

This data is checked both by the Company and by the statutory auditors.

The Group publishes quarterly reports on the consolidated turnover and financial position, and half-yearly reports on the results. It also issues financial documentation annually.

c. Reporting procedures

The Reporting Department is part of Management Control. It gathers and analyses data on a weekly or monthly basis depending on the activity concerned.

Reporting is reviewed monthly in collaboration with operational staff. This access to the reports enables the operational staff to monitor and explain progress towards their budget objectives, which are reviewed on a quarterly basis to improve the Group's management planning.

d. Monitoring off-balance sheet commitments

The Group has an integrated tool to manage the rights and programming portfolios of M6 Free-to-Air and the Digital Networks,
At the balance sheet date the Financial Department obtains the information required to report consolidated off-balance sheet commitments from all Group departments.

e. Monitoring non-current assets

The Group's non-current assets are monitored using asset management software and a special application to manage audiovisual rights. At each balance sheet date the information generated by this software is reconciled with the accounting records.

Regular physical inventories and asset reviews ensure that the operating assets exist and have been accurately valued.

Neuilly-sur-Seine, 3 March 2008

Chairman of the Supervisory Board

14.7 Statutory Auditors' report

KPMG Audit

Division of KPMG SA
Immeuble KPMG
1, cours Valmy
92923 Paris-La Défense Cedex
SA with share capital of € 5,497,100

*Statutory Auditor,
member of compagnie
régionale de Versailles*

ERNST & YOUNG and others

41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with variable share capital

*Statutory Auditor,
member of compagnie
régionale de Versailles*

MÉTROPOLE TÉLÉVISION, SA
Financial year ended 31 December 2007

Statutory Auditors' report,
prepared in application of Article L. 225-235 of the Commercial Code
on the report by the Chairman of the Supervisory
Board of Métropole Télévision
regarding internal control procedures used in the preparation and pro-
cessing of financial and accounting information

To the shareholders of Métropole Télévision SA,

As Statutory Auditors to the Métropole Télévision company and in application of the provisions 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 in accordance with the provisions of Article L. 225-68 of the Commercial Code for the financial year ended 31 December 2007.

It is the Chairman's responsibility to give account, in his report, in particular 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 due diligence procedures to assess the fairness of information presented in the Chairman's report, regarding internal control procedures for the preparation and processing of accounting and financial information. These procedures notably consist of:

- becoming familiar with internal control procedures regarding the preparation and processing of accounting and financial information supporting the information provided in the Chairman's report, as well as existing documentation;
- becoming familiar with the work from which the data and information in the report are derived;
- establishing if major deficiencies of internal control regarding the preparation and processing of accounting and financial information that we may have identified as part of our assignment were properly supported by information provided in the Chairman's report.

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 Article L. 225-68 of the Commercial Code.

Paris-La Défense and Neuilly-sur-Seine, 7 April 2008

The Statutory Auditors

KPMG Audit
Division of KPMG SA
Grégoire Menou

ERNST & YOUNG and others
Bruno Bizet

15. Sustainable development and corporate responsibility

15.1 Human resources

15.1.1 GROUP WORKFORCE

1- WORKFORCE:

1.1- Recruitment

At 31 December 2007, the total permanent workforce was 1,639 people including 249 permanent employees hired in the year compared to 257 in 2006.

With the intention of providing women with an equivalent footing to men, the M6 Group pays particular attention to balance in the workforce. Thus, in 2007, M6 had 53% women (compared to 50% in 2006), and women also represent 53% of the executive staff of the Group (excluding Football Club des Girondins de Bordeaux).

The average age of the workforce remains 34 years, demonstrating the ability of the Group to enable younger people to find sustainable employment and to acquire experiences essential for their career development.

The average number of permanent employees in the Métropole Télévision Group was 1,646 in 2007 compared to 1,581 in 2006.

Excluding Football Club des Girondins de Bordeaux, the average permanent employees was 1,462 people compared to 1,402 in 2006.

At 31 December 2007, the workforce of 1,639 permanent employees, of which 192 on fixed term contracts, was split in 599 employees for M6 free-to-air (Métropole Télévision, M6 Bordeaux, M6 Toulouse, M6 Films, Métropole Production), being 36% of the workforce, and 1,042 for the other subsidiaries of Métropole Télévision.

The number (of full time equivalents) of freelance journalists and event contract workers was 488 in 2007, compared to 452 in 2006, an increase of 8%, reflecting the presidential election, and the increase in the number of programmes produced.

1.2- Departures

During the year, 56 employees were made redundant across the group (including FCGB), 107 employees left the company after tending their resignation, and 45 people were transferred due to outsourcing.

In total, and taking account of other reasons for leaving (retirement, trial period termination, etc.) the net growth in the permanent workforce was 17 people in 2007.

1.3- External labour

The Métropole Télévision Group uses external service providers for the following:

- General services: reception, post and messages, security, facilities cleaning and maintenance, collective catering, as well as IT project maintenance. The subcontractors concerned employed 154 people compared to 157 in 2006;
- IT: 12 service providers employ a total of 26 people;
- Technical services: technical and IT support and maintenance of the 6 local newscasts subcontractor employing 4 people.

2- WORKING WEEK ORGANISATION

Since the conclusion of a company agreement in 2000, Group employees benefit from an organisation of their working time calculated in hours or days according to their categories.

However, the M6 Group, convinced that a balance between work and personal time for employees plays a part in the good performance of the business, does not hesitate to offer variable working time for 6% of Group employees who thus work part time (excluding Girondins de Bordeaux and Mistergooddeal).

Cumulative absenteeism (family reasons, unpaid holidays, parental leave, illness, maternity, etc.) excluding paid holidays, represented 6% of theoretical hours worked in 2007, compared to 10% in 2006.

The Group's illness and maternity leave rate was 4% also lower than in 2006.

3- INDUCTION AND EMPLOYEE MEETINGS

From the time of their arrival, new employees follow a welcome induction and are then invited to an integration meeting during which the Chairman and the various operating and functional Directors appear to inform them of the Group's various businesses.

In addition, lunches or breakfast meetings with the members of the Management Board are organised monthly.

15.1.2 DEVELOPMENT OF TALENTS

1- PROMOTION AND CAREER DEVELOPMENT

As in previous years, all employees had an annual review with their manager. Assessment criteria go beyond results achieved during the year just ended, and focus on know-how, attitude and where necessary, the ability to manage. At these meetings, employees make known their promotion and training expectations.

All vacancies are posted on the Group's intranet in order to give priority to internal candidates.

M6 develops the skills of its employees with a policy of continuous training, which is based on training in its businesses, management and increasingly in mastering languages. In 2007, 647 people benefited from such action.

In order to further improve the individualisation for training and to tailor it to business projects for employees, the Individual Right to Training continues to be rolled out across the Group. Every full time employee has an Individual Right to Training of 21 hours per year, which can be accumulated for a period of 6 years and managed on a calendar year basis. In 2007, 23% of the training budget was allocated to such requests from employees.

In 2007, the training budget was € 609 thousand, being a total of 2,120 training days provided for 646 employees. This training was equitably split between men and women. In addition, the Group set up in 2007 its own training organisation, M6 Campus, which provides training internally in management, office automation and languages.

2- TRAINING POLICY

In accordance with the French national trainee charter, the Group conducted a number of actions for the benefit of student trainees.

- Encourage the training process

In 2007, the Group received and trained 394 trainees, all covered by contract and paid for periods for the most part of 3 to 6 months. M6 also received 15 young people on work experience (apprenticeship or business) and received 211 pupils from 3rd or 2nd class for periods of one week for observational work experience.

- Prepare future recruits for the Group and encourage loyalty among trainees

Before the end of their training period, the young people have an evaluation meeting with their supervisor, which enables the validation of their choice of professional direction as well as their potential and motivation for the Group. Their job applications have priority for filling junior vacancies immediately at the end of their training period or subsequently. In 2007, 55 trainees were recruited on a contract, permanent, freelance or occasional basis.

15.1.3 GROUP REMUNERATION POLICY

1- REMUNERATION EVOLUTION

In addition to their basic salary, all employees receive a 13th month salary.

The Group payroll paid to permanent employees (excluding Football Club des Girondins de Bordeaux) in 2007 amounted to € 104,267 thousand (including employer social charges of € 32,817 thousand), compared to € 95,275 thousand in 2006.

On the basis of the average workforce (excluding Football Club des Girondins de Bordeaux), the gross average salary of permanent employees went from € 45,917 in 2006 to € 48,848 in 2007.

2- EMPLOYEE SAVINGS

• Participation

Personnel employed by the Métropole Télévision Group companies benefit from two distinct profit sharing plans: one for the home shopping activities, the other for Métropole Télévision and most of its subsidiaries.

In total, the special reserve for participation in respect of 2006 and paid in 2007, was € 6,278 thousand compared to € 5,963 paid in 2006 in respect of 2005.

1,888 employees benefited, compared to 1,778 employees in 2006.

• Profit sharing

A profit sharing agreement was signed in 2005 (excluding FCGB), in order to associate personnel more closely to the improvement of Group performance and to share the growth in operating profit, which result from their efficiency and involvement.

A total of € 2,558 thousand was paid in 2007 (€ 2,095 thousand in 2006) to 1,888 employees (1,778 in 2006).

• Group savings plan

The Metropole Television Group set up a Group savings plan where the Group makes individual contributions in respect of every employee. In 2007, the amount paid in respect of this contribution was € 1,815 thousand compared to € 834 thousand in 2006.

In total, the amounts paid by the Group in respect of employee savings amounted to € 10,650 thousand compared to € 8,882 thousand in 2006.

Lastly, the management of employee savings was entrusted to an external organisation, which proposes the following four separate funds, varying in terms of yield and risks:

- FCPE Diversifié Actions (70% shares, 30% bonds), high yield but high risk;
- FCPE Diversifié Taux (20% shares, 80% bonds) modest yield but lower risk;
- FCPE monétaire (100% money market), low yield and risk free;
- FCPE "Groupe M6", 100% Métropole Télévision shares.

This organisation reports on its management of the funds at least once a year to personnel representatives and to Group management.

3- SUPPLEMENTARY DEFINED CONTRIBUTION RETIREMENT SCHEME

Marking its desire to improve loyalty among executive staff and to meet their expectation in enhancing their pension coverage, a supplementary and compulsory defined contribution retirement scheme was put in place in 2007 for this category of personnel.

This scheme enables the creation of an individual retirement account whose objective is the payment of a life annuity.

By setting up this supplementary pension scheme, the Group plays a full role in improving the pensions of executive staff.

4- TOTAL REMUNERATION OF 10 HIGHEST PAID EMPLOYEES

In 2007, a total amount of € 5,092 thousand was paid to the 10 highest paid employees, compared to € 4,990 thousand in 2006 (benefits in kind included). The 10 highest paid employees include Board members but exclude FC des Girondins de Bordeaux football club players.

15.1.4 HEALTH AND SAFETY AT WORK

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

In this respect, numerous improvement measures for working and safety conditions were undertaken in 2007 and particularly:

- the recruitment of a nurse (whose mission and role were defined by the company doctor and the members of the Health and Safety Committee), to ensure monitoring in terms of medicines, ease of treating emergencies, prevention and listening (nutrition, tobacco withdrawals, etc.).

Her daily presence within a medical centre also enables the supervision of:

- a. the two campaigns to Give Blood;
- b. leading programmes in partnership with associations such as the Anti Cancer League;
- c. training for first aid assistants in the work place, with in 2007 an increased awareness of this which led to training of 160 permanent employees in safety standards (evacuation, use of fire fighting equipment, first aid assistant at work, etc.).

In general, within the principal office that houses the head office, 8 people per floor have been trained in safety and/or first aid. In the other buildings that have fewer employees, it is 4 people per floor.

- The common desire shared with members of the Health and Safety Committee to improve risk prevention is reflected in an operational, technical and precise approach by subject. A system of evaluation of each risk (scale of gravity and frequency of occurrence) was also set up.

In 2007, 1,250 employees were able to make changes to their work station or working environment at the time of improvements to offices or moving into new premises. The Health and Safety Committee monitors the work space, ergonomics, lighting, the direction of computer screens and work stations.

Premises are visited every quarter by the Health and Safety Committee, which contributes to the prevention of business risks and an improvement in working conditions. To improve this prevention and taking account of the working conditions of staff outside Paris, in 2007, the Health and Safety Committee visited the newscast premises for national editing (Bordeaux, Lille, Marseille, Lyon).

In 2007, the procedure for enhanced medical supervision in respect of the hearing of everyone working with headphones was carried out by the company doctor.

As part of a specific medical monitoring, it was also agreed with the Health and Safety Committee and the company doctor to maintain annual medical visits for employees travelling abroad (the need to monitor vaccinations) and for employees working with multiple screens.

Employees working alternate hours for part or all the night are seen every 6 months by the company doctor. In the M6 Free-to-Air, 276 medical examinations, audiograms and visual tests were carried out.

The number of work or travel related accidents to permanent and contract employees that led to a cessation of work, was 7 (being 197 days stoppage) with a frequency rate of 5.35 and gravity rate of 0.15.

15.1.5 PROMOTION OF CORPORATE DIALOGUE

1 - PERSONNEL REPRESENTATIVE BODIES

Due to the various representative bodies of the group (works council, single personnel delegation, staff representatives, health and safety committees for working conditions) corporate dialogue is enriched daily.

In 2007, a total of 5.5 meetings were held on average every month with the elected members or union representatives, altogether.

Various panels notably related to the Works Council meet regularly, such as the equality panel, the catering panel, the forward planning panel for the management of employment and skills and the housing panel.

2- COLLECTIVE AGREEMENTS

Within the group, the diversity of employees justifies a number of collective agreements for the sections concerned: the collective agreement for advertising, ACCES for the specialty channels and more recently the collective agreement for audiovisual Production as well as the collective agreement for Broadcasting, that determine the status of contract workers in the broadcasting companies.

At M6, a number of meetings were held in 2007 with union representatives, enabling collective agreements to be concluded, and notably an agreement covering training and holidays.

15.1.6 INFORMATION AND COMMUNICATION

1- BENEFITS AND SERVICES OF THE WORKS COUNCIL

The various services of the Works Council continue to be attractive for employees: gift-cheques for births, contribution towards costs incurred by employees in sporting or cultural activities, organisation of holidays, sporting or tourist weekends in France or abroad, etc. The Group budget for social activities is:

- M6 Free-to-Air, 0.9% of total payroll, being € 387,426 (compared to € 346,262 in 2006);
- for the subsidiaries, 0.15% of total payroll, being € 43,899 (compared to € 42,199 in 2006).

2- INFORM, BRING TOGETHER AND COMMUNICATE

The internal media dedicated to employees are

- the intranet, heavily used with close to 1,884,508 pages read in 2007, and which is updated daily to inform employees of news of the Group and the subsidiaries, audiences, press, internal transactions, key figures, programmes, the arrival of new employees;
- the monthly newsletter covering every Group entity: new programmes, audiences, products (publications, CD/DVD, derivative products, etc.), partnerships, events, cinematic co-productions... The purpose is to inform, to bring to everyone's attention all the diversity and richness of M6 products;
- the monthly news video, shown on TV screens to all employees, presenting internal events and also the various businesses or technological changes from an educational perspective;
- the television screens, in the reception area and the lifts display audiences, programmes and news flashes.

As well as information, M6 organises special events such as the Business fair, that creates a convivial atmosphere around a breakfast.

3- EMPLOYMENT AND INTEGRATION OF HANDICAPPED PERSONS

The Métropole Télévision Group is committed to integrating handicapped persons: it also participates in the week "one day, one business in action" under the auspices of Agefiph that enables handicapped persons to discover the audiovisual world and to check the compatibility of their handicap against the area they have selected. The Métropole Télévision Group also subcontracted for a number of years specific administrative tasks such as mail sorting, to appropriate companies.

15.2 Corporate responsibility

15.2.1 QUALITY FOR EVERYONE AND ACCESS TO INFORMATION FOR THE PUBLIC

1- ENSURE THE QUALITY OF INFORMATION

The M6 Group strives to improve the quality of information provided to viewers. It seeks to deliver information that is the most complete and most varied as possible on all areas and pays particular attention to the awareness and training of viewers to sustainable development with subjects such as the environment, health, well-being of handicapped people and also children's rights

All these subjects are treated with editorial independence in the reporting and information magazines such as *Capital*, *Zone Interdite*, *Enquête exclusive*, *E=M6*, *66Minutes*, with a genuine concern for objectivity and transparency. Thus, the documentary *Enquête Exclusive*, presented by Bernard de la Villardière on 24 June 2007 looked back over the fundamentals of the conflict in Darfur to give an uncompromising overview to the viewers.

In addition, M6 entered the political arena for the first time in its history in 2007, at the time of two Presidential Special evenings for the 1st and 2nd round of the elections.

Also, M6 Interactions, through its magazine *Citato* aimed at the 15/25 year olds, also participated actively in the citizens' debate by offering the youngest a monthly selection of articles from the national press on economics, politics and the environment, all drawn from daily newspapers and magazines.

On a more cultural level, SND published in 2007 the first five titles of a new DVD collection «Les Maîtres italiens» (Italian Masters), bringing together works frequently unpublished by the greatest Italian producers from the 40s to the 60s. This is the result of detailed restoration that started in 2005, with the purchase by the M6 Group of the SNC catalogue, which contains 400 classical films. Thanks to the quality of this work, which contributed to the preservation of major European films, SND was selected in 2007 by the Cannes Film Festival for its contribution to the promotion of French cinematic wealth, for *La Bandera*, a 1935 film by Julien Duvivier starring Jean Gabin.

2- PROGRAMMES ACCESSIBLE TO THE WIDEST AUDIENCE:

For M6, accessibility primarily means taking account of disabilities. Top of the list is adding subtitles to programmes for the deaf and hard of hearing. Together with charities, the channel selected programmes to be subtitled in priority, which corresponds to the wishes of viewers concerned. In 2007, M6 innovated by being the first channel to add live subtitles to its 12.50pm and 7.50pm news, as well as football matches, cartoons and soon music videos.

In four years (2004-2007), and pursuant to the Law for "equal rights and opportunities, participation and citizenships of handicapped people" M6 quadrupled the number of hours with subtitles in its programming. In 2007, the legal requirements of 2,200 hours with subtitles was thus significantly exceeded since M6 achieved 2,756 hours this year, which represented 31.5% the schedule and 36% of programmes (excluding advertising, presentation and sponsorship). More than 1,000 additional programme hours are now available to the hard of hearing compared to 2006.

15.2.2 PUBLIC AWARENESS OF GREAT CAUSES

M6 is highly committed to promoting a more socially responsible television service and broadcasts messages and short films with a social content free of charge. In this way, M6 intends to assist and encourage charitable actions and increase the general public's awareness of them. In 2007, many humanitarian campaigns, non-governmental and charitable organisations thus broadcast on M6 and the digital channels, representing a total of 49 campaigns and a little less than 3,000 slots on Group channels.

The M6 Group also continued, in 2007, via numerous partnerships, its efforts to make citizens aware of public health and child protection issues:

1- SUPPORT FOR THE HANDICAPPED

M6 sponsored in 2007 the thirteenth edition of the Shoe Pyramid, whose purpose was to make the general public aware of the disastrous effect of cluster bombs. It thus extended its partnerships with Handicap International by providing its support for steps taken to benefit vulnerable populations, and relay the association's communication on air via its channels and its websites.

In addition, M6 collaborated with the organisation *VAGDESPOIR*, which organises board sports meetings. Within this context, a number of M6 Group presenters accepted to be photographed during their holidays, with proceeds from the sale of the photographs to be given to the organisation.

2- RISKS ARISING FROM DRINK DRIVING

In 2007, M6 and two of its presenters, Estelle Denis and Laurent Boyer, committed to a large-scale campaign to support self-assessment of blood-alcohol level before taking the wheel. Alcohol has actually become, since last year, the leading factor in road deaths, and M6 thus makes its contribution in the battle against risky behaviour in this area.

3- AWARENESS OF ORGAN DONATION

M6 promoted in 2007 the French Federation of Organ and Tissue Donation Organisations, ADOT, in order to encourage young people to commit as donors.

4- FIGHT AGAINST AIDS

A Group mechanism, set up on both all Group channels and the Internet, and accompanied by a “special red ribbon” advertising jingle was put in place throughout the Sidaction campaign. Calls for donations were also issued on the M6 channel.

In addition, M6 is the historical partner of the *Solidays* Festival designed to raise funds to fight against aids. A significant promotional campaign was broadcast over a number of weeks to promote the event and make viewers aware of this struggle.

5- CHILD PROTECTION AND WELL-BEING

This cause is the mainstay of the social advocacy commitment of M6 Group, which is involved in a number of initiatives in this area to support sick children, provide remedial courses and prevent dangers.

Thus, M6 organises a concert for sick children with the presence of many artists, every year on World Music Day, in partnership with the Necker hospital. In line with the project implemented with the Necker hospital in 2006, the *Téva Déco* team offered this year a classroom, a common area, a library and a relaxation area to the Raymond Poincaré hospital in Garches.

Also of note is the commitment of the Football Club des Girondins de Bordeaux to the Carida Surgery Sponsorship as part of the “Bordeaux ville du cœur” event in 2007. The club is also a benefactor partner of Pharmacists without frontiers, an international organisation that provides essential medicines to the most deprived populations.

In addition, M6 was a sponsor this year of the La Rose Marie-Claire organisation, which contributes to funding missions to Benin and Cambodia to improve girls’ access to education.

Lastly, M6 as a multimedia group contributes to a better integration of new technologies in the every day life of French people and supports the E-enfance organisation, which seeks to make children and their parents aware of the dangers of the Internet, and broadcasts announcements to that effect.

6- DISAPPEARANCE OF CHILDREN

At the end of November 2005, the representation of the major television and radio channels signed a memorandum of understanding concerning the Amber Alert mechanism that had been successfully experimented in the United States for a number of years. This requires the mobilisation of maximum media power during the first 24 hours after a child has been kidnapped, and to broadcast over as wide an area as possible information that could lead to retrieving the child. This commitment by the Group consists in communicating necessary information to as many people as possible, such as a description of the child or the abductor, as well as the circumstances of the kidnap, using tickers passing at the bottom of TV screens, interrupting programmes, or repeatedly showing photographs to help identification.

15.2.3 PROTECTION OF VIEWERS

M6 was the first to propose in 1989 a rating symbol system serving to specify what type of audience the films are addressed. The CSA took on the idea to impose it on all stations in 1996. However, the commitment of M6 has not declined in this area and the Group always ensures that none of its programmes include violence, bad language or anything else likely to shock young audiences. In that respect, the Group also closely follows the preparation of co-produced series, from their design to the delivery of the final episode. The dubbing of foreign programmes is also made with the utmost care. Today, a committee of mothers reviews all youth programmes, films, series, TV films, and music videos and passes them on to the ratings committee, whose opinion is final in allocating programmes to one of four categories (general public, under 10s, under 12s and under 16s).

Again this year, all channels of the M6 Group supported and broadcast the ratings campaign proposed by the CSA. In the same spirit, M6 makes sure to get parental approval when offering children aged 9 to 12 to take part on the set of M6 Kid programmes. The programme offers playful, educational and monitored activities based on manual workshops, advice, job documentaries, thereby contributing to children's education and initiations with all guarantees of safety.

The M6 Group is also responsible for content posted on its websites. A committee of 25 voluntary moderators supervises all community websites. It impartially checks the relevance of contributions before making them public and amends them if necessary. It also controls comments of an insulting, defamatory or racist nature, or representing any incitement to violence or hate.

Lastly, M6 mobile proposes fixed price offers with unlimited calls at night and weekends with its offer targeting 15/25 year olds. Since November 2007, members of AFOM (French Association of Mobile Phone Operators), of which M6 mobile is a member, signed an agreement according to which they commit to automatically propose parental control from the time the phone line is open.

15.2.4 PROMOTION OF DIVERSITY

The M6 Group, as a major media group, must represent the diversity of cultures and origins of French society. As committed by the agreement with the CSA, under Article 9, the channel must promote on air “the values of integration and solidarity that are those of the Republic”.

1- PROMOTION OF INTEGRATION AND SOLIDARITY VALUES

Reflecting society and the diversity of its components, television plays a major role in favour of integration. Thus, since June 2007, the channel has broadcast in this respect an announcement to encourage equal opportunities.

In addition, M6 sought, in a large number of broadcasts, to provide a positive representation of minorities. In effect, whether it is in the context of youth programme such as *Zap College*, or entertainment broadcasts such as *L'inventeur de l'année*, chaired by Aziz Senni, or through a magazine programme giving a better understanding of various cultures such as *7 ans de mariage* and the documentary “*les multiples visages de l'Islam en France*” of *Enquête Exclusive*, the M6 channel continues to put forward values of tolerance, sharing and solidarity.

2- PROMOTION OF YOUNG TALENTS FROM DIVERSE BACKGROUND

With reality shows such as *Loft Story* and *Popstars*, M6 was the first channel to show France's intermixed population through its candidates. In 2007 again, M6 continued this policy by presenting a large number of candidates from immigrant communities in its broadcasts.

The M6 group extends this promotion of diversity to the realm of music, via music videos, concerts or artist portraits on its various channels. Thus, the music channels of the Group contribute to promoting artists, from all origins and introduce the audiences to extremely varied types of music such as: rap music, raï (North African music), R'N'B, zouk (French West Indies music) and reggae.

Drama is the second part of this policy. The September schedule thus shows the reality of diversity with French series, in particular detective series such as *Les Bleus, premiers pas dans la police*, which in 2007 won the best prime time series prize at the television drama festival in La Rochelle, or also *Les Suspectes*.

15.3 Environmental responsibility

The Métropole Télévision Group does not structurally present a significant impact on the environment. However, at its level, M6 is attentive to its own consumption and seeks to take initiatives in this area, which are in recycling and in making the public at large aware of the challenges of sustainable development.

To demonstrate its commitment, the M6 Group has adopted an approach in line with the charter proposed by the Minister for Ecology, Jean-Louis Borloo, and deals with a number of matters. In fact, the group has already made a summary of its CO₂ emissions and expanded information broadcast on the environment. In partnership with the Ministry of

Ecology, M6 is also reflecting a certain number of events or messages designed to promote sustainable development, such as for example the Week of sustainable development and the WWF campaign against the waste of water.

15.3.1 ENVIRONMENTAL INDICATORS

The consumption of water resources, raw materials and energy is monitored and controlled by the Group's General Services, as part of an approach to reducing consumption and the use of equipment to improve energy efficiency.

Thus, the Group's principal site was equipped in 2002 with a regulation valve that led to a 40% reduction in gas consumption since then.

A complete modern management system was set up to deal with energy consumption. This regulated the temperature of premises depending on a number of criteria, such as for example their occupancy rate. This centralised management of energy was to provide better control by the group of its consumption.

These are very regularly monitored in all areas and for water, energy and CO₂ emissions. In 2007, they were the following:

Water consumption in millions of cubic metres

2006: 25.8 thousand m³

2007: 31.9 thousand m³

The additional site of 4,000 m² at 46 rue Jacques Dulud in Neuilly-sur-Seine explains virtually all the differences noted between 2006 and 2007.

Electric energy consumption (in kWh)

2006: 7,784,987 kWh

2007: 7,497,363 kWh

2007 was the occasion to reduce the Group's electric energy consumption. M6 pushed this commitment further in this area: with effect from 2008, 3,500 kWh will come directly from green energy produced by EDF.

CO₂ emissions (in millions of kg)

2006: 0.434 million kg

2007: 0.392 million kg

Waste produced (in tons)

2006: 239 tons

2007: 271 tons

Again, the additional site at Jacques Dulud in Neuilly-sur-Seine explains the difference noted between 2006 and 2007.

15.3.2 NEW DEVELOPMENTS IN RECYCLING

In parallel with this wish to control consumption (water, energy, etc.), M6 also has an active policy of recycling waste arising from its operations (batteries, neon lights, IT hardware, toner cartridges, etc.).

The Distance Selling business is also subject to the Decree of 20 July 2005 for the recycling of Waste Electrical and Electronic Equipment (WEEE or W3E), and to this end, collected from its customers a contribution in addition to the price of equipment with electric or electronic components. This eco-contribution is paid in full to the suppliers who must fund the recycling of old equipment through specialised organisations.

15.3.3 COMMUNITY AWARENESS

The responsibility of a group producing and broadcasting content lies also with a desire to make the general public aware of the challenges of sustainable development. M6 decided to play an educational role via quality documentaries presenting the current ecological difficulties. These magazines have become flagships for the channel and thus represent a major audience attraction for these subjects among an increasingly generalist audience. Thus, the magazine *Enquête Exclusive*, in an edition entitled *Les jusqu'au-boutistes de la lutte écolo*, revealed the actions, spectacular although sometimes illegal of certain groups of ecologists.

In a more economic approach, the magazine *Capital*, entitled *Consommer propre: qui peut s'offrir le rêve écolo?* was interested in the financial aspects of sustainable development. Lastly, with a more scientific and amusing approach, the magazine *E=M6*, entitled *Le pétrole est partout... Comment s'en passer?* stressed the new technologies than can offer alternatives to oil in the medium term.

15.4 Economic responsibility

15.4.1 SUSTAINABLE MODEL OF PROFITABLE GROWTH

The economic responsibility of the M6 Group is to ensure its long term development by exploiting the growth reserves available in the various markets where it has a presence. Conscious of delivering continuously better financial performance year on year, the Group also seeks to enlarge and consolidate the bases of its future growth in a competitive and technological environment undergoing rapid change.

Thus, in 2007, the M6 Group again successfully continued its growth strategy in all its operations as demonstrated by:

- enhancing the strength of the M6 channel with increased audiences, in particular in the evening and a historical market share in advertising;
- consolidating its position for its family of channels, with strong niche positioning built by the trio W9, Paris Première and Teva;

- and an aggressive approach in the area of diversification and audiovisual rights, designed to enhance the Group's presence in the multimedia world.

15.4.2 A GROUP ACTIVELY SEEKING NEW GROWTH OPPORTUNITIES

The first challenge for a media group is today to encourage innovation in order to adapt to technological changes and changes in consumption patterns and use of its services. This goes together with making the Group's content and products available on all distribution channels, necessitating investment in networks and digitalisation.

The second challenge consists in preserving the environment in which the Group operates. To that end, cultural diversity must be encouraged, artistic creation sustained, respect for intellectual property upheld and the channel must continue to participate in the content value chain.

■ INNOVATE AND ANTICIPATE NEW USES

- Video On Demand

High speed and mobility have transformed the means of access to content that is increasingly varied and available on a considerable number of platforms. The M6 Group is active on the development of these new methods of consumption of audiovisual content.

- 3G telephony

With the third generation telephony (3G) and the possibility of downloading editorial content, the mobile phone has become a strategic distribution network for media businesses. The M6 Group, via its subsidiary M6 Web, has carved itself a place of choice in this area as it produces programmes specific to the mobile telephony.

- Personal Mobile Television

With the extension of this approach of accompanying the mobility of viewers, the M6 Group participated in a call for tenders by the CSA for personal mobile television, and made three applications on behalf of M6, W9 and Téva.

- High Definition

2007 was the year in which M6 obtained an HD channel, as a result of the commitment of the Group to develop the technologies. M6 is now assured of remaining in a leading position for technological development in the media sectors in the future. Internal production is already 100% HD, and 2007 saw the arrival of the first versions of DVD HD at M6 Vidéo, as well as Blu-Ray only on HD DVD.

■ UPHOLD INTELLECTUAL PROPERTY

At a time where increased dematerialisation of supports necessitates new measures to protect works, the M6 Group, a producer and broadcaster of content, seeks to develop an effective policy to combat piracy and to uphold intellectual property.

This policy is based in these two principal areas:

- a reduction in the timeframe for broadcasting works: M6 thus broadcast season 3 of *Prison Break* only two months after its broadcast in the US;
- the development of VOD, via M6video.fr, which enables the viewers to access a varied selection of programmes.

■ ENCOURAGE LOYALTY AND SPOT NEW TALENTS

As part of its production and broadcasting obligations, M6 is committed to developing artistic creation and to value its diversity by focusing on young talent in both cinema and music.

The Group thus shares its cinematic investment between established producers and young talent waiting to be discovered.

As with actor Guillaume Canet (*Ne le dis à personne* in 2006), M6 Films again renewed and stepped up its policy of support in 2007 by helping three actors turned producers, Eric Judor and Ramzy Bedia for their ambitious comedy *Seuls 2*, and Jean-Paul Rouve, for his police comedy called *Sans arme, ni haine, ni violence*.

The M6 Group also has an active policy in this sense in the world of music. It seeks to develop programming as greatly varied as possible to promote all forms of music. In 2007, M6 was thus committed to the promotion of young artists:

- by reserving space to broadcast clips;
- by broadcasting the programme *D comme Découverte*, a musical documentary exclusively reserved for developing artists and alternative music styles;
- by ensuring the promotion, throughout the year, of young singers via *T comme Talent*;
- by repeating the show *Talent tout neuf* for the third year in a row.

15.4.3 ADAPTED GOVERNANCE STRUCTURES

M6 corporate governance principles comply with standards and laws applicable in France. Since 2000, Métropole Télévision has been a limited liability company with a Management Board and a Supervisory Board, which has the advantage of clear separation between Group operational management and the supervision of that management.

This separation of powers ensures that the long term economic interests of the business and its shareholders are considered. This dual structure also enables a swift response by the organisation, with increased proximity with operating functions.

Lastly, within the M6 group, there is an internal control mechanism with the objective to provide the means of achieving the objectives, both operational and financial, set by the Management Board. The various procedures established enable the control of management action as well as the proper conduct of transactions, while preventing risks. This system guarantees reliable and accurate accounting information.

15.4.4 BALANCED AND TRANSPARENT RELATIONS WITH PARTNERS

The role of the M6 Group with everyone it deals with such as shareholders, presenters, viewers, customers or suppliers, is to maintain balanced and transparent relations with them.

■ SHAREHOLDERS

Since 2004 and the extension of the free float, the M6 Group has stepped up its financial communication policy in order to deliver to all shareholders exact, precise and fair information, in accordance with applicable French standards and regulations.

Seeking to be attentive to the financial community and its shareholders in this matter, the Group set up new information supports for individual and institutional shareholders, via a website dedicated to current finances in French and English, the publication of an innovative annual report, analysed and more interactive, as well as setting up a specific channel for shareholders via e-mail actionnaires@m6.fr.

■ PRESENTERS

Relations with presenters and advertising agencies are governed by the Law of 1 April 1993, the so-called «Sapin Law», which guarantees a perfectly transparent advertising market.

■ SUPPLIERS

Relations with suppliers, particularly programme producers are governed by multi-year contracts as regards US studios (films, series), that ensures smooth exchange of content. In addition, M6 Group plays a leading part in creating French and European audiovisual and cinematic works, by dedicating a significant part of its advertising revenue to numerous co-productions and by reserving part of its investments for independent producers.

■ VIEWERS

M6 Group set up a fully dedicated service to enhance dialogue with viewers and to answer their questions as soon as possible. In 2007, 76,735 viewer requests were dealt with of which 69% related to the M6 Free-to-Air channel, 18% to general information and 6% to equipment.

This procedure is used by the Group to improve its programme offering and every day, a summary of the various comments is compiled and communicated to the teams, who must take account of viewers' expectations and reactions.

■ AT THE SERVICE OF CONSUMERS

Since the development of a Distance Selling division with the integration of the on-line (Mistergooddeal) and distance selling (Home Shopping Service), the M6 Group has accelerated the setting up of a quality after sales service, capable of satisfying and creating loyalty of customers.

The Mistergooddeal staff thus ensures a call acceptance rate of over 90% and responds to written requests via e-mail in 4 working hours. About 1,000 calls and 700 e-mails are processed every day. Satisfaction surveys are conducted on a regular basis in order to verify that all customers' satisfaction stages are followed through. Due to this, Mistergooddeal was recognised in 2007 as the no 1 e-commerce site in terms of satisfaction, intention to purchase again and intention to recommend (Direct Panel January 2007).

Similarly, Home Shopping Service's 50 advisers answer about 60,000 calls a month, with an average customer queuing time that does not exceed 2 minutes. The 5,000 e-mails received are processed within 48 hours. Customers can access a server 24/7 which provides continuous information on their order. These efforts were also recognised as the customer service department of HSS was elected Customer service of the year (Viséo Conseil, VAD Généraliste Category).

16. Exceptional events and litigation

■ M6 ADVERTISING 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, in application of the provisions of the European Council's Transborder Television international agreement. This transmission 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 Freiburg (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;

- legal proceedings before the French Conseil d'Etat, 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 French and Swiss law;

- one legal proceeding before the Tribunal of Freiburg, seeking to recognise that M6's broadcast constitutes an infringement of copyright and acts of unfair competition. This action for prevention of enjoyment, damages and dispute of legal status was dismissed on 4 January 2007 by the Cantonal Court. TSR appealed to the ruling. By a decision of 29 August 2007, the Federal Tribunal dismissed the Judgement of the Fribourg Cantonal Tribunal for reasons related to the admission of the action of TSR. The Federal Tribunal did not pronounce on the substance of the case and confined itself to refer the case back to the Cantonal Tribunal that will take instructions on the matter in the first quarter of 2008.

■ TF1 AND NRJ GROUPS APPEALS ON W9:

Since 2005, TF1 and NRJ have launched appeals before the French Conseil d'Etat against the CSA decision of March 2005, changing a number of provisions of the W9 agreement (formerly M6 Music).

The M6 Group noted the decision of 5 March 2008 by the Conseil d'Etat cancelling the amendment to the W9 agreement, negotiated with the CSA in March 2005. According to the Conseil d'Etat, this amendment should have provided for reorganisation of the peak time hours for the channel. A new amendment will thus be negotiated with the CSA before summer 2008. This decision, whose effects are suspended until July 2008, has no impact on the identity, features and programming offer of the W9 channel.

To the Company's knowledge, no other litigation, governmental, legal or arbitration procedures or exceptional event is likely to have or to have had in the recent past a significant impact on the Company and Group's financial position, results, activities and assets.

17. Statutory Auditors' fees

STATUTORY AUDITORS FEES FOR 2007 AND OTHER FEES BILLED IN 2007

(en € thousands)	Ernst & Young		KPMG		TOTAL	
	2007	2006	2007	2006	2007	2006
Audit						
Statutory Audit, certification of parent company and consolidated financial statements	417	377	311	303	728	680
Other related assignments and other audit assignments	-	-	-	-	-	-
Sub-total	417	377	311	303	728	680
Other services						
Legal, fiscal, corporate						
I.T						
Internal control						
Others (to be specified if over 10% of audit fees)						
Sub-total	-	-	-	-	-	-
TOTAL	417	377	311	303	728	680

18. Annual information document

In accordance with Article 222-7 of the AMF General Regulations, M6 - Métropole Télévision, a company listed on compartment A of Eurolist, has prepared an information document listing all information published or disclosed to the public over the past 12 months in France, in order to comply with its legal or regulatory obligations in terms of financial instruments, financial instrument issuers and financial instrument markets. This document will be posted on the AMF website and includes the following information.

PRESS RELEASES AND NOTICES

Turnover

1 February 2007: 2006 4th quarter turnover. Publication in the *BALO* of 9 February 2007 (n° 18)

2 May 2007: 2007 1st quarter turnover. Publication in the *BALO* of 11 May 2007 (n° 57)

23 July 2007: 2007 2nd quarter turnover and 1st half-year turnover. Publication in the *BALO* of 3 August 2007 (n° 93)

7 November 2007: 2007 3rd quarter turnover. Publication in the *BALO* of 14 November 2007 (n° 137)

30 January 2008: 2007 4th quarter turnover. Publication in the *BALO* of 11 February 2008 (n° 18)

Annual and Interim financial results

5 March 2007: annual results at 31 December 2006. Publication in the *BALO* of 23 April 2007 (n° 49)

23 July 2007: interim results at 30 June 2007. Publication in the *BALO* of 3 August 2007 (n° 93)

3 March 2008: annual results at 31 December 2007.

Other press releases

5 January 2007: final completion of the TPS/ Canal + Group merger

8 January 2007: liquidity contract half year report

25 May 2007: M6 is the official broadcaster of EURO 2008

4 July 2007: liquidity contract half-year report

27 July 2007: PagesJaunes Group and M6 Group announce a strategic partnership in classified ads on the Internet in France

7 November 2007: Andrew Buckhurst replaces Constantin Lange as member of the **Supervisory Board**. Publication in *Les Petites Affiches* of 22 November 2007.

21 November 2007: a DTT HD channel for M6

8 January 2008: liquidity contract half year report

Notices

Notice of meeting: publication in the *BALO* of 28 March 2007 (n° 35)

Notice of meeting: publication in *Les Petites Affiches* of 13 April 2007

Operations

5 April 2007: notice of share buyback programme (included in the reference document)

Declarations

January 2007 – February 2008: monthly declaration of treasury share buyback and disposals. Weekly declaration of treasury share buyback and disposals

January 2007 – February 2008: monthly voting rights disclosure

Reference document

5 April 2007: AMF submission n° 07-0277

19. Other disclosures

19.1 Tax grouping

Métropole Télévision has declared itself as the parent company of a tax grouping, pursuant to the provisions of Article 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 Article 223A of the Income tax Code.

The companies Mandarin Films, M6 Numériques and Operating Group, a subsidiary of Mistergooddeal, elected to join the tax grouping with effect from 1 January 2007. The following companies left the tax grouping during the year: Téciexpress, W9 Production and Labo Productions.

Companies in which the Group does not hold at least 95% of the share capital may not be included in the tax grouping.

19.2 Change in accounting principles

The application of new IFRS standards in 2007 had no impact on the Group's consolidated financial statements.

However, the Group retained the option provided by IAS 19 *Actuarial gains and losses, group plans and disclosures* to stop using the corridor method and instead to recognise actuarial gains and losses from changes in actuarial assumptions directly under equity. Actuarial gains and losses recognised as a deduction from opening equity amounted to € 1.8 million are part of the statement of recognised income and expense (SoRIE), as presented in the equity section.

The attached notes were however in certain cases, expanded or completed pursuant to IFRS.

Lastly, the parent company, Métropole Télévision (M6), changed its option of recognising the acquisition costs of investments in the parent company financial statements pursuant to the ruling CNC n°2007-C of 15 June 2007. With effect from 2007, these costs are no longer expensed, but are included in the acquisition cost of these securities.

19.3 Other information in respect of the parent company financial statements

19.3.1 TAX INFORMATION

FINANCIAL STATEMENTS AT 31 DECEMBER 2007	Amount (€ thousands)
Total of expenses and charges excluded from deductible expenses (Article 39-4 of the French Income tax Code)	34.3
Total amount of attendance fees excluded from deductible expenses (Article 210 (vi) of the French Income tax Code)	0
Remuneration and other charges relating to the 10 highest paid persons	5,225.9
Gifts and reception costs	1,408.0
Expenses reported on the special summary of General Expenses (Article 223 (v) of the French Income Tax Code)	
Expenses added back to taxable profit	34.3

19.3.2 CORPORATE INFORMATION

The company will provide any shareholder who requests it a copy of the corporate report provided by Articles L.438-1 and subsequent of the Labour Code.

20. Appendix to Management Report

20.1 Five year financial results summary

This information is to be found in page 255 of the present document

20.2 General report of the Statutory Auditors on the consolidated financial statements

This information is to be found in pages 232 and 233 of the present document

20.3 General report of the Statutory Auditors on the parent company financial statements

This information is to be found in pages 258 and 259 of the present document

20.4 General report of the Statutory Auditors on regulated agreements and commitments

This information is to be found in pages 260 to 263 of the present document

20.5 Report of the Statutory Auditors on the resolutions

This information is to be found in page 283 of the present document

20.6 Statutory Auditors' special report on the free allocation of shares already existing or to be issued

This information is to be found in page 284 of the present document

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A. Consolidated financial statements at 31 December 2007

I. CONSOLIDATED BALANCE SHEET

ASSETS

(€ millions)	Note N°	31/12/2007	31/12/2006*
Goodwill	14	53.5	53.7
Audiovisual rights	15	60.1	66.6
Other intangible assets	15	63.7	42.1
INTANGIBLE ASSETS		177.3	162.4
Land	16	13.7	7.8
Buildings	16	67.9	33.3
Other property, facilities and equipment	16	19.0	20.2
PROPERTY, FACILITIES AND EQUIPMENT		100.6	61.3
Available-for-sale financial assets	17	10.5	0.4
Other non-current financial assets	18	349.9	330.7
Shareholdings in associated companies	20	15.4	-
FINANCIAL ASSETS		375.9	331.1
Deferred tax assets	11	25.2	22.3
TOTAL NON-CURRENT ASSETS		678.9	577.0
Broadcast rights inventory	21	186.1	148.4
Other inventories	21	32.0	28.7
Trade receivables	22	257.9	277.5
Current tax		80.2	76.3
Other current assets	22	257.1	247.4
Derivative financial instruments		-	-
Current financial assets		-	-
Cash and cash equivalents	23	89.1	250.7
TOTAL CURRENT ASSETS		902.4	1,029.0
TOTAL ASSETS		1,581.3	1,606.0

FINANCIAL ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS

I. CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES

(€ millions)	Note n°	31/12/2007	31/12/2006*
Share capital		52.0	52.8
Share premium		24.3	24.2
Treasury shares		(10.2)	(11.5)
Reserves		566.7	327.1
Other reserves		(13.4)	(2.1)
Net profit for the year (Group share)		168.7	408.5
GROUP EQUITY		788.0	798.8
MINORITY INTEREST		-	0.9
SHAREHOLDERS' EQUITY		788.0	799.7
Provisions for liabilities and charges	28	6.1	9.3
Financial debt	25	6.4	6.5
Other financial liabilities	26	4.8	-
Liabilities relating to non-current assets		-	7.5
Other liabilities		3.7	-
Deferred tax liabilities	11	12.1	19.7
TOTAL NON-CURRENT LIABILITIES		33.1	43.0
Provisions for liabilities and charges	28	68.0	61.8
Financial liabilities	25	0.7	53.2
Other financial liabilities	26	13.3	1.0
Trade payables		363.0	348.7
Other operating liabilities		56.6	55.8
Current tax		89.0	79.4
Tax and social security payables		151.4	143.5
Liabilities relating to non-current assets		18.2	19.9
TOTAL CURRENT LIABILITIES		760.2	763.3
TOTAL EQUITY AND LIABILITIES		1,581.3	1,606.0

* the comparative period was restated to account for the application of amendment to IAS 19 -Actuarial gains and losses, group plans and disclosures.

The profit and loss correction had no impact on balance sheet assets and no significant impact on the income statement. See Note 3.2

FINANCIAL ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS

II. CONSOLIDATED INCOME STATEMENT

(€ millions)	Note N°	31/12/2007	31/12/2006
Turnover		1,356.4	1,283.4
Other income from ordinary activities	8.1	20.5	16.8
Total revenues from ordinary activities		1,376.9	1,300.2
Materials and service purchases	8.2	(786.7)	(741.1)
Personnel costs (including profit sharing plan contributions)	8.4	(209.3)	(197.2)
Taxes and duties		(60.6)	(57.1)
Net depreciation/amortisation/provision charges	8.3	(85.3)	(82.8)
Impairment of unamortised intangible assets	14	(0.9)	(2.6)
Total operating expenses		(1,142.7)	(1,080.7)
Capital gains on disposals of non-current assets		0.1	-
Operating profit		234.3	219.5
Financial income		4.8	9.2
Interest expenses		(1.1)	(1.8)
Revaluation of derivative financial instruments		0.7	0.2
Proceeds from sale of available-for-sale financial assets		-	0.8
Other financial expenses		18.4	(0.1)
Net financial income	10	22.9	8.3
Share of profit/(loss) from associates		(0.7)	-
Profit before tax		256.5	227.8
Income tax	11	(87.9)	(75.5)
Net profit from continuing operations		168.6	152.3
Post tax profit from discontinuing operations		-	256.8
Consolidated net profit		168.6	409.1
Net profit (Group share)		168.7	408.5
Minority interest		(0.1)	0.6
Earnings per share - basic (€) (Group share)	12	1.291	3.106
Earnings per share from continuing operations - basic (€) (Group share)		1.291	1.154
Earnings per share - diluted (€)		1.291	3.085
Earnings per share from continuing operations - diluted (€) (Group share)		1.291	1.146

FINANCIAL ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS

III. CONSOLIDATED CASH FLOW STATEMENT

(€ millions)	31/12/2007	31/12/2006
Operating profit	234.3	219.5
Non-current asset depreciation and amortisation	80.4	78.1
Capital gains/(losses) on disposals	(16.3)	0.9
Other non-cash items	16.0*	8.7
Operating profit after restatement for non-cash items	314.4	307.2
Income generated by cash balances	5.3	9.2
Interest paid	(1.2)	(0.4)
SELF FINANCING CAPACITY (BEFORE TAX)	318.5	316.0
Decrease/(increase) in inventories	(41.0)	(40.4)
Decrease/(increase) in trade receivables	13.9	(67.1)
(Decrease)/increase in operating liabilities	10.2	61.0
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS	(16.8)	(46.5)
Income tax paid	(83.4)	(74.2)
CASH FLOW FROM OPERATIONS	218.2	195.3
Investing activities		
Intangible assets acquisitions	(66.4)	(35.7)
Property, facilities and equipment acquisitions	(51.0)	(11.2)
Investments acquisitions	(34.7)	0.6
Cash and cash equivalents arising from subsidiary acquisitions	(14.0)	(10.7)
Cash and cash equivalents arising from subsidiary disposals	0.3	5.0
Disposals of intangible assets and property, facilities and equipment	11.2	7.2
Disposals/reductions in investments	-	0.3
NET CASH USED IN INVESTING ACTIVITIES	(154.5)	(44.5)
Financing activities		
Share capital increases	0.1	0.2
Current financial assets	(1.5)	(0.3)
Financial liabilities	0.3	(1.6)
Income from the exercise of stock options	-	4.1
Purchase of treasury shares	(46.6)	-
Dividends paid to shareholders of the parent company	(125.0)	(125.0)
Dividends paid to minority interests of consolidated companies	-	(0.1)
NET CASH USED IN FINANCING ACTIVITIES	(172.8)	(122.7)
Cash flow linked to discontinuing operations	(52.5)	(20.6)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(161.5)	7.6
Cash and cash equivalents - start of year	250.7	243.1
CASH AND CASH EQUIVALENTS - END OF YEAR	89.1	250.7

* primarily relating to IFRS2 recognition

FINANCIAL ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS

IV. EQUITY				
(€ millions)	Number of shares (thousands)	Share capital	Share premium	Treasury shares
Balance at 1 January 2006 (published)	131,888.7	52.8	24.2	(23.0)
Impact of the recognition under equity of actuarial gains and losses (IAS 19)				
Balance at 1 January 2006 (after change of accounting policies)	131,888.7	52.8	24.2	(23.0)
Change in the value of derivative instruments				
Actuarial gains and losses				
Translation adjustment				
<i>Revenues/(expenses) directly recognised under equity</i>		-	-	-
Net profit				
Total recognised revenues and expenses		-	-	-
Dividends				
Changes in consolidating company's equity				
Cost of stock options (IFRS 2)				
Purchases/sales of treasury shares				11.5
Other movements				
BALANCE AT 31 DECEMBER 2006	131,888.7	52.8	24.2	(11.5)
Change in value of derivative instruments				
Actuarial gains and losses				
Translation adjustment				
<i>Revenues/(expenses) directly recognised under equity</i>		-	-	-
Net profit				
Total recognised revenues and expenses		-	-	-
Dividends				
Changes in consolidating company's equity		(0.8)	0.1	
Cost of stock options (IFRS 2)				
Purchases/sales of treasury shares				1.3
Free share allocation hedging instruments				
Other movements				
Balance at 31 December 2007	129,934.7	52.0	24.3	(10.2)

FINANCIAL ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated reserves	Movement in fair value Translation adjustment Actuarial gains and losses	Group equity	Minority interest	Equity
450.2	(0.1)	504.1	0.2	504.3
	(1.8)	(1.8)		(1.8)
450.2	(1.9)	502.3	0.2	502.5
	(0.6)	(0.6)		(0.6)
	0.4	0.4		0.4
	-	-		-
-	(0.2)	(0.2)	-	(0.2)
408.5	-	408.5	0.6	409.1
408.5	(0.2)	408.3	0.6	408.9
(125.0)		(125.0)	(0.1)	(125.1)
-		-	-	-
9.2		9.2	-	9.2
(7.4)		4.1	-	4.1
0.1		0.1	0.2	0.3
735.6	(2.1)	798.8	0.9	799.7
	(1.3)	(1.3)	-	(1.3)
	1.2	1.2		1.2
	(1.0)	(1.0)		(1.0)
-	(1.1)	(1.1)	-	(1.1)
168.7		168.7	(0.1)	168.6
168.7	(1.1)	167.6	(0.1)	167.5
(125.0)		(125.0)	-	(125.0)
		(0.7)	-	(0.7)
13.2		13.2	-	13.2
(45.2)		(43.9)	-	(43.9)
	(10.2)	(10.2)	-	(10.2)
(11.9)		(11.9)	(0.8)	(12.7)
735.4	(13.4)	788.0	-	788.0

B. Notes to the 2007 consolidated financial statements

Unless otherwise mentioned, the amounts presented in the notes are expressed in million Euros.

1. Financial year significant events

On 4 January 2007, M6, TF1 and Vivendi completed the merger of Pay-TV operations in France, with the transfer of TPS and Canal+ Group to Canal+ France, a new entity controlled by Vivendi.

At that date, M6 repaid the advance received from Vivendi on 6 January 2006 following the signing of the memorandum setting out the terms and conditions of the merger, increased by accrued interest, being a total of € 52.5 million.

The Group has a put option on its 5.1% stake in Canal+ France, exercisable three years after completion of the transaction, on the basis of a market price determined by an independent expert and at least equal to a minimum price of approximately € 7,500 million for 100% of Canal+ France, i.e. € 384.2 million for the shares held by M6.

The stake in Canal+ France and related put option on the shares are treated as "financial assets at fair value through profit or loss" within the meaning of IAS 39, as amended.

In order to consolidate its digital channel portfolio, the Group, which already held a 51% stake in the Téva channel, acquired the remaining 49% from Compagnie pour la Télévision Féminine (owned by Marie Claire Album and Hachette Filipacchi Médias). The transaction was announced on 7 December 2006 and finalised on 15 January 2007. Téva became a fully owned subsidiary of the Group at that date.

On 17 October 2007, the Group, via a share capital increase of € 16 million, acquired a 34% shareholding in the share capital of Pages Jaunes Petites Annonces, which operates the AnnoncesJaunes.fr website. Pages Jaunes Group retains a 66% stake in this subsidiary.

Métropole Télévision decided in July 2007 to implement a share buyback programme, in respect of which two transactions were carried out during the second half of the financial year. As a result, 1,960,000 shares were bought back and cancelled for a total amount of € 45.2 million.

2. Company information

The consolidated financial statements at 31 December 2007 of the Group of which M6 is the parent company (the Group) were approved by the Management Board on 28 February 2008 and reviewed by the Supervisory Board on 3 March 2008. They will be submitted for approval to the next Annual General Meeting on 6 May 2008.

Métropole Télévision is a public limited company with a Management Board and a Supervisory Board, registered at 89, avenue Charles-de-Gaulle, Neuilly-sur-Seine in France. The Company is fully consolidated into the RTL Group, which is listed on the Brussels and Luxembourg stock exchanges.

3. Basis of the consolidated financial statements

3.1 Accounting framework

The consolidated financial statements at 31 December 2007 were prepared in accordance with the IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) in force within the European Union at that date. They are presented with comparative figures for 2006 established under the same framework.

■ PRINCIPLES APPLIED

The principles applied for the establishment of these financial statements result in the application of:

- all standards and interpretations adopted by the European Union, the application of which is mandatory for financial years starting on or after 1 January 2007;
- options retained and exemptions used.

■ NEW ACCOUNTING STANDARDS AMENDMENTS AND INTERPRETATIONS IN FORCE WITHIN THE EUROPEAN UNION, THE APPLICATION OF WHICH IS MANDATORY FOR FINANCIAL YEAR STARTING ON OR AFTER 1 JANUARY 2007

The accounting methods adopted are consistent with those of the previous financial year, with the exception of the impact of an adoption by the Group of new standards, amendments to standards and IFRIC interpretations, the application of which is mandatory as from 31 December 2007.

Adoption of the regulations did not affect the Group's financial statements. Where necessary, additional information has been provided in the notes to the financial statements:

- **IFRS 7** *Financial instruments, Disclosures*: this standard lists new disclosure requirements with a view to improving information on financial instruments. Notes to the financial statements must now enable financial statements' users to assess the significance of the Group's financial instruments, as well as the nature and extent of risks associated with these financial instruments;

- **Amendment to IAS 1** – *Presentation of financial statements, Capital disclosures*: this amendment establishes a set of disclosures on the share capital of the Company. Disclosures must enable financial statements' users to assess share capital management objectives, policies and procedures;

- **IFRIC 8** – *Scope of IFRS 2*: this interpretation confirms that IFRS 2 – *Share-based payments* applies to any transaction within the context of which equity instruments are issued, and presumes that an entity receives goods or services as consideration for all transactions to which IFRS 2 applies;

- **IFRIC 10** – *Interim financial reporting and impairment*: this interpretation specifies that impairment recognised at the end of an interim period may not be reversed at a subsequent period end.

The following does not apply to the Group:

- **IFRIC 7** – *Financial reporting in hyperinflationary economies*: this text clarifies how financial statements should be restated in practice under IAS 29 – *Financial reporting in hyperinflationary economies* for the first time during a period;

- **IFRIC 9** – *Reassessment of embedded derivatives*: this interpretation specifies that embedded derivatives must only be identified at the date of entry into the contract and must not be subject to subsequent review, except in the case of a major change in the contract which would render a review compulsory.

■ APPLICATION OF NEW STANDARDS IN ADVANCE OF THE DATE ON WHICH THEIR APPLICATION BECOMES MANDATORY

The Group has chosen not to apply in advance any standards, amendments to standards or interpretations, the application of which is not mandatory until after 31 December 2007. The following could apply to the Group:

- **IFRS 8** – *Operating segments*: this standard, the application of which will be compulsory from 1 January 2009, requires the use of the management approach to present financial performance and operating segments;

- **IFRIC 11 - IFRS 2- Group and treasury share transactions:** this interpretation, applicable to financial years starting on or after 1 March 2007, confirms the treatment to apply in cases where equity instruments are granted to employees of a group's various entities.

■ STANDARDS PUBLISHED BY THE IASB BUT NOT YET APPROVED BY THE EUROPEAN UNION

In addition, the regulations published by the IASB as at 31 December 2007 but not in force in the European Union at that date, and which apply to the Group, are as follows:

- **Amendment to IAS 23 – Borrowing costs:** this amendment cancels the option to recognise borrowing costs as expenses and renders their capitalisation compulsory for eligible assets, except for assets valued at fair value and certain inventory categories;

- **IFRIC 13 – Customer loyalty programmes:** this interpretation, applicable to financial years starting on or after 1 July 2008, covers the valuation and accounting treatment of products and services provided by a company to its customers within the context of loyalty programmes;

- **IFRIC 14 – Defined benefit asset, minimum funding:** this interpretation, applicable to financial years starting on or after 1 January 2008, sets out the valuation rules of the ceiling of the surplus that may be recognised as an asset. It also explains how pension-related assets and liabilities may be affected when a legal or contract minimum funding obligation is in force.

The following does not apply to the Group:

- **IFRIC 12 – Service Concession Arrangements:** this interpretation sets out the general recognition and valuation principles relating to obligations and rights originating from service concession arrangements.

■ OPTIONS AVAILABLE AND USED BY M6 GROUP IN RELATION TO THE ACCOUNTING FRAMEWORK

Some of the international accounting standards allow options relating to the valuation and accounting treatment of assets and liabilities. The options utilised by the Group are detailed in note 3.6.

Furthermore, IFRS 1 *First-time adoption of IFRS*, relating to the first time application of the international reporting framework, allows options in respect of the retrospective application of IFRS at the date of transition (1 January 2004) for the Group. In this regard, the Group has used the following options:

- business combinations prior to 1 January 2004 have not been restated in accordance with IFRS 3 - *Business Combinations* ;
- IAS 39 has been applied retrospectively as from 1 January 2004;
- the measurement of benefits granted to employees in the context of share-based remuneration takes into account only those plans established since 7 November 2002.

3.2 Change in accounting methods

The Group retained the option provided by IAS 19 – *Actuarial gains and losses, group plans and disclosures*, to stop using the «corridor» method and recognise instead actuarial gains and losses resulting from changes in actuarial assumptions directly under equity. Actuarial gains and losses recognised under equity are part of the statement of recognised income and expense (SoRIE), as presented in the Equity section.

Under IAS 8 – *Accounting policies, changes in accounting estimates and errors*, an entity may only change its accounting policy if the change results in the financial statements providing more reliable and relevant information on the effects of transactions, other events or conditions on the financial position, financial performance or cash flow of the entity. The Group, following the IASB's recommendation, considers that the option provided by IAS 19 does provide the option of choosing a simpler and more transparent method than the method previously used to present retirement commitment liabilities.

3.3 Preparation principles

The consolidated financial statements were prepared in accordance with the historical cost convention, with the exception of derivative instruments and available-for-sale financial assets, which are accounted for at fair value.

Financial liabilities are valued at amortised cost. The book value of assets and liabilities recognised on the balance sheet and which are subject to a Fair Value Hedge are adjusted to recognise variations in the fair value of the hedged risks.

3.4 Use of estimates and assumptions

In order to prepare the consolidated financial statements in compliance with IFRS, the Group Management makes estimates and formulates assumptions which affect the amounts presented as assets and liabilities on the consolidated balance sheet, the information provided on contingent assets and liabilities at the time of preparing this financial information, as well as the income and expenditure recognised in the income statement.

Management continually reviews its estimates and assumptions taking into account past experience as well as various other factors that it deems reasonable and which constitute the basis of its assumptions with regard to the book value of composites of assets and liabilities.

The estimates and assumptions established during the finalisation of the consolidated financial statements may subsequently prove to be significantly different from actual results.

The main estimates and assumptions relate to:

- the valuation and realisable value of goodwill and intangible assets such as audiovisual rights and the acquisition cost of sports club players; the estimation of the realisable value of these assets effectively rests on the determination of cash flows resulting from their use or the known market value of the assets. It could turn out that the cash flows actually realised from these assets differ significantly from initial projections. In the same manner, the market value of assets, particularly sports club players, can evolve and differ from the previously recognised values.
- the valuation of retirement benefits, the methods of which are detailed in note 4.14.
- the evolution of commercial discounts (note 4.17).
- the determination of the amounts recognised as provisions for liabilities and charges given the uncertainties likely to affect the occurrence and cost of the events and circumstances underlying the provisions.

3.5 Presentation principles

■ PRESENTATION OF THE INCOME STATEMENT

The Group has presented the income statement based on the nature of expenses, as permitted by IAS 1 - *Presentation of Financial Statements*".

Operating profit is equal to consolidated net profit before taking into account:

- finance income
- finance costs
- income tax
- share of profit of associates
- net income of discontinued operations.

■ PRESENTATION OF THE BALANCE SHEET

In compliance with IAS 1, the Group presents current and non-current assets and liabilities separately on the balance sheet. Considering the nature of the Group's activities, this classification is based upon the timescale in which the asset will be realised or the liability settled: current when this is within the operating cycle and non-current if longer.

■ PRESENTATION OF CONTINGENT ASSETS AND LIABILITIES

Commitments given in respect of purchases of rights are stated net of advances and account payments paid in this regard for the corresponding rights not yet recognised in inventories.

3.6 Options retained in relation to measurement and recognition of assets and liabilities

Some of the international accounting standards make provision for options as concerns the measurement and recognition of assets and liabilities.

Within this framework, the Group has retained the following:

- the valuation at historic cost of property, facilities and equipment and intangible assets, without revaluation at each balance sheet date;
- the proportional consolidation of jointly controlled entities, as permitted by IAS 31 *Interests in Joint Ventures*.
- the option for measurement at fair value through profit or loss, in accordance with the amendment to IAS 39.

Lastly, in the absence of standards or interpretations applicable to a specific transaction, the Group Management Board uses its judgment to define and apply the accounting principles and methods which allow the presentation of relevant and reliable information, so that the financial statements are:

- a fair presentation of the Group's financial position, performance and cash flows;
- representative of the economic reality of transactions;
- transparent;
- prudent;
- complete in all significant aspects.

The Group thus retained a defined accounting framework for acquisitions of minority interests in already fully-consolidated subsidiaries (see Note 4.4).

4. Accounting principles, rules and methods

4.1 Consolidation principles

■ SUBSIDIARIES

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the entity's financial and operating policies in order to derive benefits from its operations. Potential voting rights currently exercisable are taken into consideration to evidence the existence of control.

Companies exclusively controlled by Métropole Télévision are fully consolidated. Acquisitions or disposals of companies during an accounting period are taken into account in the consolidated financial statements from the date of taking of control or until the date of effective loss of control. The full consolidation method implemented is that under which the assets, liabilities, income and expenses are completely integrated. The proportion of net assets and net profit attributable to minority interests is presented separately as minority interest in shareholders' equity in the consolidated balance sheet and in the consolidated income statement.

■ JOINTLY CONTROLLED ENTITIES

Jointly controlled companies are proportionally consolidated, in compliance with IAS 31 *Interests in Joint Ventures* (joint control is the shared control of a single entity by a limited number of associates or shareholders, from whose agreement financial and operational decisions are made).

Under this method, the Group includes its proportion of the assets, liabilities, income and expenses of the subsidiary under the appropriate headings in the consolidated financial statements.

■ ASSOCIATED COMPANIES

Associated companies are entities in which the Group has significant influence over the financial and operating policies, but does not control these policies. Significant influence is presumed when the Group holds between 20% and 50% of the voting rights of an entity.

Associated companies are accounted for under the equity method (equity-accounted companies) and are initially recognised at acquisition cost. The Group's shareholding includes goodwill identified upon the acquisition, net of cumulative impairment charges.

Under this method, the Group accounts for its share of net assets of the associate on the balance sheet and records a specific line item in the consolidated income statement entitled «Share of profit/(loss) from associates» its share of the net income of the entity consolidated using the equity method.

Consolidated financial statements include the Group's share of total profit and loss and equity movements recognised by equity-accounted companies, taking account of restatements necessary for accounting policies to comply with those of the Group, from the date on which significant influence is exercised and until significant influence ceases.

If the Group's share of losses exceeds the value of its shareholding in the equity-accounted company, the book value of equity-accounted shares (including any long-term investment) is brought down to zero and the Group ceases to recognise its share of subsequent losses, unless the Group is under the obligation of sharing in the losses or to make payments in the name of the company.

The existence and effect of potential voting rights exercisable or convertible at year end are taken into consideration when assessing whether the Group has control or significant influence over the entity.

■ TRANSACTIONS ELIMINATED ON CONSOLIDATION

All inter-company transactions and balances between the Group's consolidated companies have been eliminated. In the case of companies consolidated under the proportional consolidation method, intercompany transactions are eliminated to the extent of the Group's ownership level in these companies.

■ FINANCIAL YEAR END

All consolidated companies have a year end of 31 December.

4.2 Translation of financial statements of consolidated foreign entities

The presentation currency of the consolidated financial statements is the Euro. The financial statements of foreign operations are translated into Euros, the Group's financial statement reporting currency. All assets and liabilities of the entity are translated at the closing exchange rate of the financial year and income and expenses are translated at the average rate of the year just ended, corresponding to the approximate rate at the transaction date in the absence of significant fluctuations. Translation reserves resulting from this treatment and those resulting from the translation at year-end rate of subsidiaries' opening equity are posted to "Other reserves" under consolidated equity.

4.3 Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency (Euro) using the exchange rate prevailing at the date of the transaction, in application of IAS 21 - *Effects of Changes in Foreign Exchange Rates*.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. All differences are recorded in the income statement. Non-monetary items in foreign currencies which are valued at historic cost are translated at the exchange rate at the initial date of the transaction.

Exchange differences resulting from the conversion of assets and liabilities denominated in foreign currency arising from commercial transactions are accounted for in operating profit; for financial transactions, these same differences are accounted for in finance income and expense.

The treatment of foreign exchange hedges is detailed in note 4.16.

4.4 Business combinations and goodwill

Business combinations are accounted for in accordance with IFRS 3 *Business Combinations*

In this context, goodwill represents the difference between the acquisition price, plus related expenses, of the shares of consolidated entities and the Group share of the fair value of their net assets, less any contingent liabilities, at the date of investment. The evaluation period for this fair value may be up to 12 months following the acquisition.

When the acquisition price, together with related expenses, is less than the fair value of the identified assets and liabilities and contingent liabilities acquired, the difference is immediately recognised in the income statement.

In the specific case of the acquisition of minority interests in an already fully-consolidated subsidiary and in the absence of any specific IFRS provision, the Group elected not to recognise additional goodwill and to record under equity the difference between the acquisition cost of the shares and the minority interests acquired.

Once allocated to each of the Cash Generating Units, goodwill is not amortised. It is subject to impairment tests from the point of indication of impairment, and as a minimum, once a year (see note 4.7).

In connection with its transition to IFRS in 2005, the Group adopted the option offered by IFRS 1 *First-time Adoption of IFRS* not to restate business combinations prior to 1 January 2004 which do not comply with the recommendations of IFRS 3 *Business Combinations*.

Goodwill recorded prior to 1 January 2004 has been frozen at its carrying amount at this date and will no longer be amortised, complying with IFRS 3, as from this date.

Goodwill is valued at the cost of the business combination, less cumulative impairment. As for equity-accounted companies, the book value of the goodwill is included in the book value of the shareholding.

Goodwill impairment may not be reversed.

4.5 Intangible assets

Intangible assets principally comprise:

- advances and payments on account for non-current assets,
- audiovisual rights held for commercialisation by companies with such a mandate,
- production and co-production share of drama and feature films and others,
- acquisition costs of sports club players,
- computer software and e-business websites
- brands.

■ ADVANCES AND PAYMENTS ON ACCOUNT

Advances and payments on account comprise:

- audiovisual rights not yet open held with a view to their exploitation,
- 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 (distribution, trading), produced or co-produced are classified as an intangible asset in compliance with IAS 38 *Intangible assets*.

The method of amortisation of an asset should reflect the pattern according to which the benefits generated by the asset are consumed. That is why audiovisual rights:

- are amortised according to the pattern of revenues generated, compared to the total estimated revenues, and as a minimum are amortised over the life of the contract, subject to the following limits:
 - 3 years if the company is a distributor of these rights,
 - 5 years if the company is a dealer in these rights.
 - 15 years if the company is a producer of these rights;
- are subject, in conformity with IAS 36 *Impairment of Assets* (see note 4.7) to an impairment test, which could lead to the recognition of an impairment should the carrying amount of the right exceed its recoverable value.

■ CO-PRODUCTION SHARE OF FEATURE FILMS, DRAMA AND OTHER COSTS

Co-production costs are also capitalised as other intangible assets and are amortised on the basis of their future receipts or straight-line over three years where their future receipts are insufficient.

In application of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, grants received from the Centre National de Cinématographie (CNC) are accounted for as a reduction in the acquisition cost of financed co-production assets, and are subsequently accounted for in profit according to the pattern of consumption of the expected economic benefits of the co-productions as previously defined.

■ ACQUISITION COST OF SPORTS CLUB PLAYERS

In application of IAS 38 - *Intangible Assets*, purchases of sports club players are capitalised as intangible assets at their acquisition cost and are amortised on a straight-line basis over the length of their contracts.

The realisable value is also assessed in compliance with IAS 36 *Impairment of Assets* (see note 4.7).

■ COMPUTER SOFTWARE AND E-BUSINESS WEBSITES

Computer software purchased or internally developed is reported at acquisition or production cost and amortised on a straight-line basis over its period of use, which does not exceed four years.

Under IAS 38 – *Intangible assets*, development costs of “active” websites must be capitalised as intangible assets from the time the company can demonstrate the following:

- its intention and financial and technical capacity to complete the development project;
- the likelihood that future economic benefits attributable to the development costs will flow to the Company;
- and that the cost of this asset can be reliably measured.

■ BRANDS

Only those brands that are separable and well known are recognised as assets in the case of business combinations and the resulting allocation of the acquisition price.

Acquired brands are initially recognised at their fair value, which is estimated on the basis of the methods normally used to measure brands.

When such brands have a finite useful life, i.e. they are expected to be no longer usable at the end of a determined period, they are amortised on a straight-line basis over their useful lives.

Brands are tested for impairment in accordance with IAS 36 *Impairment of Assets*.

4.6 Property, facilities and equipment

Property, facilities and equipment are recorded at their acquisition cost, reduced by accumulated depreciation and impairment provisions, according to the treatment specified by IAS 16 Property, Plant & Equipment. This cost includes costs directly attributable to the transfer of the asset to its place of operation and its adaptation to operate in the manner anticipated by management.

■ DEPRECIATION

Depreciation is calculated in line with the pattern of consumption of the expected economic benefits of each individual asset, based on its acquisition cost, less its residual value.

The straight-line method is applied over the following useful lives:

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

■ RESIDUAL VALUE

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

■ IMPAIRMENT LOSSES

Property, facilities and equipment are subject to impairment tests when indications of a loss of value are identified. Should this be the case, an impairment loss is recorded in the income statement under the caption "Net depreciation/amortisation/provision charges".

■ FINANCE LEASES

Assets acquired through finance leases are capitalised when virtually all risks and rewards of ownership of these assets have effectively been transferred to the Group. They are recorded on the balance sheet at the lower of their fair value and the discounted value of minimum lease payments, reduced by accumulated depreciation and impairment. These assets are depreciated over their estimated useful lives.

Leases for which the risks and rewards are not transferred to the Group are classed as operating leases. Operating lease payments are accounted for as expenses on a straight-line basis over the duration of the lease.

4.7 Impairment of assets

According to IAS 36 *Impairment of Assets*, the realisable value of intangible assets and property, facilities and equipment is tested at the appearance of indications of impairment.

The realisable value of unamortised intangible assets is tested at the appearance of indications of impairment, and as a minimum once a year.

The realisable value is determined on an asset by asset basis, unless the asset in question does not generate cash flows largely independent of those generated by other assets or groups of assets.

In this instance, the realisable value of the Cash Generating Unit, to which the asset belongs, is determined.

A Cash Generating Unit is the smallest group of assets, which includes the asset, and which generates cash flows, largely independently of other assets or groups of assets.

For sports club players, in particular, the realisable value of these intangible assets is tested separately, player by player, and at the level of the global strength of players in Ligue 1 (French Football League).

Goodwill and intangible assets to which it is not possible to directly match independent cash flows are grouped together, at the time they are first recorded, into the Cash Generating Unit to which they belong.

Impairment is recognised when, as a result of specific events or circumstances arising during the period (internal or external criteria), the realisable value of the asset or group of assets falls below its carrying amount.

The realisable value is the higher of fair value, net of disposal costs, and value in use.

The value in use retained by the Group corresponds to the discounted cash flows of the CGU, including goodwill, and is determined within the framework of the economic assumptions and operating conditions as provisionally established by the Management of Métropole Télévision in the following manner:

- future cash flows stem from the medium term budget (5 years) drawn up by the Management,
- beyond this timescale, the cash flows are extrapolated by application of a perpetual growth rate appropriate to the potential development of the markets in which the entity concerned operates, as well as the competitive position held by the entity within these markets.
- the discount rate applied to the cash flows is determined using the rates which are most appropriate to the nature of the operations and the country. It takes into account the time value of money and risks specific to the CGU for which cash flows have not been adjusted.

Impairment recognised in respect of a cash-generating unit (or group of units) is allocated firstly to reducing the book value of any goodwill associated with the cash-generating unit, and subsequently to the book value of other assets of the unit (or group of units), proportionally to the book value of each asset of the unit (or group of units).

Impairment recognised in respect of goodwill may not be reversed. As for other assets, the Group assesses at each balance sheet date if there is any indication that impairment recognised in previous financial years has decreased or no longer exists. Impairment is reversed if a change has occurred in estimates used to measure the recoverable value. The book value of an asset, increased by an impairment reversal, may not exceed the book value which would have been measured, net of amortisation and depreciation charges, if no impairment had been recognised.

4.8 Available-for-sale financial assets, other financial assets and financial liabilities

■ FINANCIAL ASSETS

In accordance with the recommendations of IAS 39 - *Financial Instruments: Recognition and Measurement*, the shares of non-consolidated companies belong to the asset category "available-for-sale financial assets". They are initially recognised at fair value, corresponding to their original acquisition cost, and are then revalued to fair value at each balance sheet date.

The following assets are tested for impairment at each period end:

- loans and receivables issued by the entity and held-to-maturity assets: when there is an objective indication of impairment, the amount of the impairment loss is recognised in profit or loss;

- available-for-sale assets: changes in fair value are recognised in shareholders' equity ("Other reserves") until the effective disposal of the shares or the recognition of an impairment via profit and loss. An impairment of available-for-sale assets can be recorded in profit and loss if the corresponding loss in value is considered to be sustainable or permanent.

Financial assets at fair value through profit or loss comprise:

- assets that are regarded as held for trading, which comprise assets that the company intends to sell in the near term in order to realise a gain, which are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking (mainly cash and cash equivalents and other cash management financial assets);
- assets explicitly designated by the Group upon initial recognition as financial instruments, the changes in fair value of which are recognised in profit or loss. This designation is used when such use results in the provision of better quality financial information and enhances the consistency of the financial statements.

■ FINANCIAL LIABILITIES

Financial liabilities valued at fair value through the income statement result in the realisation of profit due to short-term variations in price. This applies only to liabilities resulting from short sales of shares or other financial assets or derivatives which are not hedge derivatives.

Other financial liabilities are valued at amortised cost, with the exception of derivative financial instruments which are valued at fair value.

Derivative instruments relating to cash flows are valued at fair value at each balance sheet date, and the change in the fair value of the ineffective portion of the hedge is recognised in the income statement and the change in the fair value of the effective portion of the hedge in reserves.

4.9 Income tax

Income tax includes current tax and deferred tax charges. Tax is recognised against profit except where it relates to items directly recognised under equity, in which case it is recognised under equity.

Current tax is the estimated amount of income tax payable in respect of the taxable income of a period, measured using taxation rates adopted or virtually adopted at the balance sheet date, before any adjustment of current tax payable in respect of previous periods.

Deferred tax is measured and recognised according to the liability method balance sheet approach for all temporary differences between the carrying amount of assets and liabilities and their tax base. However, the following items do not give rise to the recognition of deferred tax: the initial recognition of an asset or liability as part of a transaction that is not a business combination and that affects neither book profit nor taxable profit, and temporary differences relating to shareholdings in subsidiaries and joint ventures, to the extent that they may not be reversed in the near future.

Recognised deferred tax assets reflect the best estimate of the schedule of taxable temporary difference reversal and realisation of future taxable profits in the tax jurisdictions concerned. These future taxable profit forecasts are consistent with business and profitability assumptions used in budgets and plans and other budget estimates used to value other balance sheet items.

Furthermore, deferred tax is not recognised in case of a taxable temporary difference generated by the initial recognition of goodwill. Deferred tax assets and liabilities are valued at the income tax rate expected to apply to the period in which the asset will be realised or the liability settled, based on tax regulations that have been adopted or virtually adopted at the balance sheet date.

In accordance with IAS 12 – *Income tax*, deferred tax assets and liabilities are not discounted and are offset if a legally enforceable right to offset current tax assets and liabilities exists and if it concerns income tax collected by the same tax authority, either from the same taxable entity or from different taxable entities, which intend to settle current tax assets and liabilities based on their net value or to realise the assets and pay the tax liabilities at the same time.

Deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable profit in the future against which corresponding temporary differences may be offset. Deferred tax assets are examined at each balance sheet date and are adjusted, if necessary, in the light of estimated future taxable profits.

The additional tax charge resulting from the distribution of dividends is recognised as a tax liability.

4.10 Inventories

Inventories are comprised of programmes, broadcast rights and commercial inventories

■ PROGRAMMES AND BROADCASTING RIGHTS

In compliance with IAS 2 - *Inventories*, programmes and broadcasting rights are recorded in inventory at the date the rights are open.

Rights which are not yet open and not yet billed are classified as off-balance sheet commitments.

The billed portion of rights not open is recognised in advances and payments on account. Programmes and broadcast rights are valued at their acquisition costs, reduced each balance sheet period by the amount consumed, as calculated according to the following models.

Métropole Télévision programmes (which constitute the predominant part of the Group's broadcast rights inventories) are considered to be utilised when broadcast, in accordance with the following rules:

- rights acquired for a single broadcast and various rights (documentaries, concerts, sporting events...): 100% expensed on first broadcast;
- rights acquired for multi-broadcasts:
 - 1st broadcast: 67%
 - 2nd broadcast: 33%

Different amortisation schedules may be considered in highly specific cases of rights acquired for 4 to 5 broadcasts, the audience potential of which is deemed particularly high for each broadcast.

On the other hand, a writedown provision is established for broadcast rights relating to programmes that are not likely to be broadcast on the basis of a review, title by title, of the portfolio of broadcast rights.

■ OTHER INVENTORIES

These inventories comprise products and home shopping products relating to the brand diversification activities of the Group. These inventories are valued at the lower of their acquisition cost and their net realisable value which corresponds to the estimated sales price, net of estimated costs necessary to realise their sale.

A writedown provision is established whenever their net realisable value is less than their acquisition cost, measured on a case by case basis (slow rotation, inventories for reimbursement, returns ...)

4.11 Receivables

If the maturity date is less than one year and the effects of discounting are not significant, receivables are measured at cost (nominal amount of the receivable). Conversely, receivables are measured at amortised cost, using the effective rate of interest, when their maturity date exceeds one year and the effects of discounting are significant.

A writedown provision is calculated for each receivable as soon as circumstances indicate the possibility that the customer may not pay the total of the receivable within the contracted terms. The amount of the provision equates to the difference between the carrying amount and the discounted value at the initial effective interest rate (should the case arise) of estimated future cash flows.

4.12 Treasury shares

Treasury shares are recorded as a reduction to shareholders' equity at their purchase cost.

When future contracts are entered into to purchase treasury shares at a given price and on a given date, the commitment is reflected by the recognition of a financial liability representative of the discounted buyback value and offset against equity. Subsequent variations in the value of this financial liability are recognised under finance income and expense.

On the disposal of treasury shares, gains and losses are recorded in consolidated reserves, net of tax.

4.13 Share-based payments

M6 Group has implemented share subscription option plans, as well as free share allocation plans for the benefit of its personnel (see Note 9). In compliance with IFRS 2 *Share-based payment*, personnel remuneration items paid in equity instruments are recognised as personnel costs in the Income Statement and offset against equity.

The total cost of the benefit is measured once and for all, using the binomial mathematical model in the case of share purchase and subscription option plans, at the date of allocation of the options and spread over the vesting period.

In the case of free share allocation plans, the total cost is estimated to be the market value of the M6 share on the date of allocation less dividends expected during the holding period. This cost is posted to the income statement and spread over the same holding period.

In the context of the transition to IFRS and in compliance with the requirements of IFRS 1, the Group has only recognised, in its valuation the fair value of benefits awarded to employees, those plans granted after 7 November 2002, for which the rights had not yet vested at 1 January 2005.

4.14 Retirement benefits and other benefits

■ RETIREMENT BENEFITS

The Group only has retirement benefit commitments under defined benefit schemes.

A defined benefit plan is a post-employment benefit plan under which payments made to a distinct entity do not discharge the employer from its obligation to pay additional contributions.

The Group's net obligation in respect of defined benefit plans is measured using the value of future benefits acquired by personnel in exchange of services rendered during the current and previous periods. This amount is discounted to measure its present value. The costs of unrecognised past services and the fair value of plan assets are subsequently deducted. The discount rate is equal to the interest rate, at the balance sheet date, of top-rated bonds with a maturity date close to that of the Group's commitments and denominated in the same currency as that used to pay out benefits.

Calculations are carried out every year by a qualified actuary using the projected unit credit method.

The Group immediately recognises against equity all actuarial differences arising in respect of defined benefit plans.

■ SEVERANCE PAY

Severance pay is recognised as an expense when the Group is obviously committed, with no real possibility to retract, to a formal and detailed redundancy plan before the normal retirement age.

■ SHORT-TERM BENEFITS

Obligations arising from short-term benefits are measured on a non-discounted basis and are recognised as corresponding services are rendered.

A liability is recognised for the amount the Group expects to pay in respect of employee profit-sharing plans and for bonuses paid in short-term cash when the Group has an actual obligation, legal or constructive, to make these payments as consideration for past services rendered by personnel and this obligation may be reliably assessed.

4.15 Provisions

In compliance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Group recognises a provision when, at the balance sheet date, it has an obligation (legal or constructive) towards a third party resulting from a past event, for which it is probable that an outflow of resources embodying economic benefits will be required, and when a reliable estimate can be made of the amount of the obligation.

In the case that this loss or liability is not probable and cannot be reliably measured, but remains possible, the Group recognises a contingent liability in its commitments.

Provisions are predominantly intended to cover probable costs of trials or litigation in process, of which the trigger event existed at the balance sheet date.

4.16 Derivative financial instruments

The M6 Group is exposed to foreign exchange rate risk principally when purchasing broadcast rights in a foreign currency. In order to protect itself from foreign currency exchange risk, the Group uses simple derivative instruments guaranteeing it a covered amount and a maximum exchange rate for this hedged amount.

The Group's use of derivative instruments is with the sole aim of hedging commitments arising from its activity and never for a speculative purpose.

■ DETERMINATION OF FAIR VALUE

In accordance with IFRS 7 *Financial Instruments: Disclosures* and IAS 39 *Financial Instruments: Recognition and Measurement*, derivative financial instruments are measured at fair value. The fair value of foreign currency purchase contracts is calculated with reference to a standard forward exchange rate for contracts with similar maturity profiles. The fair value of interest rate swaps is determined with reference to the market values of similar instruments.

■ FINANCIAL INSTRUMENTS QUALIFYING AS HEDGES

The Group decided to apply hedge accounting for the majority of its derivative instruments in order to reduce the impact on profit of hedges implemented.

The main hedge instruments authorised within the framework of the Group hedging policy are as follows: pure time, "forward" participating, first generation options, "swap" (currency or interest rate).

The hedging policies adopted by the Group are mainly of two types.

Hedging the exposure to movements in the fair value of an asset or liability

All gains or losses from the revaluation of the hedging instrument to fair value are immediately recognised in the income statement.

All gains and losses on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised in the income statement.

This results in symmetric recognition of movements in fair value of the hedged item and the hedging instrument for the effective part of the hedge in profit from operations. The ineffective part of the hedge is recorded in finance income/expense.

Hedging future cash flows

This involves hedging the exposure to movements in cash flow that is attributable either to a forecast transaction or to a firm commitment.

Recognition of movements in the fair value of the financial instrument, as regards the effective portion, in equity until the balance sheet recognition of the asset or liability. When the hedged item is recorded and leads to the recognition of an asset or a liability, the amount recorded in equity is transferred and included in the initial value of the cost of acquisition of the asset or liability. As regards the ineffective portion, movements in value are included in finance income/expense.

For all other cash flow hedges, the amounts taken directly to equity are transferred to income for the year in which the forecast transaction or firm commitment affects the income statement.

■ FINANCIAL INSTRUMENTS NOT QUALIFYING AS HEDGES

Some financial instruments are not treated as hedges according to the definition of IAS 39, despite effectively being hedge instruments used to manage economic risks. Gains and losses resulting from the revaluation of financial instruments which may not be accounted for as hedges are recognised in the income statement of the period.

4.17 Revenue

In compliance with IAS 18 Revenue, revenue realised by the various Group entities is recognised when:

- it is probable that the economic benefits of the transaction will flow to the Group;
- the amount of revenue can be measured reliably;
- at the transaction date, it is probable that the amount of the sale will be recovered.

More specifically, the revenue recognition principles per activity are as follows:

- advertising revenues are recorded on the broadcast of the advertisements which are the subject of the sale; revenue is recognised net of commercial rebates.
- remuneration of digital channels granted by cable and satellite broadcast operators that broadcast them are calculated on a per subscription basis or at an annual set price.
- diversification activities revenues are recognised on the provision of the service or delivery of the products; they are recognised net of provisions for returns; these revenues also include, where relevant, the financial contribution, invoiced to the final customer, relating to the unit costs incurred in the gathering and elimination of waste electrical and electronic equipment ("ecoparticipation"). When the Group acts as an agent instead of a principal in a transaction, recognised revenue corresponds to the net value of commissions received by the Group.
- sales of audiovisual rights are recognised at the opening date of the rights, essentially within the framework of television sales; other sales (theatre, video) are recognised on admission or on delivery of the material.

- sports revenues, such as broadcast rights paid by the organisers of competitions, are recognised in line with the sports season with the exception of premiums relating to future ranking which are recognised at the date on which the ranking is acquired;
- mobile telephone revenues are recognised:
 - for the portion relating to signing up, the month of signing of a new subscription and adjusted for attrition rates;
 - and, for the portion relating to monthly operating revenues, spread over the duration of the subscription period to match the revenues received by the Group.

4.18 Earnings per share

In accordance with the recommendations of IAS 33 *Earnings per Share*, basic earnings per share is determined by dividing the net profit attributable to Group shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated inclusive of all instruments giving access to the Group share capital, having a dilutive effect.

The dilution of share purchase and subscription options is determined in accordance with the share purchase method. This method allows the determination of shares not purchased which are added to the ordinary shares in circulation and have a dilutive effect.

Treasury shares carried as a reduction to consolidated equity are not taken into account in the calculation of earnings per share.

4.19 Cash and cash equivalents

Cash comprises cash on hand in the bank current account and demand deposits.

Cash equivalents are investments, readily convertible into a known amount of cash, subject to an insignificant risk of changes in value, with a maturity of less than 3 months.

In this respect, the FCP and SICAV mutual funds held by the Group are recognised as cash equivalents. The Group holds exclusively Euro FCP and SICAV mutual funds, exposed to a very limited rate risk and of which the volatility over 12 months is very close to that of Eonia.

4.20 Cash flow statement

The table presents actual cash flows relating to the operations of the entities within the scope of consolidation at the year end. It has been established in compliance with IAS 7 - *Cash Flow Statements*.

■ CASH FLOWS FROM OPERATING ACTIVITIES

Movements in inventories and receivables are calculated net of movements in provisions against the current assets.

In addition, in order to illustrate the effect of taxation on the movement in cash, the tax expense is removed from the self-financing capacity, and the movement in the tax liability is removed from the variation in working capital requirements. The disbursement for taxation is thus isolated as a specific line item.

■ CASH FLOWS FROM INVESTING ACTIVITIES

The effects on cash of adjustments to the consolidation scope resulting from acquisitions and disposals of entities (other than discontinuing operations) are identified on the lines "cash and cash equivalents arising from subsidiary acquisitions" and "cash and cash equivalents arising from subsidiary disposals".

■ DISCONTINUING OPERATIONS

The effects on the Group's cash of discontinuing operations are shown on a separate line in the cash flow statement, "Cash flow linked to discontinuing operations".

5. Impact of changes in accounting policies

Giving up the use from 1 January 2007 of the "corridor" method (see Note 3.2) is considered as a change in accounting policies. In application of IAS 19 - *Actuarial gains and losses, group plans and disclosures*, and IAS 8 - *Accounting policies, changes in accounting estimates and errors*, this change of accounting policies was applied retrospectively.

Its impact on the Group's consolidated financial statements at 1 January 2006, with 2006 financial statements prepared on a pro forma basis, was the following:

- non-current provisions: increased by € 1.8 million,
- others reserves: decreased by € 1.8 million.

6. Business combinations

6.1 Acquisitions in the year

■ ACQUISITION: 49% OF SEDI TV - TÉVA

On 15 January 2007, the Group increased its shareholding in thematic channel Téva from 51% to 100%.

Being an acquisition of minority interests in a fully-consolidated company, and due to the lack of any specific IFRS provision, the Group chose not to recognise additional goodwill and to recognise the difference between the acquisition cost of the shares and minority interests acquired under equity.

Taking account of the company's net assets at the acquisition date, the negative impact on equity was € 11.6 million.

The Group had not acquired any minority interests prior to this transaction.

■ ACQUISITION: 20% OF CITATO

On 30 May 2007 and pursuant to the memorandum of understanding signed with the shareholders upon the initial 2005 acquisition, the Group acquired the remaining 20% of Citato for € 0.1 million, thereby increasing its shareholding from 80% to 100%.

In application of the previously mentioned method, the impact of this acquisition was recognised under equity for a negative € 0.3 million.

■ ACQUISITION: 100% OF DIEM 2

On 28 June 2007, the Group acquired Diem 2, an audiovisual rights production and distribution company, in full. The transaction generated a € 0.8 million goodwill, unallocated to date.

■ ACQUISITION: 5% OF MISTERGOODDEAL

On 2 July 2007, the Group signed an agreement for the purchase of the 5% minority interests in Mistergooddeal. This agreement set the final acquisition price of the remaining 5% at € 8.4 million;

The final goodwill takes this agreement into account and was € 33.1 million at 31 December 2007 for the whole company.

■ ACQUISITION: 34% OF ANNONCES JAUNES

On 17 October 2007, the Group entered into a partnership with Pages Jaunes Group with a view to developing the Annoncesjaunes.fr website and making it the leader in France for online multi-segment classified ads.

The Group, through a € 16 million share capital increase, acquired a 34% shareholding

in Pages Jaunes Petites Annonces, the corporate name of the company which operates Annonces Jaunes.

In accordance with IAS 28 – *Investments in associates*, this subsidiary is equity-accounted on consolidation.

■ ALLOCATION OF ACQUISITION PRICES

The allocation of acquisition prices relating to these companies may be analysed as follows:

Goodwill at 31 December	2007
Acquisition price, net of related expenses	29.6
Value of assets and liabilities acquired (Group share)	
Net value of assets acquired	1.2
Capitalisation of losses brought forward and deferred tax assets	1.5
Revalued net assets	2.7
Total to be allocated	26.9
Allocated to goodwill	1.9
Recognised as a deduction of equity	11.9
Shareholdings in associated companies	13.1

6.2 Follow up of acquisitions carried out in 2006

The Group had finalised at 31 December 2006 the allocation of the acquisition price of Mandarins Films and Femmes en Ville. No further changes were made in the 2007 financial year.

In addition, the € 0.9 million Femmes en Ville goodwill was fully written down at 31 December 2007.

6.3 Impact of acquisitions and disposals in 2007

The impact of acquisitions on Group revenue and operating profit in 2006 and 2007 is analysed as follows:

	2007		2006	
	Turnover	Operating profit	Turnover	Operating profit
Acquisitions				
Femmes en Ville			0.8	(0.4)
Mandarin Films			1.6	(0.2)
Diem 2	-	-		
Disposals				
A Ton Service	0.1	(0.3)		
Total impact	0.1	(0.3)	2.5	(0.7)

7. Segment reporting

In application of IAS 14, *Segment Reporting* the primary segment is business segments. This distinction is based on the Group's internal organization and management structure.

A change of presentation was introduced compared to 2006: the Group's property companies (companies that own buildings occupied by Group companies) as well as companies with no operations are no longer allocated to any specific segment. Profits and losses generated by these companies, previously primarily allocated to the M6 Free-to-Air segment, were included into "Eliminations and unallocated items". Their assets and liabilities were transferred to "unallocated assets" and "unallocated liabilities". For comparison purposes, the 2006 data provided below were restated accordingly.

■ PROFIT

The contribution of each business segment to the income statement in 2007 is detailed as follows:

	M6 Free-to-Air		Digital Channels		Diversification Audiovisual rights		Eliminations and unallocated profits		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
External turnover	681.6	656.8	100.0	75.6	574.6	551.0	0.2	0.2	1,356.4	1,283.5
Inter-segment turnover	34.4	32.6	1.4	1.6	25.6	21.6	(61.5)	(55.9)	-	-
Turnover	716.0	689.4	101.4	77.2	600.3	572.6	(61.3)	(55.7)	1,356.4	1,283.5
Profit from operations (EBITA)										
from continuing operations	196.5	180.0	0.3	(2.6)	45.7	51.2	(6.5)	(5.5)	236.1	223.0
Amortisation of brands	-	-	-	-	(0.9)	(0.9)	-	-	(0.9)	(0.9)
Impairment of unamortised assets	-	-	-	(2.1)	(0.9)	(0.5)	-	-	(0.9)	(2.6)
Income from disposal of subsidiaries and investments	-	-	0.1	-	-	-	-	-	0.1	-
Operating profit (EBIT)										
from continuing operations	196.5	180.0	0.4	(4.7)	43.9	49.7	(6.5)	(5.5)	234.3	219.5
Net finance income									4.0	8.3
Fair value movement of the Canal + France financial asset									18.9	-
Group share of profit from associates									(0.7)	-
Profit before tax from continuing operations									256.6	227.7
Income tax									(87.9)	(75.4)
Net profit from continuing operations									168.6	152.3
Net profit from discontinued operations									-	256.8
Net profit									168.6	409.1
Minority interests									0.1	(0.6)
Net profit - Group share									168.7	408.5

■ BALANCE SHEET

The contributions of each business segment to the balance sheet is presented below

	M6 Free-toAir		Digital Channels		Diversification and Audiovisual Rights		Elimination		Total of continuing operations	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Assets and liabilities										
Segment assets	567.7	514.3	73.3	85.4	444.9	396.2	(141.5)	(107.8)	944.3	888.1
Shareholdings in associated companies	-	-	-	-	15.4	-			15.4	-
Unallocated assets									621.6	717.9
Total assets	567.7	514.3	73.3	85.4	460.3	396.2	(141.5)	(107.8)	1,581.3	1,606.0
Segment liabilities	389.3	372.0	77.8	76.0	358.9	306.4	(141.5)	(107.8)	684.5	646.6
Unallocated liabilities									108.8	159.7
Total liabilities	389.3	372.0	77.8	76.0	358.9	306.4	(141.5)	(107.8)	793.3	806.3
Other segment information										
Tangible and intangible investments	50.7	12.2	0.3	0.4	80.1	42.6			131.1	55.2
Depreciation and amortisation	(12.4)	(14.5)	(1.4)	(1.7)	(58.9)	(52.2)			(72.7)	(68.4)
Impairment	0.4	1.2	-	0.2	(3.3)	(8.8)			(3.0)	(7.4)

Unallocated assets relate to cash and other Group financial assets, as well as taxation receivables. They notably include the Canal+ France shares held by M6 Numérique, with total value of € 342.9 million at 31 December 2007 and € 324.0 million at 31 December 2006.

Unallocated liabilities relates to debt and other Group financial liabilities, as well as tax liabilities.

The Group does not present any segmental information by geographical segment as it has no significant operations outside of France.

8. Other operating income and expenses

8.1 Other operating income

Other operating income totalled € 20.5 million and primarily comprised:

- proceeds from the sale of football players (€ 16.3 million)
- operating grants received (€ 4.2 million)

8.2 Materials and other operating expenses

	2007	2006
Broadcast rights consumption and program flows	(170.6)	(238.3)
Cost of sales	(167.4)	(137.3)
Other external services	(445.4)	(360.8)
Foreign exchange losses	(0.2)	(0.2)
Other expenses	(3.2)	(4.5)
Cost of sales and other operating expenses	(786.7)	(741.1)

8.3 Amortisation, depreciation, impairment, foreign exchange differences and inventory costs included in operating expenses

	2007	2006
Amortisation and net provisions - audiovisual rights	(42.2)	(45.6)
Amortisation and net provisions - production costs	(3.9)	(7.3)
Amortisation and net provisions - other intangible assets	(18.9)	(12.4)
Depreciation - property, facilities and equipment	(10.7)	(10.3)
Writedown of broadcast rights	(8.9)	(0.1)
Other	(0.7)	(6.9)
Goodwill impairment	(0.9)	(2.6)
Total of amortisation and depreciation (net)	(86.2)	(85.3)

8.4 Employee and workforce expenses

	2007	2006
Wages and salaries	(132.0)	(123.2)
Social security charges	(55.1)	(51.4)
Profit sharing plan contributions	(8.7)	(8.9)
Other employee costs	(13.5)	(13.8)
Employee costs	(209.3)	(197.2)

Other employee costs include provision charges and reversals for retrial, provisions for corporate litigations as well as the cost of stock options (IFRS 2).

The “full time equivalent” (FTE) workforce of wholly consolidated Group companies was 2,064, compared to 2,029 in 2006 and 1,760 in 2005.

The FTE workforce of jointly owned companies was stable with 25 people in 2007.

9. Share-based payments

■ PLANS ALLOCATED IN 2007

Pursuant to the authorisation given by the Combined General Meeting of 2 May 2007, an allocation of options to subscribe for shares was decided by the Management Board on 2 May 2007, following approval by the Supervisory Board. This plan covered 827,500 shares.

Pursuant to the authorisation given by the Combined General Meeting of 28 April 2005, an allocation of free shares was decided by the Management Board on 2 May 2007, following approval by the Supervisory Board. This covered 188,306 shares, subject to the achievement of financial objectives (turnover and profitability). The number of free shares allocated may be increased to a maximum of 272,479 shares in the event objectives are exceeded.

■ VALUATION AT FAIR VALUE OF BENEFITS GRANTED TO EMPLOYEES

Pursuant to IFRS 2 – *Share-based payments* and IFRS 1 *First-time adoption* of IFRS, the allocation of options to purchase and to subscribe for shares and the allocation of free shares granted since 7 November 2002 have been valued at their fair value at the date of grant.

The fair value of options granted to purchase and to subscribe for shares was based on the binomial model of option valuation.

The fair value of free shares granted is based on the value of the share at date of grant less the current value of future dividends estimated for the period of unavailability.

■ FEATURES OF PLANS AND FAIR VALUE OF BENEFITS GRANTED

The principal features of option plans to purchase, subscribe and the allocation of free shares outstanding at 31 December 2007 and for which, pursuant to IFRS 1 *First-time adoption of IFRS*, there was a valuation at fair value of the benefit granted to employees, as follows:

	Model	Reference price	Exercise price	Historical volatility	Risk free rate	Expected yield	Fair value
Share subscription price							
25/07/03	Binomial	23.66	22.48	52.3%	3.05%	4.58%	9.45
14/11/03	Binomial	25.07	23.82	52.3%	3.54%	4.32%	10.27
28/04/04	Binomial	24.97	24.97	52.3%	3.32%	4.34%	9.84
02/06/05	Binomial	20.17	19.94	41.8%	3.24%	5.24%	6.10
06/06/06	Binomial	24.63	24.60	43.1%	4.02%	3.81%	8.57
02/05/07	Binomial	26.55	27.52	37.8%	4.40%	3.99%	7.94
Plans granting free shares							
02/06/05		20.17	N/A	N/A	3.24%	5.24%	18.17
06/06/06		24.63	N/A	N/A	4.02%	3.81%	22.82
02/05/07		26.55	N/A	N/A	4.40%	3.99%	24.51

The maturity used for each plan corresponds to its period of partial unavailability (4 years) for share subscription plans increased by two years, the options being exercisable in a period of three years after the end of the partial unavailable period.

It is also assumed that 15% of options will not be exercised due to beneficiaries leaving the Group before the exercise date.

The maturity used corresponds to the period of unavailability (2 years) for plans granting free shares.

The cost of the plan of 2 May 2007 was reduced by 15%, which is the attrition rate during the holding period.

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The balance of options and allocated shares changed as follows during the financial year:

	Allocation at plan date	Balance at 31 Dec. 2006	Allocated	Exercised	Cancelled	Balance at 31 Dec. 2007
Share subscription plans	5,570,150	3,714,550	827,500	6,000	745,200	3,790,850
18/01/00	175,000	17,500	-	-	17,500	-
30/06/00	338,100	189,500	-	-	189,500	-
07/06/01	551,800	345,300	-	-	52,200	293,100
07/06/02	710,500	516,500	-	-	76,500	440,000
25/07/03	713,500	588,500	-	6,000	85,500	497,000
14/11/03	20,000	20,000	-	-	-	20,000
28/04/04	861,500	721,500	-	-	99,000	622,500
02/06/05	635,500	587,000	-	-	79,000	508,000
06/06/06	736,750	728,750	-	-	97,750	631,000
02/05/07	827,500	-	827,500	-	48,250	779,250
Plans granting free shares	775,445	546,664	188,306	84,000	36,755	614,215
02/06/05	106,667	93,833	-	84,000	9,833	-
06/06/06	480,472	452,831	-	-	15,416	437,415
02/05/07	188,306	-	188,306	-	11,506	176,800

Cancellations recorded during the year resulted either from beneficiaries leaving the Group before the end of the vesting period or from plans expiring due to market conditions preventing all rights from being exercised.

Data relating to the free share allocation plan are reference data corresponding to the achievement of performance objectives set within the context of the 2005 and 2007 plans. Therefore, they do not include the revaluation of the number of shares allocated as a function of over-performance.

Since the objectives of the plan of 2 June 2005 have been exceeded, the number of permanently vested shares was 100,800, being 20% higher than the reference number. The number of shares to be permanently vested within the framework of the plan of 2 May 2007 has been estimated to date at 212,000, due to the likelihood that financial objectives will be exceeded.

■ CHANGE IN VALUATION

Until 31 December 2005, the fair value of the benefit granted under plans allocated between 7 November 2002 to 31 December 2005, including those relating to the allocation of free shares, were valued using a trinomial model that used in all cases a maturity date equal to that of the period of unavailability.

The changes that were made to the methods of valuation at the 2006 year end (valuation using a binomial model and extension of the maturity date in the case of allocations of options to purchase and to subscribe for shares, the new valuation model for the allocation of free shares) increased the overall costs of plans by € 0.6 million. This charge, allocated prospectively represented a cost of € 0.3 million in 2007.

■ CHARGE RECOGNISED IN 2007

This resulted in the following impact to the line personnel costs in the income statement:

	Personnel cost	
	31 Dec. 2007	31 Dec. 2006
Share subscription plans		
25/07/03	1.0	1.7
14/11/03	-	-
28/04/04	1.9	1.9
02/06/05	0.9	0.9
06/06/06	1.3	0.8
02/05/07	0.9	-
Plan granting free shares		
02/06/05	0.4	0.8
06/06/06	5.2	3.0
02/05/07	1.6	-
Total cost	13.3	9.2
<i>of which impact of the change in method used to estimate the charge</i>	<i>0.3</i>	<i>0.3</i>

10. Net finance income

	2007	2006
Interest on loans from banks and associates	(1.1)	(1.9)
Capitalised interest on pension	(0.2)	(0.2)
Revaluation of derivative instruments	(0.3)	(0.2)
Other financial expense	(0.6)	(0.2)
Finance expenses	(2.2)	(2.4)
	2007	2006
Investment income	3.7	6.9
Other interest income	1.1	2.2
Revaluation of derivative instruments	1.0	0.4
Income from disposal of financial assets held for sale	-	0.8
Fair value movement of the Canal + France financial asset	18.9	-
Other financial income	0.3	0.4
Finance income	25.1	10.7
NET FINANCE INCOME	22.9	8.3

The decrease in finance income is due to the 63% decline in the cash deposits, offset by a 36% increase in interest rates.

11. Income tax

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

All French registered Group companies that are subject to income tax and are more than 95% continuously owned directly or indirectly by Métropole Télévision are members of the tax grouping, with the exception of companies in which the Group's shareholding was increased to more than 95% during the financial year, being Sedi TV-Téva, Citato, Diem 2, Immobilière 46D, M6 Créations, M6 Divertissement and M6 Récréative.

The main components of income tax are as follows:

	2007	2006
<i>Income tax payable:</i>		
Tax charge for the year	(89.1)	(63.1)
<i>Deferred tax:</i>		
Creation and reversal of temporary differences	1.2	(12.4)
Total	(87.9)	(75.5)

The deferred tax rate used for 2007 was 34.43%, which is the same as 2006.

Deferred tax related to adjustments to equity were as follows:

	2007	2006
Revaluation to fair value of foreign exchange contracts	-	-
Revaluation to fair value of foreign exchange contracts (cash flow hedging)	1.1	0.4
IAS 19 actuarial gains and losses	0.1	-
Treasury share forward purchase	5.3	-
Write down of treasury shares	1.9	2.5
Total	8.4	2.9

The following schedule reconciles the income tax accounting expense with the income tax arising from the theoretical tax rate:

	2007	2006
Net profit - Group share	168.7	408.5
Minority interests	0.1	0.6
Profit or loss after tax of discontinuing operations	-	256.8
Income tax	(87.9)	(75.5)
Share of profit from associates	(0.7)	-
Goodwill impairment	(0.9)	(2.6)
Profit from continuing operations before tax and goodwill impairment	258.3	230.4
 Theoretical tax rate	 34.43%	 34.43%
Theoretical tax charge	(88.9)	(79.3)
Reconciling items:		
Cost of stock options	(4.6)	(3.2)
Revaluation of the Canal+ France financial asset	6.2	-
Other permanent differences	(0.6)	7.0
Effective tax charge	(87.9)	(75.5)
 Effective tax rate	 34.03%	 32.78%

The permanent differences recognised in 2006 relate mainly to the tax consequences of internal reorganisation of the Group.

The sources of deferred tax at 31 December were as follows:

	2007	2006
Deferred tax assets		
Intangible assets	0.9	1.1
Other assets	6.0	3.7
Retiral provisions (non deductible)	1.9	2.5
Non deductible provisions	14.5	14.8
Expenses payable non-deductible	2.6	4.7
Derivative instruments	6.4	0.4
Losses brought forward	0.9	1.3
Other	0.4	-
Impact of offset of deferred tax assets and liabilities on the balance sheet	(8.5)	(6.1)
Total	25.2	22.3
Deferred tax liabilities		
SNC and Mandarin Films catalogues	(8.1)	(8.8)
Mistergooddeal brand	(2.5)	(2.8)
Intangible assets	(5.3)	(4.3)
Accelerated depreciation and amortization	(2.0)	(1.9)
Canal + France asset	(0.6)	(4.3)
Writedown of treasury shares	(1.9)	(2.5)
Other	(0.2)	(1.2)
Impact of offset of deferred tax assets and liabilities on the balance sheet	8.6	6.1
Total	(12.1)	(19.7)

The cumulative losses brought forward of group companies was € 42.1 million at 31 December 2007.

The deficits that were capitalised as deferred tax assets amounted to € 2.7 million at 31 December 2007.

At 31 December 2007, no deferred tax liability was recognised for taxes which may be due on undistributed profits of certain Group subsidiaries, associated companies or joint ventures.

The payment of dividends by the Group to its shareholders had no fiscal consequences.

12. Earnings per share

	2007	2006
Net profit attributable to shareholders	168.7	408.5
Profit/(loss) attributable to discontinuing operations	-	256.8
Net profit from continuing activities attributable to shareholders	168.7	151.7
Average weighted number of shares (excluding treasury shares) for basic earnings per share	130,730,034	131,534,003
Total options granted (including non dilutive)	4,463,655	4,109,189
Number of shares to be added for dilutive effects	-	901,796
«Average weighted number of shares (excluding treasury shares), adjusted for dilutive effect*»	130,730,034	132,435,800
Net earnings per share (€)	1.291	3.106
Net earnings per share from continuing operations (€)	1.291	1.154
Diluted earnings per share (€)	1.291	3.085
Diluted earnings per share from continuing operations (€)	1.291	1.146
<i>* only comprises dilutive shares (with regard to market conditions at closing)</i>		

For the year ending 31 December 2007, the calculation of diluted earnings per ordinary share does not take into account certain 2.2 million share options. The exercise price of these options is higher at the year end date than the price of ordinary shares, thus the options are considered anti-dilutive.

13. Dividends paid and proposed

	2007	2006
Declared and paid during the year	125.0	125.0
Dividend paid for ordinary shares (€)	0.95	0.95
Proposed for approval of AGM	129.9	125.0
Dividend paid per ordinary share (€)	1.00	0.95

14. Goodwill impairment tests and intangible assets with an indeterminable life

■ MOVEMENTS

	2007	2006
Goodwill evolved as follows:	53.7	61.3
Opening, net of impairment	0.9	0.9
Acquisitions	-	-
Disposals	-	(6.3)
Allocations	-	-
Other	(0.2)	0.4
Impairment	(0.9)	(2.6)
Closing	53.5	53.7
Opening		
Gross value	73.4	78.4
Accumulated impairment	(19.7)	(17.1)
Net	53.7	61.3
Closing		
Gross value	74.1	73.4
Accumulated impairment	(20.6)	(19.7)
Net	53.5	53.7

Movements in goodwill during 2007 arose from:

- the acquisition of Diem 2;
- the acquisition price earn-out relating to the 5% held by the minorities in Mistergood-deal, resulting from the early realisation of the offer to purchase given by the Group for € 1.0 million;
- the restatement of Paris Première for the tax saving generated by the use in 2007 of part of losses brought forward for € (1.2) million (losses already existing prior to the acquisition of this company were not recognised upon the business combination);
- the impairment of the Femmes en Ville goodwill.

■ ANALYSIS

Goodwill is analysed by segment thus:

Net carrying value	2007	2006
M6 Free-to-Air	-	-
Digital channels		
Paris Première SA	14.3	15.5
Fun TV S.N.C.	-	-
Diversification		
Mistergooddeal SA	33.1	32.1
HSS Group	4.1	4.1
Femmes en ville SAS	-	0.9
DIEM 2 SA	0.9	-
SND SA	0.8	0.8
TCM Droits Audiovisuels SNC	0.4	0.4
SNC (Société Nouvelle de Cinematographie) SA	-	-
M6 Foot SAS	-	-
Citato SARL	-	-
Mandarin Films SAS	-	-
Total	53.5	53.7

■ IMPAIRMENT TESTS

The discounted cash flow method used to determine the value in use is based on the following parameters:

- discount rate before tax: 8.85%
- infinite growth rate: 2%

Tests carried out in the value in use of assets with related goodwill did not indicate any loss in value, except for Femmes en Ville.

15. Intangible assets

	Audiovisual rights	Other intangible assets incorporelles	Asset advances and deposits	Goodwill	Total 2006
At 1 January 2006, net of writedown and amortisation	62.9	14.9	30.3	61.3	169.4
Acquisitions	3.0	13.0	28.4	-	44.4
Change in group structure (gross amounts)	31.5	-	0.6	11.3	43.4
Disposals	(10.8)	(2.7)	-	-	(13.5)
Others	10.7	9.5	-	(16.4)	3.8
Reclassifications	34.5	11.5	(46.0)	-	-
Writedown	(5.1)	(2.0)	-	(2.6)	(9.7)
2006 amortisation charge	(40.5)	(17.9)	-	-	(58.4)
Changes in Group structure - accumulated amortisation charges	(30.2)	-	-	-	(30.2)
Reversal of amortisation on disposals	10.6	2.5	-	-	13.1
At 31 December 2006, net of amortisation charges and impairment	66.6	28.9	13.2	53.7	162.4
At 1 January 2006					
Gross value	349.8	258.6	30.3	78.4	717.2
Accumulated amortisation and writedowns	(287.0)	(243.8)	-	(17.1)	(547.8)
Net total	62.9	14.9	30.3	61.3	169.4
At 31 December 2006					
Gross value	420.2	288.5	13.2	60.7	782.8
Accumulated amortisation and writedowns	(353.7)	(259.7)	-	(7.0)	(620.4)
Net total	66.6	28.9	13.2	53.7	162.4

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	Audiovisual rights	Other intangible assets incorporelles	Asset advances and deposits	Goodwill	Total 2007
At 1 January 2007, net of writedown and amortisation	66.6	28.9	13.2	53.7	162.4
Acquisitions	10.2	39.0	31.3	-	80.5
Changes in Group structure - gross values	0.2	9.1	0.6	0.9	10.8
Disposals	(10.9)	(8.0)	(0.1)	-	(19.0)
Other movements	-	-	-	(0.2)	(0.2)
Reclassifications	25.5	2.4	(27.9)	-	-
Writedown	1.5	(4.6)	-	(0.9)	(3.9)
2007 amortisation charge	(43.7)	(18.3)	-	-	(62.0)
Changes in Group structure - accumulated amortisation charges	(0.2)	(9.5)	(0.6)	-	(10.3)
Reversal of writedown on disposals	10.9	8.0	-	-	18.9
At 31 December 2007, net of amortisation charges and impairment	60.1	47.1	16.6	53.5	177.3
At 1 January 2007					
Gross value	420.2	288.5	13.2	60.7	782.8
Accumulated amortisation and writedowns	(353.7)	(259.7)	-	(7.0)	(620.4)
Net total	66.6	28.9	13.2	53.7	162.4
At 31 December 2007					
Gross value	445.1	331.2	17.2	61.4	854.8
Accumulated amortisation and writedowns	(385.2)	(284.1)	(0.6)	(7.9)	(677.7)
Net total	60.1	47.1	16.6	53.5	177.3

Audiovisual rights include cinematographic, television and videographic rights and guaranteed minimums.

2007 was marked by significant investments by SND.

Other intangible assets consist of computer software, co-productions and assets related to the purchase of football players.

In application of IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, grants received from the CNC are recognised as a reduction in the value of the co-production assets.

16. Property, facilities and equipment

	Land	Buildings	Technical facilities	Other PFE	Assets under construction	Total 2006
At 1 January 2006, net of depreciation and writedown	7.8	36.1	10.9	6.4	0.6	61.8
Additions	-	0.5	5.5	3.3	1.5	10.8
Changes in Group structure - gross values	-	-	-	-	-	-
Disposals	-	(0.1)	(2.9)	(1.8)	-	(4.8)
(Depreciation charges) / Reversals 2007	-	(3.3)	(4.2)	(3.2)	-	(10.7)
Changes in group structure - accumulated depreciation	-	-	-	-	-	-
Reversal of depreciation on disposal	-	-	2.8	1.3	-	4.1
At 31 December 2006, net of depreciation and writedown	7.8	33.3	12.1	6.0	2.1	61.3
At 1 January 2006						
Gross values	7.8	58.7	43.9	23.7	0.6	134.7
Accumulated depreciation charges	-	(22.6)	(33.0)	(17.3)	-	(72.9)
Net value	7.8	36.1	10.9	6.4	0.6	61.8
At 31 December 2006						
Gross values	7.8	59.1	46.5	25.2	2.1	140.8
Accumulated depreciation charges and writedown	-	(25.9)	(34.4)	(19.2)	-	(79.5)
Net value	7.8	33.3	12.1	6.0	2.1	61.3

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	Land	Buildings	Technical facilities	Other PFE	Assets under construction	Total 2007
At 1 January 2007, net of depreciation and writedown	7.8	33.3	12.1	6.0	2.1	61.3
Additions	5.9	37.9	6.1	1.9	(1.2)	50.5
Changes in Group structure - gross values	-	-	-	-	-	-
Disposals	-	-	(1.4)	(0.6)	-	(1.9)
(Depreciation charges) / Reversals 2007	-	(3.3)	(4.7)	(2.7)	-	(10.7)
Changes in group structure - amortissements cumulés	-	-	-	-	-	-
Reversal of depreciation on disposal	-	-	0.9	0.5	-	1.4
At 31 December 2007, net of depreciation and writedown	13.7	67.9	13.0	5.1	0.9	100.6
At 1 January 2007						
Gross values	7.8	59.1	46.5	25.2	2.1	140.8
Accumulated depreciation charges	-	(25.9)	(34.4)	(19.2)	-	(79.5)
Net value	7.8	33.3	12.1	6.0	2.1	61.3
At 31 December 2007						
Gross values	13.7	97.0	51.2	26.5	0.9	189.4
Accumulated depreciation charges and writedown	-	(29.2)	(38.2)	(21.4)	-	(88.8)
Net value	13.7	67.9	13.0	5.1	0.9	100.6

At 31 December 2007, property, facilities and equipment totalled € 100.6 million. The € 39.3 million increase was primarily due to the acquisition of a new building in Neuilly-sur-Seine, France.

17. Available-for-sale financial assets

Available-for-sale financial assets constitute investments held by the Group in non-consolidated companies and receivables which are directly related to them.

	2007			2006		
	Gross value	Fair value movements	Net fair value	Gross value	Fair value movements	fair value
Summit Entertainment	10.4	-	10.4	-	-	-
Pink TV	-	-	-	0.4	(0.4)	-
European News Exchange	0.1	-	0.1	0.1	-	0.1
Other	0.1	(0.1)	-	0.3	-	0.3
Total	10.6	(0.1)	10.5	0.8	(0.4)	0.4

18. Other financial assets

■ OTHER NON-CURRENT FINANCIAL ASSETS

This mainly includes the part not eliminated of current accounts with joint ventures and considered to have a maturity of over 1 year. The debt arising from financing a co-shareholder is classified as non-current financial debt in accordance with the principle of not offsetting financial assets and liabilities.

The current accounts are loans at variable interest rates based on Eonia.

The group does not hold any non-current financial assets with fixed interest rates.

Income arising from these assets is recorded in the period as finance income. Such loans are initially recognized at fair value, then subsequently at amortised cost.

	2007	2006
Associates current account	7.4	6.8
Impairment of associates current account	(0.4)	(2.0)
Financial assets at fair value through profit and loss (1)	342.9	324.0
Other financial assets	-	1.8
Other non-current financial assets	349.9	330.7

(1) Financial assets at fair value through profit and loss comprise the Canal+ France, financial asset, as explained in Note 1.

■ DERIVATIVE FINANCIAL INSTRUMENTS

They are classified as other current financial assets when the market value of the instruments is positive and classified current financial liabilities when their market value is negative.

19. Investments in joint ventures

Entities in which M6 or one of its subsidiaries has a joint venture interest are as follows:

	% held		Business sector
	2007	2006	
TCM DA	50%	50%	Broadcasting right portfolio
Série Club	50%	50%	Série Club digital channel
TF6	50%	50%	TF6 digital channel
TF6 Gestion	50%	50%	TF6 management company
Femmes en Ville	50%	50%	Free press magazine
Echo6	50%	50%	Mobile phone product marketing

The contributions of joint ventures to the Group consolidated balance sheet are as follows:

	2007	2006
Non-current assets	11.1	16.9
Current assets	9.9	15.3
Non-current liabilities	(5.2)	(5.2)
Current liabilities	(15.1)	(20.4)
Net assets	0.6	6.7

Contribution by company:

	2007	2006
Assets		
TF6 - Série Club	9.9	12.2
TCM DA	12.0	19.8
Other	(1.0)	0.3
	21.0	32.3
Liabilities		
TF6 - Série Club	(9.0)	(10.9)
TCM DA	(10.2)	(14.1)
Other	(1.1)	(0.6)
	(20.3)	(25.6)
Net assets	0.6	6.7

The contribution of joint ventures to Group turnover and net profit were as follows:

	2007	2006
Turnover	22.9	18.5
Net profit	0.6	6.1

Contribution by company:

	2007	2006
Turnover		
TF6 - Série Club	16.0	11.5
TCM DA	5.4	6.1
Other	1.5	0.8
	22.9	18.5
Net profit		
TF6 - Série Club	1.1	1.6
TCM DA	1.3	4.8
Other	(1.8)	(0.3)
	0.6	6.1

20. Investments in associated companies

The Group took a 34% stake in Annonces Jaunes on 17 October 2007.

The following table summarises financial information relating to the investment in this associated company:

	2007
Non-current assets	0.7
Current assets	4.5
Non-current liabilities	(3.0)
Current liabilities	(1.8)
Net assets	0.4

	2007
Turnover	0.2
Net profit	(0.7)

21. Inventories

	Broadcasting rights	Commercial inventories	Total 2006
Net book value at 1 January 2006	115.7	21.1	136.8
Acquisitions	216.1	147.4	363.4
Subsidiary purchase	-	-	-
Subsidiary disposals	-	-	-
Expensed	(183.3)	(139.2)	(322.5)
Writedown (charge)/reversal 2006	(0.1)	(0.5)	(0.6)
Net book value at 31 December 2006	148.4	28.7	177.1

At 31 December 2005

Cost or fair value	165.8	30.4	196.2
Accumulated writedown	(50.1)	(9.3)	(59.4)
Net book value at 31 December 2005	115.7	21.1	136.8

At 31 December 2006

Cost or fair value	198.6	38.5	237.1
Accumulated writedown	(50.2)	(9.8)	(59.9)
Net book value at 31 December 2006	148.4	28.7	177.1

	Broadcasting rights	Commercial inventories	Total 2007
Net book value at 1 January 2007	148.4	28.7	177.1
Acquisitions	228.4	175.9	404.3
Subsidiary purchase	-	-	-
Subsidiary disposals	-	-	-
Expensed	(181.9)	(172.2)	(354.1)
Writedown (charge)/reversal 2007	(8.9)	(0.4)	(9.2)
Net book value at 31 December 2007	186.1	32.0	218.1

At 31 December 2006

Cost or fair value	198.6	38.5	237.1
Accumulated writedown	(50.2)	(9.8)	(59.9)
Net book value at 31 December 2006	148.4	28.7	177.1

At 31 December 2007

Cost or fair value	245.1	42.2	287.3
Accumulated writedown	(59.1)	(10.2)	(69.2)
Net book value at 31 December 2007	186.1	32.0	218.1

22. Financial instruments

This note presents information on the Group's exposure to each of the following risks, as well as its objectives, policy and assessment procedures and risk management.

22.1 Credit risk

The credit risk represents the risk of financial loss for the Group in the event a customer or financial instrument counterparty was to fail to meet its contractual duties. This risk primarily originates from trade receivables.

The Group's exposure to the credit risk is influenced by advertisers' individual features.

In order to secure its advertising revenues, M6 Publicité uses two complementary mechanisms:

- credit inquiries are systematically carried out by external specialised companies on new customers and on an on-going basis on recurring customers;
- different payment terms for each business sector; General Conditions of Sale provide for the prepayment of campaigns for those advertisers not meeting the required solvency criteria.

Due to this prudent policy, the risk of non payment of advertising campaigns is less than 0.1% of advertising revenue.

TV advertising: Free-to-air TV and digital channel advertisers

This population of advertisers is highly stable, with more than 90% recurring customers from one year to the next. They primarily comprise companies listed on the compartments A and B of the Euronext Paris Stock Exchange.

Internet and press advertisers

These customers commit much lower amounts and mostly operate on a one-off basis. A single team is in charge of following up on the risk represented by these customers, taking account of their business sector, unit price of the campaign and, if applicable, their customer base history.

Other operations do not feature individual customer risks of importance that would impact the Group's sustained profitability.

The Group neither securitises nor refinances trade receivables.

■ ASSET DERIVATIVE FINANCIAL INSTRUMENTS

The book value of financial assets represents the maximum exposure to the credit risk at year end, as follows:

	2007		Analysis by category of instruments					
	Balance sheet value	Fair value	Fair value through profit and loss	Available-for-sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Available-for-sale financial assets	10.5	10.5	-	10.5	-	-	-	-
Other non-current financial assets	349.9	349.9	342.9	-	-	7.0	-	-
Trade receivables	257.9	257.9	-	-	-	257.9	-	-
Other current assets	257.1	257.1	-	-	-	257.1	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-
Cash equivalents	80.4	80.4	80.4	-	-	-	-	-
Bank and cash	8.7	8.7	8.7	-	-	-	-	-
Total assets	964.5	964.5	432.0	10.5	-	522.0	-	-

	2006		Analysis by category of instruments					
	Balance sheet value	Fair value	Fair value through profit and loss	Available-for-sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Cash equivalents	0.4	0.4	-	0.4	-	-	-	-
Other non-current financial assets	330.7	330.7	324.0	-	-	6.7	-	-
Trade receivables	277.5	277.5	-	-	-	277.5	-	-
Other current assets	247.4	247.4	-	-	-	247.4	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-
Cash equivalents	247.6	247.6	247.6	-	-	-	-	-
Bank and cash	22.6	22.6	22.6	-	-	-	-	-
Total assets	1,126.2	1,126.2	594.2	0.4	-	531.6	-	-

■ MATURITIES OF FINANCIAL ASSETS

The maturity dates of financial assets are as follows:

	Closing balance		Neither impaired nor matured		<= 1 month		2 - 3 months		3 - 6 months		6 - 12 months		> 1 year		Gross impairment	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Long-term investments	7.4	8.7	7.0	6.7	-	-	-	-	-	-	-	-	-	-	0.4	2.0
Trade receivables - gross	282.6	302.6	203.2	216.1	14.8	32.3	6.5	3.3	6.8	11.5	3.5	2.3	5.7	5.0	42.0	32.0
Other receivables	260.0	249.5	253.8	201.8	0.8	44.8	2.0	0.3	0.1	-	-	0.4	-	0.1	3.3	2.1
Total	550.0	560.8	464.0	424.6	15.6	77.1	8.5	3.6	6.9	11.5	3.5	2.7	5.7	5.1	45.7	36.1

Trade and other receivables are comprised of commercial receivables and other receivables linked to operations, such as advances and deposits.

Assessment of the Group's credit risk relating to trade and other receivables, with a view to potentially recognising impairment was detailed in Note 4.11.

22.2 Liquidity risk

The liquidity risk is the risk that the Group may find it difficult to meet its liabilities when they fall due. The Group's approach to managing the liquidity risk is to ensure, to the best of its ability, that it will always avail of sufficient liquidity under normal or "tight" conditions, without incurring unacceptable losses or damage its reputation.

M6 Group is not exposed to any liquidity risk, in light of its net financial position and since it does not use credit derivatives.

■ LIABILITY DERIVATIVE FINANCIAL INSTRUMENTS

The Group's maximum exposure to the liquidity risk at year end was as follows:

	2007				
	Balance sheet value	Fair value	Loans and receivables	Debt at amortised cost	Derivative instruments
Non-current financial debt	5.9	5.9	-	5.9	-
Leases	0.7	0.7	-	0.7	-
Non-current financial liabilities	4.8	4.8	-	-	4.8
Current financial debt	0.5	0.5	-	0.5	-
Current financial liabilities	13.3	13.3	-	-	13.3
Trade and other payables	363.0	363.0	-	363.0	-
Liabilities on non-current assets	18.2	18.2	-	18.2	-
Other current liabilities	56.6	56.6	-	56.6	-
Total liabilities	463.0	463.0	-	444.9	18.1

	2006				
	Balance sheet value	Fair value	Loans and receivables	Debt at amortised cost	Derivative instruments
Non-current financial debt	6.2	6.2	-	6.2	-
Leases	0.4	0.4	-	0.4	-
Non-current financial liabilities	-	-	-	-	-
Current financial debt	53.1	53.1	-	53.1	-
Current financial liabilities	1.0	1.0	-	-	1.0
Trade and other payables	348.7	348.7	-	348.7	-
Liabilities on non-current assets	19.9	19.9	-	19.9	-
Other current liabilities	55.8	55.8	-	55.8	-
Total liabilities	485.1	485.1	-	484.1	1.0

22.3 Market risk

Market risk is the risk that movements in market prices, such as foreign exchange rates, interest rates and equity instrument prices may adversely affect the Group's financial performance or the value of its financial instruments. The objective of market risk management is to manage and control exposure to market risks within acceptable limits, while at the same time optimising the profitability to risk ratio.

■ FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk through audiovisual rights purchase contracts, both for its TV operations programme line-up and the cinema distribution activity. These purchases are primarily denominated in US dollars.

In order to protect itself from random currency market movements that could adversely impact its financial income and wealth, the Group decided to hedge all its purchases. The coverage is undertaken at the signing of supplier contracts and is weighted as a function of the underlying due date. Commitments to purchase rights over periods exceeding 24 months are partially hedged.

The Group only uses simple products that guarantee the amount covered and a maximum rate of coverage. These are forward purchases, for the most part.

A report is prepared every month on the movements in exchange exposure in order to monitor risk management.

Analysis of exposure to foreign exchange risk

(€ millions)	USD	Total
Assets	3.1	3.1
Liabilities	(4.3)	(4.3)
Off-Balance Sheet	(57.8)	(57.8)
Unhedged position	(59.0)	(59.0)
Forex hedges	54.5	54.5
Net exposed position	(4.5)	(4.5)

* at closing price: € 1 = USD 1.4417

The full balance sheet is hedged, as well as 90% of off-balance sheet commitments.

The Group's US dollars net exposed position for all its activities is € 4.5 million, which would yield a € 0.05 million loss in the event of an unfavourable foreign exchange movement of € 0.01 against the US dollar.

■ INTEREST RATE RISK

Maturity schedule of financial debt and financial assets at 31 December 2007

(€ millions)	< 1 year	1 to 5 years	> 5 years	Total
Variable rate financial debt	(1.2)	(5.9)	-	(7.1)
Other unexposed financial debt	-	-	-	-
Total financial debt	(1.2)	(5.9)	-	(7.1)
Variable rate financial assets	89.1	7.0	-	96.1
Other unexposed financial assets	-	-	-	-
Total financial assets	89.1	7.0	-	96.1

Financial liabilities include leases of € 0.7 million.

Analysis of variable rate net positions

(€ millions)	Variable rate		unexposed	Total
	< 1 year	> 1 year		
Financial liabilities	(1.2)	(5.9)	-	(7.1)
Financial assets	89.1	7.0	-	96.1
Net position	87.9	1.1	-	89.0

Group variable rate position is positive by € 89.0 million. This position is primarily comprised of monetary cash instruments, which all comply with criteria of IAS 7 – *Financial instruments*: Disclosures, as well as variable rate loans, in compliance with M6 Group deposit procedures (described in paragraph 4 “Cash flow management policy”).

■ CASH MANAGEMENT POLICY

All cash resources must be able to be mobilised rapidly while limiting capital risk. The Group’s approach is absolutely prudent and non speculative. All investments made by the Group meet the criteria of IAS 7. Thus, certain prudent rules are followed as part of the Group’s cash management:

- not hold more than 5% of the assets of a fund (control ratio);
- not to invest more than 20% in a single item;
- limit credit risk: compulsory investment in investment grade within each fund.

Investment yields are regularly measured and reported to management every month. A detailed analysis of the various risks of these deposits is also produced quarterly.

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The maturity dates of hedge instruments are as follows (valued in € at the future hedge rate):

	2007			2006		
	Total	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years
Métropole Télévision	28.7	11.6	17.1	12.3	3.9	8.4
SND	28.4	27.1	1.3	8.7	8.7	-
TCM	-	-	-	-	-	-
Total	57.1	38.7	18.4	21.0	12.6	8.4

■ FAIR VALUE

Financial instruments used by the Group measured at fair value are as follows:

Liability derivative financial instruments

	2007		2006	
	Fair value	Contractual or notional amount covered*	Fair value	Contractual or notional amount covered*
Fair value hedges				
foreign exchange future contracts	(0.2)	2.0	(0.2)	3.8
Cash flow hedges				
foreign exchange future contracts	(2.0)	52.5	(0.7)	16.9
Total	(2.2)	54.5	(0.9)	20.7

* euro contra value

22.4 Financial instrument effect on Income Statement

	2007	Analysis by category of instruments					
	Effect on Income Statement	Fair value through profit and loss	Available-for-sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Total interest income	4.8	-	-	-	4.8	-	-
Total interest expense	(0.9)	-	-	-	-	(0.9)	-
Revaluations	19.6	18.9	-	-	-	-	0.7
Net income/(expense)	(2.7)	(0.2)	-	-	(2.5)	-	-
Income/(loss) on disposals	(0.1)	-	(0.1)	-	-	-	-
Impairment	1.5	-	0.4	-	1.2	-	-
Net finance income/(expense)	22.3	18.7	0.3	-	3.5	(0.9)	0.7

	2006	Analysis by category of instruments					
	Effect on Income Statement	Fair value through profit and loss	Available-for-sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Total interest income	8.8	-	-	-	8.8	-	-
Total interest expense	(2.8)	-	-	-	-	(2.8)	-
Revaluations	-	-	-	-	-	-	-
Net income/(expense)	(3.5)	0.3	-	-	(3.8)	-	-
Income/(loss) on disposals	-	-	-	-	-	-	-
Impairment	(6.1)	-	-	-	(6.1)	-	-
Net finance income/(expense)	(3.6)	0.3	-	-	(1.1)	(2.8)	-

23. Cash and cash equivalents

	2007	2006
Deposit with Bayard d'Antin	20.0	35.0
Vivendi advance (including interest)	-	52.5
FCP and SICAV mutual funds	60.4	140.6
Cash at bank	8.7	22.6
Total cash and cash equivalents	89.1	250.7

Cash and marketable securities are financial assets held for trading (fair value through income statement) and as such are measured at fair value.

The FCP and SICAV mutual funds do not contain any unrealised capital gains, as these were realised at 31 December 2007.

The deposits with Bayard d'Antin SA are covered by a treasury management agreement.

In 2006, cash included the € 52.5 million (including interest) granted by Vivendi as part of the TPS agreement. This was refunded upon finalisation of the transaction on 4 January 2007.

24. Equity

24.1 Share capital management policy

Management of the Group's shareholders' equity primarily refers to the dividend distribution policy and more generally to the remuneration of the Métropole Télévision shareholder. It also aims at maintaining a shareholders' equity and a cash / net debt ratio at levels that are deemed sound and prudent, while at the same time optimising the cost of capital.

As regards remuneration of the shareholder, the Group has set itself, since at least 2004, the objective of distributing a dividend of approximately 80% of net earnings per share (from continuing operations, Group share). M6 also activated in 2007 a 3-year share buyback programme, for a maximum of 10% of the share capital, with a view to cancelling them, subject to a significant acquisition. During the financial year ended 31 December 2007, M6 bought back 1,960,000 of its own shares within the framework of this programme, being 1.49% of the share capital, for a total amount of € 45.25 million.

In addition, M6 held 257,761 of its own shares at 31 December 2007 and had subscribed to forward purchases for 640,000 of its own shares. These treasury shares were allocated to the granting of free shares and to support the market within the framework of a liquidity contract entrusted to CA Cheuvreux since December 2004.

Aside from share capital increases carried out as part of the exercise of share subscription option and even though it has been granted authorisations by the Shareholders' General Meeting to proceed in specified cases with share capital increases, the Company currently has no plans to issue new shares. In 2007, the Company increased its share capital by 6,000 shares (0.005% of the share capital) due to the exercise of subscription options by an employee.

By virtue of its corporate purpose and status as an operator of a Free-to-Air and digital television broadcasting license, the Company is governed by a specific legal and regulatory regime in terms of shareholders and shareholding. Under the terms of Law no 86-1067 of 30 September 1986 as amended, as well as Law no. 2001-624 of 18 July 2001, an individual or entity, acting alone or in concert, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a national television service by Free-to-Air terrestrial transmission. Therefore, any decision liable to have a dilutive or enhancing effect on existing shareholders must be assessed in the light of this specific legal requirement.

24.2 Shares comprising Métropole Télévision's equity

■ NUMBER OF ISSUED SHARES

(thousands)	2007	2006
Ordinary shares with a par value of € 0.4	129,935	131,889

■ NUMBER OF OUTSTANDING SHARES

(thousands)	2007	2006
At 1 January 2007	131,614	131,397
Exercised stock options	6	209
Allocation of free shares	101	-
Liquidity contract movement	(84)	8
Implementation of the share buyback programme (before cancellation of shares)	(1,960)	-
At 31 December 2007	129,677	131,614

The shares comprising the capital of Métropole Télévision are all ordinary shares with one vote each.

All shares are fully paid.

Three share purchase option plans and eight share subscription plans for the benefit of management and senior executives were in place at 31 December 2007.

24.3 Movements in equity not recorded in the income statement

The effective part of the movement in the fair value of financial instruments recorded as future cash flow hedges is recorded in equity. Interim gains or losses realised on a hedge (e.g. in the event of a deferral) are taken to the same reserve.

The number of hedges of the future cash flow hedge kind was 30 at 31 December 2007, compared to 28 at 31 December 2006.

The impact on equity and other reserves was as follows:

Balance of other reserves at 1 January 2006	(1,9)
Exchange gain realised on incomplete transactions	-
New hedges	(0.2)
Former hedge variations	(0.1)
Maturity of hedges	(0.2)
Impact of operations on realised profit recorded in equity	-
Variation in assets held with a view to being disposed	(0.1)
Movement in pension commitments	0.4
Balance of other reserves at 31 December 2006	(2.1)
New hedges	-
Former hedge variations	(12.0)
Maturity of hedges	(0.3)
Impact of operations on realised profit recorded in equity	0.1
Impact of operations on realised profit recorded in equity	0.1
Variation in assets held with a view to being disposed	0.6
Variation in available-for-sale assets	(1.0)
Movement in pension commitments	1.2
Balance of other reserves at 31 December 2007	(13.4)

25. Financial debt

Movement in net debt:

	2007	2006
Bank loans	0.4	0.7
Others	6.0	5.8
Total non-current financial liabilities	6.4	6.5
Vivendi advance (including interest)	-	52.5
Current financial liabilities	0.7	0.7
Total current financial liabilities	0.7	53.2

Group net debt at 31 December 2006 and 2007 is analysed thus:

	Total 2007	< 1 year	1 to 5 years	> 5 years
Total financial liabilities	7.1	0.7	0.4	6.0
	Total 2006	< 1 year	1 to 5 years	> 5 years
Total financial liabilities	59.7	53.2	0.7	5.8

The € 52.5 million advance(including interest) paid by Vivendi to M6 Group within the framework of the TPS agreement was refunded upon the finalisation of the transaction on 4 January 2007. This debt was offset by a cash asset, which was refunded at the same time (see Note 23).

Other current and non-current financial debt at 31 December 2007 primarily include the following:

- share of debts to other shareholders of jointly held companies;
- two medium-term financing facilities contracted by Mistergooddeal for the acquisition of premises for a total of € 0.4 million;
- debt in the form of leases for € 0.7 million

26. Passifs financiers

M6 entered into a M6 share forward purchase contract with a view to serving its free share allocation plans of 6 June 2006 and 2 May 2007.

These forward purchase instruments will mature in June 2008 and May 2009.

At 31 December 2007, the present value of this financial liability was € 15.9 million, including a € 4.8 million non-current portion.

In application of IAS 32 *Financial instruments: disclosures and presentation*, this commitment was recognised at its present value as a financial liability and was offset under equity (other reserves).

27. Retirement benefits severance pay

Commitments undertaken in respect of retirement benefits severance pay are not covered by any dedicated insurance contract or assets.

■ MAIN ACTUARIAL ASSUMPTIONS

%	2007	2006
Discount rate	5.30	4.25
Future salary increases *	3.60	3.60
Inflation rate	2.00	2.00

* median measured on the basis of age and position

■ INCOME STATEMENT EXPENSES

	2007	2006
Current service cost	(2.3)	(1.5)
Interest expense	0.2	0.1
Expected return on plan assets	-	-
Actuarial gain or loss	-	-
Past service cost	-	-
Net expense	(2.1)	(1.4)

■ AMOUNTS RECOGNISED AS LIABILITIES UNDER DEFINED BENEFIT SCHEMES

	2007	2006
Value of obligation – opening balance	9.3	10.8
Current service cost	(2.3)	(1.5)
Interest expense	0.2	0.2
Benefits paid	(0.1)	-
Actuarial gain or loss - Changes in assumptions	(1.1)	(0.5)
Actuarial gains and losses - Experience effect	-	0.1
Change in Group structure	-	0.3
Value of obligation – closing balance	6.1	9.3

28. Provisions

Provisions movements between 1 January 2007 and 31 December 2007 were the following:

	Provisions for retirement benefits	Provisions for litigations (1)	Other provisions for liabilities (2)	Other provisions for charges (3)	Total 2007
At 1 January 2007	9.3	11.9	11.3	38.5	71.1
Subsidiary acquisitions	-	-	-	-	-
Subsidiary disposals	-	-	-	-	-
Charge	0.7	3.4	11.8	16.0	31.9
Use	(0.1)	(0.5)	(3.9)	(12.8)	(17.2)
Reversals	(2.8)	(1.2)	(2.5)	(4.1)	(10.6)
Others	(1.0)	0.2	1.3	(1.5)	(1.1)
At 31 December 2007	6.1	13.8	18.0	36.3	74.1
Current 2007	-	13.8	18.0	36.3	68.0
Non-current 2007	6.1	-	-	-	6.1
Total	6.1	13.8	18.0	36.3	74.1
Current 2006	-	11.9	11.3	38.5	61.8
Non-current 2006	9.3	-	-	-	9.3
Total	9.3	11.9	11.3	38.5	71.1

At 31 December 2007, provisions were analysed as follows:

(1) Provisions for litigations:

- Provisions M6 TV Network litigations	7.5
- Provisions for Diversification litigation	3.3
- Provisions for Digital Channels litigation	0.1
- Provision for social litigation	2.9
	13.8

(2) Other provisions for liabilities:

- Provisions for M6 TV Network liabilities	7.4
- Provisions for Diversification liabilities	5.4
- Provisions for Digital channels liabilities	5.1
	18.0

(3) Other provisions for charges:

- Provisions for M6 TV Network charges	24.0
- Provisions for Diversification charges	7.4
- Provisions for Digital channels charges	0.1
- Provisions for frequency charges	4.7
	36.3

Additional information in respect of litigation in progress has not been included individually as disclosure of such information could be prejudicial to the Group.

29. Contingent assets and liabilities

	< 1 year	> 1 year	Total 2007	Total 2006	Terms and conditions of implementation
Commitments given					
Rights purchase and co-productions commitments (gross)	231.1	540.3	771.5	812.2	Contracts signed
Advances paid for the purchase of rights and co-productions commitments	(33.7)	(46.6)	(80.3)	(82.6)	
Purchase of rights and co-productions commitments (net)	197.4	493.7	691.1	729.6	
Images transmission, satellite and transponders rental	40.2	116.8	157.1	115.2	Contracts signed
Planned property purchase	-	-	-	37.5	Contract signed
Non-cancellable leases	5.9	14.8	20.7	8.1	Leases
Responsibility for partnership liabilities	-	7.1	7.1	13.6	SNC liquidation
Others	4.0	4.3	8.3	6.0	
Total commitments given	247.5	636.8	884.3	909.9	
Commitments received					
Responsibility for partnership liabilities	-	7.1	7.1	24.5	SNC liquidation
Sales of rights	4.5	-	4.5	16.5	Annual maturities
Broadcasting contracts	30.5	89.6	120.1	142.1	Contracts signed
Others	9.2	-	9.2	6.3	
Total commitments received	44.2	96.6	140.9	189.4	

■ PURCHASE OF RIGHTS AND CO-PRODUCTION COMMITMENTS (NET)

These commitments comprise:

- purchase commitments relating to rights not yet produced or completed;
- contractual commitments relating to co-productions awaiting receipt of technical acceptance or exploitation visa, net of payments on account made.

They are expressed net of advances and deposits paid in that respect for rights that are not yet recognised as inventories.

■ IMAGES TRANSMISSION, SATELLITE AND TRANSPONDERS RENTAL

These commitments relate to the supply of broadcasting services and the rental of satellite and transponder capabilities from private companies, both for analogue and digital broadcasting.

These commitments were measured using amounts remaining due up to the end date of each contract.

■ PLANNED PROPERTY PURCHASE

In order to support the expansion of its operations, the M6 Group made the acquisition in 2006 of a building located close to its head office in Neuilly-sur-Seine. The acquisition was finalised in the first half of 2007.

■ NON-CANCELLABLE LEASES

This item includes minimum future payments due in respect of non-cancellable operating leases ongoing at the balance sheet date, which primarily comprise property leasing.

■ RESPONSIBILITY FOR PARTNERSHIP LIABILITIES

To 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 partner's share of these liabilities.

■ SALES OF RIGHTS

These commitments comprise sales contracts of broadcasting rights that are not yet available at 31 December 2007.

■ BROADCASTING CONTRACTS

These commitments relate to Group channel broadcasting contracts with Canal+ France and other distributors.

They were measured using amounts remaining due for each contract, up to the certain or probable contract end date.

No significant off-balance sheet commitments have been excluded in accordance with accounting standards in force.

None of the Group's non-current assets have been pledged or mortgaged

30. Related parties

30.1 Identification of related parties

Related parties to the Group comprise unconsolidated subsidiaries, jointly controlled companies and associates, RTL Group, 49% Group shareholder, Bertelsmann AG, RTL shareholder, executive officers and members of the Supervisory Board.

30.2 Transactions with shareholders

■ LOANS TO SHAREHOLDERS

According to a treasury management agreement concluded between Bayard d'Antin SA and Métropole Télévision dated 1 December 2005, Métropole Télévision can deposit surplus cash with Bayard d'Antin SA either on a day to day basis, or by depositing part of it for a period not exceeding 3 months. The remuneration provided by this agreement is in line with the market.

In order to adhere to the cash deposit policy of Métropole Télévision, the deposit with Bayard d'Antin SA may not exceed 20% of the cash resources of the Métropole Télévision Group.

At 31 December 2007, the daily current account between M6 and Immobilière Bayard d'Antin SA amounted to € 20 million, compared to € 35 million at 31 December 2006.

■ CURRENT TRANSACTIONS

	2007		2006	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Sales of goods and services	1.9	16.1	8.7	17.5
Purchases of materials and services	(28.5)	(8.0)	(28.7)	(2.6)

Sales and purchase transactions with shareholders have been conducted at arms' length.

The outstanding balances arising from these sales and purchases are the following:

	2007		2006	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Receivables	5.2	0.4	8.4	11.7
Liabilities	6.5	0.7	17.4	2.7

■ SPECIFIC TRANSACTIONS

No specific transactions were concluded by the Group with its shareholders during the 2007 financial year.

30.3 Transactions with joint ventures

The following transactions have taken place between Group subsidiaries and joint ventures:

à 100%	2007	2006
Sales of goods and services	5.1	3.7
Net financial income	2.0	2.1
Purchases of materials and services	2.1	5.6

Sales and purchase transactions with Joint Ventures have been conducted at arms' length.

The outstanding balances arising from these sales and purchases are the following:

à 100%	2007	2006
Receivables	15.1	13.4
<i>relating to financing</i>	<i>11.3</i>	<i>10.2</i>
Liabilities	2.1	3.0
<i>relating to financing</i>	<i>0.4</i>	<i>-</i>

Receivables relating to financing comprise profit of partnerships due to be transferred to the parent company.

30.4 Transactions with associated companies

During the 2007 financial year, Métropole Télévision sold a total of € 0.2 million in advertising space to Annonces Jaunes, a company in which the Group owns a 34% stake. These transactions generated trade receivables of € 0.2 million at 31 December 2007.

30.5 Transactions with executive officers and directors

The remuneration paid in 2007 to members of the Management Board amounted to € 2,975,628, of which € 1,878,573 was fixed and € 1,097,055 variable.

Members of the Supervisory Board were paid attendance fees amounting to € 111,929 and they held 1,800 Group shares at 31 December 2007.

75,500 options relating to the share purchase plan of 2 May 2007 were allocated to members of the Management Board during the financial year at a price of € 27.52.

No Management Board member exercised any share subscription options during the financial year.

25,167 free shares were granted to Management Board members on 2 May 2007, exercisable on 3 June 2009 subject to them still being employed by the Company at that date and to the achievement of performance criteria. Due to the fact that plan objectives have been exceeded, the number of shares to be issued on 3 June 2009 may total 25,490.

The 43,440 free shares allocated as part of the plan of 2 June 2007 were transferred to Management Board members on 3 June 2007.

In addition, in this respect and in accordance with the same conditions as Group employees, the members of the Management Board may benefit from a legally binding end of career payment. The overall cost and terms and conditions of determination are described in note 4.14.

31. Subsequent events

On 13 February 2008, M6 Éditions acquired the 50% stake in Femmes en Ville previously held by the founder of the magazine and financial shareholders.

On 26 February 2008, M6 acquired the company Hugo Films in full. With Hugo Films, a film production company that owns a catalogue of feature films, the Group consolidated its position in the Audiovisual Rights distribution business.

On 5 March 2008, The Council of State cancelled the addendum to the Edi TV (W9) agreement, negotiated with the CSA prior to the effective launch of DTT in March 2005. This addendum was the subject of a claim by competing channels (TF1 and NRJ groups) since 2005.

The decision by the Council of State did not related to adjustments made to the framework of the addendum, considering they conform to the law, and thus had no effect on the

identity, features and programme offering of the W9 channel.

The Council of State had however considered that this addendum would prevent reorganisation to the prime time of the channel, initially very extensively defined, covering the period from 7 am to midnight. As a result, the Council of State sought a renegotiation of this point between the M6 group and the CSA before 1 July 2008.

On 10 March 2008, M6 commenced exclusive negotiations with a view to acquiring 100% of the Cyréalís Group that operates three additional sites on high-tech themes (clubic.com), video games (jeuxvideo.fr) and e-business (neteco.com) as well as an engine for price comparison (achetezfacile.com).

The merger of Cyréalís and M6 Web would significantly expand the web content and services offer of the M6 Group, which, by integrating the Internet expertise of the Cyréalís staff, will provide the means of dynamising all the editorial sites and to become one of the leading media players on the Internet. The integration of Cyréalís will thus lead to Group to become one of the Top 15 most visited sites in France.

32. Consolidation scope

Company	Legal form	Nature of operations	31/12/2007 % share capital	Consolidation	31/12/2006 % share capital	Consolidation
M6 FREE-TO-AIR						
Métropole Télévision - M6	SA	Parent company	-	FC	-	FC
M6 Publicité	SAS	Advertising agency	100.00%	FC	100.00%	FC
M6 Bordeaux	SAS	Local TV station	100.00%	FC	100.00%	FC
M6 Toulouse	SAS	Local TV station	100.00%	FC	100.00%	FC
Immobilière 46D	SAS	Neuilly building	100.00%	FC	-	NC
Immobilière M6	SA	Neuilly building	100.00%	FC	100.00%	FC
SCI du 107	SCI	Neuilly building	100.00%	FC	100.00%	FC
C. Productions	SA	Programme production	100.00%	FC	100.00%	FC
M6 Films	SA	Co-production of films	100.00%	FC	100.00%	FC
Métropole Production	SA	Production of audiovisual works	100.00%	FC	100.00%	FC
Studio 89 Productions	SAS	Production of audiovisual programmes	100.00%	FC	100.00%	FC
W9 Production	SAS	Production of audiovisual programmes	-	NC	100.00%	FC
Labo Productions	SARL	Programme production	-	NC	100.00%	FC
M6 Développement	SAS	Training organisation	100.00%	FC	100.00%	FC
M6 Créations	SAS	Dormant company	100.00%	FC	-	NC
M6 Divertissement	SAS	Dormant company	100.00%	FC	-	NC
M6 Récréative	SAS	Dormant company	100.00%	FC	-	NC
DIGITAL CHANNELS						
Edi TV - W9	SNC	W9 music channel	100.00%	FC	100.00%	FC
Fun TV	SNC	Fun TV music channel	100.00%	FC	100.00%	FC
M6 Diffusions	SA	Holding Company - digital operations	100.00%	FC	100.00%	FC
M6 Numérique	SAS	Holding Company - digital operations	100.00%	FC	100.00%	FC
M6 Thématique	SA	Holding Company - digital channels	100.00%	FC	100.00%	FC
Paris Première	SA	Paris Première digital channel	100.00%	FC	100.00%	FC
Sedi TV - Téva	SA	Téva digital channel	100.00%	FC	51.00%	FC
M6 Communication	SAS	M6 Music channels Black - Rock - Hit	100.00%	FC	100.00%	FC
Multiplex R4	SAS	Television and Radio programmes broadcast	58.35%	FC	58.35%	FC
Série Club	SA	Série Club digital channel	50.00%	PC	50.00%	PC
TF6	SCS	TF6 digital channel	50.00%	PC	50.00%	PC
TF6 Gestion	SA	TF6 Management company	50.00%	PC	50.00%	PC

FINANCIAL ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

			31/12/2007		31/12/2006	
Company	Legal form	Nature of operations	% share capital	Consolidation	% share capital	Consolidation
DIVERSIFICATIONS AND AUDIOVISUAL RIGHTS						
FC Girondins de Bordeaux	SASP	Football club	100.00%	FC	100.00%	FC
M6 Foot	SAS	Holding company – Sports	100.00%	FC	100.00%	FC
Culture Mag Editions	SNC	Print magazine edition	-	NC	90.00%	FC
M6 Editions	SA	Print publications	100.00%	FC	100.00%	FC
Citato	SARL	Print magazine edition	100.00%	FC	80.00%	FC
Echo6	SAS	Marketing of mobile content	50.00%	PC	50.00%	PC
Femmes en Ville	SAS	Print magazine edition	50.00%	PC	50.00%	PC
Live Stage	SAS	Staging of shows and events	100.00%	FC	100.00%	FC
M6 Evénements	SA	Staging of shows and events	100.00%	FC	100.00%	FC
M6 Interactions	SAS	By-product rights exploitation	100.00%	FC	100.00%	FC
M6 Web	SAS	Internet content and access provider	100.00%	FC	100.00%	FC
Annonces Jaunes	SA	Classified ads search website	34.00%	EA	-	NC
A Ton Service	SAS	Home services website	-	NC	51.00%	FC
HSS sub-group:						
Home Shopping Service	SA	Home shopping programmes	100.00%	FC	100.00%	FC
Boutique du Monde	SNC	Home shopping programmes	100.00%	FC	100.00%	FC
Club Téléachat	SNC	24-hour channel	100.00%	FC	100.00%	FC
HSS Belgium	SA	Home shopping programmes	100.00%	FC	100.00%	FC
HSS Hungary	SA	Home shopping programmes	100.00%	FC	100.00%	FC
SETV Belgium	GIE	Home shopping centre	100.00%	FC	100.00%	FC
Tecipress	SA	Production of audiovisual programmes	-	NC	100.00%	FC
Télévente promotion	SA	Home shopping programmes	100.00%	FC	100.00%	FC
Unité 15 Belgium	SA	Customer service	100.00%	FC	100.00%	FC
Unité 15 France	SA	Management and promotion of home shopping	100.00%	FC	100.00%	FC
Mistergooddeal	SA	E-commerce	100.00%	FC	95.00%	FC
Operating Group	SARL	Dormant company	100.00%	FC	-	NC
Clicanddeal	SAS	E-commerce	100.00%	FC	100.00%	FC
Retail Concept	SAS	Sale of home shopping products	100.00%	FC	100.00%	FC
M6 Studio	SAS	Production of animated feature films	100.00%	FC	100.00%	FC
Mandarin	SAS	Audiovisual rights portfolio	100.00%	FC	100.00%	FC
Mandarin Films	SAS	Audiovisual rights portfolio	100.00%	FC	100.00%	FC
Société Nouvelle de Distribution	SA	Distribution of films to movie theatres	100.00%	FC	100.00%	FC
Société Nouvelle de Cinématographie	SAS	Audiovisual rights portfolio	100.00%	FC	100.00%	FC
SND USA	INC	Holding company - audiovisual rights	100.00%	FC	-	NC
TCM DA	SNC	Audiovisual rights portfolio	50.00%	PC	50.00%	PC
Diem 2	SA	Audiovisual right production/distribution	100.00%	FC	-	NC

FC: Full consolidation

PC: Proportional consolidation

EA: Equity-accounted

NC: Not consolidated

The Group is not a shareholder or participating stakeholder party in any special purpose entities.

KPMG Audit

Division of KPMG SA
Immeuble KPMG
1, cours Valmy
92923 Paris-La Défense Cedex
SA with share capital of € 5,497,100

*Statutory Auditor
Member of compagnie
régionale de Versailles*

ERNST & YOUNG and others

41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with variable share capital

*Statutory Auditor
Member of compagnie
régionale de Versailles*

MÉTROPOLE TÉLÉVISION SA
Financial year ended 31 December 2007

**Statutory Auditors report on the consolidated
financial statements**

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the financial year ended 31 December 2007, on the audit of the accompanying consolidated financial statements of Métropole Télévision.

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.

1 - 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 for the financial year, prepared in accordance with IFRS as adopted in the European Union, give a true and fair view of the consolidated financial position, assets and liabilities, and net profit of Métropole Télévision SA and its subsidiaries.

Without qualifying the above conclusion, we draw your attention to Notes 3.2 and 5 to the consolidated financial statements, which set out the change of accounting policy that was introduced during the financial year in relation to the application of the option provided by IAS 19 as amended.

2 - JUSTIFICATION OF ASSESSMENTS

Pursuant to the application of the provisions of Article L. 823-9 of the Commercial Code relative to the justification of our assessments, we bring to your attention the following matters:

- Notes 3.2 and 5 to the consolidated financial statements, set out the change of accounting policy that was introduced during the financial year in relation to the application of the option provided by IAS 19 as amended. In accordance with IAS 8, comparative data for the financial year ended 31 December 2006, presented in the consolidated financial statements, was restated to take account retrospectively of the application of the option offered by the amended standard. Consequently, the 2006 comparative data differ from the consolidated financial statements published in respect of the financial year ended 31 December 2006. As part of our assessment of the accounting policies implemented by your company, we have reviewed the appropriate restatement of the financial statements for the financial year ended 31 December 2006 and the supporting information provided in that respect in notes 3.2 and 5 to the consolidated financial statements.
- Note 3.4 describes the situations in which the management of your company has used estimates and put forward assumptions within the scope of preparing the financial statements. Our work involved assessing the data and assumptions on which these estimates are based, reviewing the calculations made by your company, and ensuring that the notes to the consolidated financial statements provide suitable information.
- Notes 4.5 and 4.10 set out the accounting principles and methods for audiovisual and broadcasting rights. Within the framework 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 have assured ourselves of their correct application.

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

3 - SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards in France, 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.

Paris La Défense and Neuilly-sur-Seine, 7 April 2008

The Statutory Auditors

KPMG Audit
Division of KPMG SA
Grégoire Menou

ERNST & YOUNG and others
Bruno Bizet

C. PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2007

I. BALANCE SHEET

ASSETS

€ million	NOTE N°	31/12/07		Net	31/12/06
		Gross	Amo & dep		
Broadcast rights, licences & concessions		-	-	-	-
Business goodwill		-	-	-	-
Other intangible assets	3.1	107.1	101.6	5.6	5.8
Advances on intangible assets	3.1	1.6	-	1.6	0.6
Technical facilities, equipment & tools	3.2	21.3	16.8	4.4	4.5
Other property, facilities & equipment	3.2	17.0	13.4	3.6	3.1
Assets under construction	3.2	0.1	-	0.1	0.0
Investments	3.3	442.1	22.9	419.2	390.7
Loans	3.3/3.5	14.1	-	14.1	16.7
Other investments	3.3/3.5	1.9	-	1.9	1.6
TOTAL NON CURRENT ASSETS		605.1	154.7	450.3	423.0
Broadcast rights inventory	3.4	220.6	46.9	173.7	131.7
Advances & payments on account		92.5	-	92.5	96.3
Trade receivables	3.5	285.4	2.0	283.4	253.5
Other receivables	3.5	128.0	10.3	117.7	138.6
Marketable securities	3.6	63.4	5.5	57.9	201.7
Cash	3.6	36.2	-	36.2	10.0
Prepaid expenses	3.7	34.2	-	34.2	14.2
TOTAL CURRENT ASSETS		860.3	64.7	795.6	846.0
Bond redemption premium		-	-	-	-
Deferred translation gain		-	-	-	-
TOTAL ASSETS		1 465.4	219.5	1245.9	1 269.0

FINANCIAL ACCOUNTS

PARENT COMPANY FINANCIAL STATEMENTS

I. BALANCE SHEET

EQUITY AND LIABILITIES

€ millions	NOTE N°	31/12/07	31/12/06
Share capital	3.8	52.0	52.8
Share premium	3.8	24.3	24.2
Legal reserves	3.8	5.3	5.3
Other reserves	3.8	-	13.1
Retained earnings	3.8	458.6	470.3
Financial year net profit	3.8	161.0	144.6
Interim dividend		-	-
Regulated provisions	3.8	4.0	4.7
TOTAL EQUITY		705.1	715.0
OTHER EQUITY			
Provisions for liabilities		16.1	17.6
Provisions for charges		27.4	31.9
PROVISIONS FOR LIABILITIES AND CHARGES	3.9	43.4	49.5
Bank overdrafts	3.10	46.0	34.2
Trade payables	3.10	254.3	234.8
Income tax and social security liabilities	3.10	73.6	66.7
Liabilities on non current assets	3.10	3.0	4.7
Other liabilities	3.10	120.4	163.5
Deferred revenues		-	0.6
TOTAL LIABILITIES		497.3	504.5
Deferred translation loss		-	-
TOTAL EQUITY AND LIABILITIES		1245.9	1 269.0

FINANCIAL ACCOUNTS

PARENT COMPANY FINANCIAL STATEMENTS

II. INCOME STATEMENT			
€ million	NOTE N°	31/12/07	31/12/06
Advertising net turnover	4.1	688.1	664.4
Amortisation, depreciation & provision reversals		46.0	44.9
Other operating revenues		36.2	32.2
OPERATING REVENUES		770.4	741.5
Merchandise purchase	4.2	298.3	292.0
Merchandise inventory movement	4.2	(44.8)	(28.0)
Other purchases and external charges	4.3	160.4	157.2
Tax, duties	4.4	49.2	47.5
Payroll & employment benefits		57.5	54.4
Non current asset depreciation and amortisation	3.1/3.2	7.3	7.7
Non current asset investment write downs	3.1	1.0	1.3
Current assets provision charge	3.4/3.5	23.7	21.6
Provisions for liabilities and charges		19.9	20.0
Other expenses	4.5	37.8	33.9
OPERATING EXPENSES		610.3	607.6
OPERATING PROFIT		160.1	133.9
Investments financial income		73.2	55.5
Other interest and related financial income		3.3	6.7
Provision reversals & expense transfers		6.0	0.7
Foreign exchange gains		0.2	0.3
Net income from disposal of marketable securities		-	0.3
FINANCIAL INCOME		82.7	63.5
Financial amortisation and provision charges		16.3	-
Interest and related expenses		3.5	4.1
Foreign exchange losses		0.5	0.3
Net expenses of disposal of marketable securities		0.2	-
FINANCIAL EXPENSES		20.5	4.4
NET FINANCE INCOME	4.6	62.2	59.1
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		222.2	193.0
Exceptional income - investing & financing activities		3.5	2.8
Provision reversals & expense transfers		5.1	8.9
EXCEPTIONAL INCOME		8.6	11.7
Penalties		0.1	-
Exceptional expenses - investing & financing activities		9.2	8.8
Provision reversals & expense transfers		2.4	4.9
EXCEPTIONAL EXPENSES		11.7	13.7
NET EXCEPTIONAL EXPENSES	4.7	(3.1)	(2.0)
Employee profit sharing plan contributions		3.3	2.8
Income tax	4.8/4.9	54.9	43.6
NET PROFIT		161.0	144.6

FINANCIAL ACCOUNTS

PARENT COMPANY FINANCIAL STATEMENTS

III. CASH FLOW STATEMENT

€ million	31/12/07	31/12/06
Financial year net profit	161.0	144.6
Depreciation, amortisation & provision charges	17.2	3.3
Gains & losses from non current assets disposal	3.2	(0.5)
CASH FLOW FROM OPERATIONS	181.4	147.4
Movements in working capital requirements		
Inventories	(46.4)	(23.0)
trade receivables	(36.3)	144.7
Operating liabilities	(19.0)	106.4
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS	(101.7)	228.1
NET CASH FROM OPERATING ACTIVITIES	79.7	375.5
Investing activities		
Intangible assets acquisitions	(3.5)	(3.1)
Property, facilities & equipment acquisitions	(3.7)	(3.8)
Investment acquisitions	(80.1)	(272.8)
Intangible assets and property, facilities & equipment disposals	0.3	0.9
Investments disposals / writedowns	48.0	3.3
NET CASH USED IN INVESTING ACTIVITIES	(39.1)	(275.5)
Financing activities		
Share capital increase	0.1	-
Other equity increase	(45.2)	-
Dividends paid	(125.0)	(125.0)
NET CASH USED IN FINANCING ACTIVITIES	(170.1)	(125.0)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(129.5)	(25.0)
Cash and cash equivalents - start of year	177.5	202.5
CASH AND CASH EQUIVALENTS - END OF YEAR	48.0	177.5

D. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Métropole Télévision reported net profit of € 161 million and total assets of € 1,246 million for the 12-month financial year ending on 31 December 2007.

These annual financial statements were approved by the Management Board on 28 February 2008.

Unless otherwise mentioned, the amounts presented in the notes are expressed in millions of Euros.

1. 2007 Financial year significant events

In 2007, Métropole Télévision subscribed to capital increases by the property subsidiaries SCI du 107 and Immobilière 46 D, for € 31 million, notably to finance the acquisition of a new office building for € 39 million, including registration duties and notary fees of € 2 million.

During this year, Métropole Télévision also set up a share buyback programme in order to cancel shares. 1,960,000 shares were thus purchased for € 45 million and cancelled.

2. Accounting rules and methods

Legal and regulatory provisions currently in force in France were applied in compliance with the principles of prudence, true and fair presentation, and consistency, confirming to the following basic assumptions:

- going concern,
- consistency of accounting policies,
- independence of the accounting periods;

and according to the general rules established with regards to the presentation of annual financial statements.

The application of the ruling n°2007-C of 15 June 2007 of the French Accounting Regulatory Committee (CNC), led the company to change the option to recognise acquisition costs of investments. With effect from 2007, these costs are no longer expenses, but are included in the acquisition cost of these securities.

Excluding the exercise of this accounting option, the financial statements for the year are comparable to those of the previous year.

2.1 Intangible assets

Intangible assets principally comprise computer software and co-production rights.

2.1.1 COMPUTER SOFTWARE

Computer software is amortised on a straight-line basis over a period of between 1 to 5 years, supplemented by an accelerated amortisation.

2.1.2 CO-PRODUCTION OF DRAMA, DOCUMENTARIES, CONCERTS, PROGRAMMES AND MUSIC VIDEOS.

Once contracts have been signed, co-productions are carried as off-balance sheet commitments, until the receipt of invoices, which are recorded as advances and payments on account.

Co-productions are recognised as intangible assets upon receipt of technical acceptance. Co-production costs are amortised on a straight-line basis over 3 years and may be written-off, based on future receipt forecasts.

2.2 Property, facilities and equipment & investments

2.2.1 Property, facilities and equipment are recorded at their acquisition cost and are depreciated on a straight-line or reducing balance basis. The key periods of depreciation are as follows:

Mobile technical equipment	3 years
Other mobile equipment	4 years
Technical equipment	3 or 4 years
Computer hardware	3 or 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 and written down when their value in use is lower than their carrying value. This provision is increased when necessary by a writedown of current accounts and a provision for liabilities and charges.

The acquisition cost of investments acquired with effect from 2007 comprises the purchase cost and the acquisition costs (transfer taxes, fees, commissions and legal costs). These acquisition costs are subject to an accelerated amortisation over 5 years.

2.3 Broadcast rights inventory

Broadcast rights considered as intangible consumables are classified as inventory with effect from their opening which is when the channel is contractually authorised to broadcast the corresponding programmes.

Broadcast rights not open are disclosed in off-balance sheet commitments at their contract but uninvoiced value. Rights invoiced but not open are recorded as payments on account to suppliers.

Purchases are recorded at their purchase cost, net of any discounts and rebates earned but excluding the effect of any possible settlement discounts.

Broadcast rights are charged to cost of sales according to the number of broadcasts, in the following manner:

Rights acquired for a single broadcast: 100% of the contract value.

Rights acquired for multi-broadcasts:

- 1st broadcast: 67% of the contract value;
- 2nd broadcast: 33% of the contract value.

A writedown provision is recorded when:

- the value in use of the right is below their carrying value;
- their broadcast is considered unlikely.

Furthermore, costs arising from pre-purchase music video contracts are recorded on the balance sheet as prepaid expenses, which are written off to expenses each time a broadcast takes place.

2.4 Receivables and liabilities

Receivables and liabilities are recorded at their nominal value.

A provision for writedowns is established where the recoverable value is lower than the carrying value.

Foreign currency-denominated receivables and liabilities which are not the subject of a financial hedge, are translated at their Balance Sheet date exchange rate. Only unrealised exchange losses are recognized in the Income Statement.

2.5 Marketable securities

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

2.6 Treasury shares

Métropole Télévision holds treasury shares to cover the exercise of plans to allocated free shares granted to employee beneficiaries. The company also holds treasury shares as part of a liquidity contract.

These treasury shares are recorded at their gross value as marketable securities. A provision for writedown is established when the market price of these treasury shares is lower than their acquisition cost. For treasury shares to be used to service plans to allocate free shares, this writedown provision is increased by a provision for liabilities and charges equal to the net value of these shares.

In order to service plans to allocate free shares, forward purchases have, amongst others, been made and disclosed as off-balance sheet commitments.

2.7 Regulated provisions

Regulated provisions comprise accelerated depreciation in respect of computer software and acquisition costs of investments.

2.8 Provisions for liabilities and charges

Provisions for liabilities and charges are determined, based on an individual risk exposure assessment at the year end. Each provision is valued based on their likely future financial impact, estimated on the basis of information available at the year end.

2.9 Provisions for retirement benefits

The provision for retirement benefits was calculated in accordance with IAS 19 – *Employee benefits*, using an actuarial method that takes into account the vested rights of all Group employees and their most recent salary and the average probable residual service of the employees.

2.10 Advertising revenues

Advertising revenues are recorded net of commercial discounts, at the time of the broadcast of the relevant advertising.

2.11 Off-balance sheet commitments

Off-balance sheet commitments essentially comprise:

- acquisitions of broadcast rights that are not open and invoiced at 31 December 2007;
- co-production costs for which technical approval has not yet been granted;
- technical broadcast costs invoiced (image transmission) on the basis of contracts with technical broadcasters;
- forward purchases of shares.

2.12 Financial instruments

In order to protect itself against unfavourable exchange rate movements, M6 covers its principal foreign currency transactions by using simple financial instruments. Hedged transactions are accounted for at their agreed exchange rate.

3. Notes on the parent company balance sheet

3.1 Intangible assets

Intangible assets essentially comprise shares of co-production programmes.

The movements in intangible assets were as follows:

	Business goodwill	Other intangible assets	Advances and payments on account	Total
Amount net of writedowns and amortization at 31/12/2006	0.0	5.8	0.6	6.5
Acquisitions in the year	-	3.5	2.7	6.1
Disposals in the year	-	(6.1)	(1.7)	(7.8)
Amortisation charge for the year	-	(4.1)	-	(4.1)
Release of amortisation on disposals	-	6.1	-	6.1
Provisions for writedowns	-	(1.0)	-	(1.0)
Release of provision for writedowns	-	1.3	-	1.3
Amount net of writedowns and amortisation at 31/12/2007	0.0	5.5	1.6	7.2
Gross value at 31/12/2006	-	109.7	0.6	110.3
Accumulated depreciation and writedowns	-	(103.9)	-	(103.9)
Net value at 31/12/2006	0.0	5.8	0.6	6.4
Gross value at 31/12/2007	-	107.1	1.6	108.7
Accumulated depreciation and writedowns	-	(101.6)	-	(101.6)
Net value at 31/12/2007	0.0	5.5	1.6	7.1

3.2 Property, facilities and equipment

The movements in property, facilities and equipment were as follows:

	Technical facilities	Other	In progress	Total
Amount net of depreciation at 31/12/2006	4.4	3.1	0.1	7.6
Acquisitions in the year	2.0	1.7	0.3	4.0
Disposals in the year	(0.3)	(0.1)	(0.3)	(0.7)
Depreciation charge for the year	(2.1)	(1.2)	-	(3.3)
Release of depreciation on disposals	0.2	0.1	-	0.4
Amount net of depreciation at 31/12/2007	4.4	3.6	0.1	8.0
Gross value at 31/12/2006	19.5	15.4	0.1	35.0
Accumulated depreciation and writedowns	(15.0)	(12.4)	-	(27.4)
Net value at 31/12/2006	4.4	3.1	0.1	7.6
Gross value at 31/12/2007	21.3	17.0	0.1	38.3
Accumulated depreciation and writedowns	(16.8)	(13.4)	-	(30.3)
Net value at 31/12/2007	4.4	3.6	0.1	8.0

3.3 Investments

The movements in the various investments were as follows:

	Equity investments	Loans	Other	Total
Amount net of writedown at 31/12/2006	390.7	16.7	1.6	409.0
Acquisitions in the year	34.5	-	45.6	80.1
Disposals in the year	(3.5)	(2.6)	(45.3)	(51.4)
Provisions for writedown	(2.5)	-	-	(2.5)
Release of provision for writedown	-	-	-	-
Amount net of writedown at 31/12/2007	419.2	14.1	1.9	435.2
Gross value at 31/12/2006	411.1	16.7	1.6	429.4
Accumulated provisions for writedown	(20.4)	-	-	(20.4)
Net value at 31/12/2006	390.7	16.7	1.6	409.0
Gross value at 31/12/2007	442.1	14.1	1.9	458.0
Accumulated provisions for writedown	(22.9)	-	-	(22.9)
Net value at 31/12/2007	419.2	14.1	1.9	435.1

Movements in equity investments in 2007 essentially relate to:

- a capital increase of € 5 million by SCI du 107;
- a capital increase of € 26 million by Immobilière 46 D;
- a recapitalisation of € 3.4 million of W9 Productions;
- disposal of shares in W9 productions whose gross value was € 3.5 million.

As the company Mandarin had negative net equity, the investment held in this company was fully written down during the year (being € 2.5 million).

The other movements in other financial assets relate to € 45.2 million for the acquisition of treasury shares, followed by their cancellation.

The € 14.1 million in loans relates to a loan granted by M6 to its Immobilière M6 subsidiary at the time of acquisition of the head office of the M6 group.

3.4 Inventory and work-in-progress

This comprises broadcast rights that are open and not consumed.
The movements in the year were as follows:

	31 Dec. 2006	Acquisitions	Decreases Transfers	Invalid rights	31 Dec. 2007
Inventories	168.9	198.2	137.6	15.9	213.7
Work-in-progress	5.4	65.1	63.5	-	7.0
Total	174.3	263.3	201.1	15.9	220.7

Rights for which there is a risk of no broadcast and rights where the value in use is lower than their carrying value, were the subject of a provision of € 46.9 million at 31 December 2007.

This provision can be analysed thus:

	31 Dec. 2006	Increases	Releases	31 Dec. 2007
Provision for writedown inventories	39.9	22.3	18.8	43.4
Provision to writedown work-in-progress	2.7	0.8	-	3.5
Total	42.6	23.1	18.8	46.9

3.5 Receivables

The maturity of all receivables is as follows:

	Gross value	Due within 1 year	Due after 1 year
Non-current assets			
Intercompany receivables	-	-	-
Loans	14.1	-	14.1
Other investment receivables	1.9	-	1.9
Total	16.0	-	16.0
Current assets			
Trade receivables (1)	285.4	283.1	2.3
Other receivables (2)	128.0	41.1	86.9
Total	413.4	324.2	89.2
Total receivables	429.4	324.2	105.2

(1) Trade receivables are principally composed of advertising receivables. The portion of receivables due after one year relates to doubtful receivables that are subject to a writedown provision.

(2) Other receivables include € 34.8 million of recoverable VAT. Those due after one year relate exclusively to receivables from group subsidiaries.

Receivables in current assets were the subject of writedown provisions as follows:

	31 Dec. 2006	Increase	Releases (used)	Releases (unused)	31 Dec. 2007
Provisions to writedown trade receivables	2.1	0.6	0.4	0.4	2.0
Provisions to writedown other receivables	-	10.3	-	-	10.3
Total	2.1	10.9	0.4	0.4	12.3

The provision to writedown other receivables relates to a writedown of the current accounts with the following companies:

- Mandarin for € 1.2 million
- M6 Films for € 2.9 million
- Métropole Production for € 6 million
- Femmes en ville SAS for € 0.2 million

3.6 Cash and marketable securities

Cash and marketable securities comprise the following:

	31/12/07	31/12/06
Treasury shares	8.2	13.9
Liquidity contracts (treasury shares and other marketable securities)	3.2	3.4
Investment funds, SICAV	52.0	191.3
Cash	36.2	10.0
Cash and marketable securities	99.6	218.6
Provision for treasury shares writedown	(5.5)	(6.9)
Net cash and marketable securities	94.0	211.7

At 31 December 2007, Métropole Télévision held 154,202 treasury shares directly. 103,559 other treasury shares are available as part of the liquidity contract.

100,800 shares were allocated in 2007 as part of the plan to grant free shares set up in June 2005, giving rise to a reduction in the number of treasury shares held.

Although valued on the basis of the average price of the last month on the stock exchange, these treasury shares are exposed to the risk of decline in value in the event of a fall in the price of the M6 share. At 31 December 2007, the average price used to value these treasury shares was € 18.06. A movement of 10% compared to the previous price would have an impact of € 0.4 million on the value disclosed on the balance sheet.

Marketable securities do not include any unrealised gains, as these were realised at 31 December 2007.

3.7 Prepaid expenses

The significant movement in prepaid expenses is due to the amounts invoiced as part of the acquisition of new sports rights for 2008 for € 28.9 million. Prepaid expenses thus grew from € 14.2 million at 31 December 2006 to € 34.1 million at 31 December 2007

3.8 Equity

During 2007, 6,000 shares were created as part of the exercise of share subscription options and 1,960,000 shares were cancelled as part of the share buyback programme. At 31 December 2007, the share capital comprised 129,934,690 ordinary shares of € 0.40 each.

The regulated provisions relate to accelerated amortisation of licences and acquisition costs of investments.

The movements in the year were as follows:

	31/12/06	Allocation of profit	Other movements		31/12/07
			Additions	Reductions	
Share capital	52.8	-	-	0.8	52.0
Share premium	24.2	-	0.1	-	24.3
Legal reserve	5.3	-	-	-	5.3
Long term capital gain	-	-	-	-	-
Other reserves	13.1	-	-	13.1	-
Profit carried forward	470.3	19.6	-	31.3	458.6
Profit for the year	144.6	(144.6)	161.0	-	161.0
Equity excluding regulated provisions	710.3	(125.0)	161.1	45.2	701.1
Regulated provisions	4.7	-	1.2	1.9	4.0
Total equity	715.0	(125.0) ⁽¹⁾	162.3	47.1	705.1

(1) Dividends paid on 4 May 2007

3.9 Provisions for liabilities and charges

The movements in provisions during 2007 were:

	31 Dec. 2006	Increases	Releases (used)	Reprises (unused)	31 Dec. 2007
Provisions for litigation (1)	12.2	6.6	3.8	1.2	13.7
Provisions for treasury share (2)	2.9	1.2	3.2	-	0.9
Provisions subsidiaries' liabilities (3)	2.5	1.4	2.5	-	1.4
Provisions for exchange loss	-	-	-	-	-
Provisions for retirement	5.7	0.3	2.8	-	3.2
Other provisions for charges (4)	26.2	12.9	15.0	-	24.1
Total provisions for liabilities and charges	49.5	22.4	27.3	1.2	43.4

Provisions for litigation are to cover litigation or disputes in existence at 31 December 2007.

The details of these litigations in dispute are privileged information.

(2) The purchase for treasury share is to cover the difference in price between the net value of treasury shares acquired as a part of the plans to issue free shares, and the exercise price of these shares granted to employees.

(3) The balance of the provision for subsidiaries' liabilities corresponds to the implicit requirement for support to Métropole Télévision must make in respect of subsidiaries with negative equity.

(4) The other provisions for charges is primarily the writedown of rights.

3.10 Liabilities

Liabilities may be analysed as follows, by maturity date:

	Gross value	Due within 1 year	Due within 1 to 5 years	Due after 5 years
Bank overdrafts	46.0	46.0	-	-
Trade payables	254.3	252.4	2.0	-
Income tax and social security liabilities	73.6	73.6	-	-
Liabilities on non-current assets	3.0	3.0	-	-
Other liabilities	120.4	120.4	-	-
Total	497.3	495.4	2.0	-

Accrued expenses included within the above:

- trade suppliers	76.3
- income tax and social security	15.9
- providers of property, facilities and equipment	-

4. Notes on the parent company income statement

4.1 Turnover

Advertising revenues are recorded net of commercial discounts and are analysed thus:

	2007	2006
TV advertising revenues	648.9	625.5
Sponsorship advertising revenues	37.3	35.7
Other revenues	1.9	3.2
Total turnover	688.1	664.4

Analysis by geographic region (*)

France	94.42%
Europe	5.01%
Other countries	0.57%

(*on the basis of invoicing)

4.2 Purchases of merchandise and inventory movements

The purchases of merchandise relates to the acquisition of broadcast rights. These rights are for immediate use and are not recorded as inventory.

The inventory movement corresponds to the use of broadcast rights that are recorded as inventory, as disclosed in Note 3.4.

4.3 Other purchases and external costs.

This mainly comprises services of analogue and digital broadcast of the channel as well as remuneration of the advertising service.

4.4 Tax and duties

Business taxes paid by the channel are recorded under this heading. Of € 49.2 million in 2007, € 36 million related to the contribution to the support account for the Centre National de Cinématographie (National Cinematographic Centre).

4.5 Other expenses

This comprises payments to various copyright companies for a total of € 36.2 million.

4.6 Financial income

Financial income can be analysed thus:

	2007	2006
Dividends from equity investments	65.6	47.8
Net interest on associates' current assets	4.3	3.7
Income from marketable securities	3.1	6.9
Provisions for writedown of equity investments	(2.5)	0.3
Provisions for writedown of current accounts	(10.3)	-
Provisions for subsidiaries' liabilities	1.1	-
Provisions for writedown of treasury shares	1.4	0.4
Exchange differences	(0.3)	-
Other	(0.1)	-
Total financial income	62.2	59.1

Dividends received may be analysed thus:

M6 Interactions	14.3
M6 Thematique	15.3
M6 Publicité	27.4
M6 Web	1.0
C.Productions	0.1
Société Nouvelle de Cinématographie	1.1
Mandarin Films	1.3
Increase in share of SNC TCM - Droits	5.1
Total	65.6

4.7 Net exceptional expenses

	2007	2006
Net provision charges (including accelerated depreciation and amortisation)	2.7	3.9
Capital gains and losses on disposal of non-current assets	(3.2)	0.5
Writedown of treasury shares	(5.7)	(7.5)
Compensation arising from litigation	3.2	1.0
Total net exceptional expenses	(3.1)	(2.0)

4.8 Income tax

Since 1 January 1988, the Company has declared itself as the parent company of a tax grouping pursuant to Articles 223A and subsequent of the General Tax Code.

The tax grouping arrangement adopted by the group is based on non-discriminatory tax treatment. Each subsidiary therefore pays its own tax charge as if it was independent for tax purposes.

The company incurred a tax charge of € 54.9 million for 2007, which included a tax grouping loss of € 4.8 million.

The company is liable for a group tax payment of € 87.6 million for 2007.

Income tax can be analysed thus:

	Profit before tax	Income tax
Profit from ordinary activities	222.3	56.7
Net exceptional expenses	(3.1)	(1.8)
Profit before tax and employee profit sharing	219.2	-
Company income tax	-	54.9

4.9 Future tax liability at the end of the year

Description of temporary difference	Deferred tax asset	Deferred tax liability	Net deferred tax at 31/12/2007
Regulated provisions	-	-	-
Tax on non-deductible provisions	11.5	(1.4)	10.1
Tax on long term capital losses	-	-	-

The future tax liability was measured using a corporate tax rate of 34.43%.

5. Other notes

5.1 Balance sheet arising from transactions with related and associated companies

	Related companies (a)	Associated companies (b)
Investments	418.3	0.8
Loans	14.1	-
Advances and pre-payments	4.0	0.4
Trade receivables	68.8	0.6
Other receivables (1)	110.2	10.7
Trade payables	75.7	1.0
Liabilities relating to non-current assets	0.9	-
Other debts – subsidiaries' current accounts	60.7	0.4
Finance expenses	3.3	-
Finance income	6.2	0.6
(1) including subsidiaries' current accounts	108.1	10.7

(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 Off-balance sheet commitments

At 31 December 2007, off-balance sheet commitments, by description and maturity, were as follows:

	Commitments at 31/12/2007	Due within 1 year	Due in more than 1 year	Commitments at 31/12/2006	Terms and conditions of implementations
Commitments given	787.9	225.6	562.2	772.1	
Purchase of broadcast rights	579.2	119.0	460.1	649.3	Contracts signed
Co-production commitments	59.8	59.8	-	35.4	Contracts signed
Contracts for analogue broadcast (1)	111.1	28.3	82.8	62.6	Contracts signed
DTT contracts (1)	16.5	4.0	12.5	15.8	Contracts signed
Contracts for future purchases of shares	16.4	11.3	5.1	-	Contract term
Liability for partnership responsibilities	0.6	0.6	-	5.8	SNC liquidation
Commercial commitments (2)	4.3	2.6	1.7	3.2	Contracts signed
Commitments received	0.8	0.8	-	6.1	
Liability for partnership responsibilities	0.6	0.6	-	5.8	SNC liquidation
Sales commitments	0.2	0.2	-	0.3	Annual due dates

(1) These contracts relate to image transfer and broadcasting services. The commitments have been measured by taking account of the balance remaining due until the maturity of each contract.

(2) Commercial commitments relate mainly to contracts for the rental of premises.

5.3 Directors remuneration

	Amount in €
Directors remuneration	2,588,397

In addition, in this respect and under the same conditions as company employees, the members of the Management Board may benefit from legal compensation at the end of career. The total costs and the means of determination are described in Note 3.9

5.4 Average workforce

The average workforce of Métropole Télévision is composed as follows:

	2007 salaried employees	2006 salaried employees
Permanent workforce	569	548
Employees	62	66
Supervisors	148	124
Managers	272	255
Reporters	87	103
Temporary workforce (full time equivalent)	115	68
Total	684	616

At 31 December 2007, the cumulative hours relating to individual training rights amounted to 33,038 hours.

5.5 Attendance fees

The amount of attendance fees paid during the year was € 111,929.

5.6 Earnings per share (in euro)

	31/12/07	31/12/06
Profit after tax, employee profit sharing, Amortisation, depreciation charges and provisions	1.41	1.16
Profit after tax, employee profit sharing, Amortisation, depreciation charges and provisions	1.24	1.10
Dividend per share	1.00	0.95

6. Consolidation of accounts

The Métropole Télévision is the parent company of a consolidated group. The financial statements are however fully consolidated in the financial statements of the RTL Group.

7. Subsequent events

On 26 February 2008, Métropole Télévision acquired 100% of Hugo Films.
With Hugo Films, a film production company that has a catalogue of feature films, the Group thus strengthens its position in the area of Audiovisual Rights.

8. Five year financial results summary

FINANCIAL YEAR END NUMBER OF MONTHS	31/12/07 12 mois	31/12/06 12mois	31/12/05 12mois	31/12/04 12 mois	31/12/03 12 mois
Closing financial year capital (€)					
Share capital	51,973,876	52,755,476	52,755,476	52,755,476	52,755,476
Number of ordinary shares issued	129,934,690	131 888,690	131,888,690	131,888,690	131,888,690
Financial results (€ millions)					
Turnover (ex-VAT)	688.1	664.4	640.7	612.1	589.9
Profit before tax, employee profit sharing amortisation, depreciation and provisions charges	240.8	199.7	236.2	205.6	213.9
Income tax	54.9	43.6	53.3	57.7	62.9
Employee profit sharing plan	3.3	2.8	2.8	2.7	2.9
Net profit	161.0	144.6	166.2	122.4	105.5
Dividends paid	129.7	125.3	124.8	109.7	87.5
Earnings and dividends per share (€)					
Basic earnings per share – profit after tax, employee profit sharing, before amortisation, depreciation and provision charges	1.41	1.16	1.37	1.10	1.12
Basic earnings per share – net profit	1.24	1.10	1.26	0.93	0.80
Dividend per share	1.00	0.95	0.95	0.84	0.67
Workforce					
Average workforce size	684	616	602	549	549
Payroll*	37.7	34.9	31.5	30.0	29.2
Total employment benefits costs including social security and medicare*	17.3	15.7	16.3	14.0	15.6

* (in € millions).

FINANCIAL ACCOUNTS

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

9. Subsidiaries and associates

En milliers d'€

	Siren N°	Capital	Reserves and retained earnings	Share capital % ownership	Book value of shares owned		Outstanding loans and advances
					Gross	Net	
SUBSIDIARIES							
M6 PUBLICITE SAS	34094903100025	50	6	99.99	38	38	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 FILMS SA	38072740400028	60	(5,125)	99.98	166	-	7 728
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
METROPOLE PRODUCTION SA	38247713100025	50	(3,463)	99.98	1,150	-	22,635
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
C. PRODUCTIONS SA	40790865600025	50	42	99.97	38	38	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 INTERACTIONS SAS	38890945900041	34,050	21,505	100.00	34,007	34,007	15,027
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 THEMATIQUE SA	40310510900025	210,837	50,629	100.00	317,646	317,646	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
IMMOBILIERE M6 SA	39947635700021	9,600	4,960	100.00	9,147	9,147	38
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 FOOT SAS	42313378400011	18,360	(18,283)	100.00	19,128	42	32
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
SCI 107 SCI	42169913300011	5,002	(115)	99.90	5,002	5,002	1,975
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 DEVELOPPEMENT SAS	42811522400019	40	(52)	99.99	40	40	175
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 STUDIO SAS	42811529900011	45	(599)	99.99	45	45	5,970
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
IMMOBILIERE 46 D	49389751600016	26,040	-	100.00	26,040	26,040	16,710
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 BORDEAUX SAS	43350336400013	40	(53)	99.99	40	40	923
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 TOULOUSE SAS	43350341400016	40	(63)	99.99	40	40	1,098
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
MANDARIN SAS	40536317700024	114	(3,019)	100.00	2,500	-	1,176
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 CREATIONS	49390581400015	40	-	100.00	40	40	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 RECREATIVE	49386900200011	40	-	100.00	40	40	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
DIEM 2	40037251200089	37	(837)	100.00	90	90	811
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 DIVERTISSEMENTS	49386730300015	40	-	100.00	40	40	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
SOCIETE NOUVELLE DE CINEMATOGRAFIE	775670623000	882	88	100.00	12,914	12,914	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
MANDARIN FILMS	413109984	46	6	100.00	11,431	11,431	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
PARTICIPATIONS							
SOCIETE NOUVELLE DE DISTRIBUTION SA	41485722700030	14,692	(2,506)	7.12	1,650	1,650	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
M6 WEB SAS	41454946900016	740	79	6.75	50	50	-
89, Avenue Charles-de-Gaulle - 92200 NEUILLY							
METROPOLEST SA	39473579900014	40	-	49.88	19	19	-
Rue Théophraste Renaudot - 54180 HOUEMONT							
EUROPEAN NEWS EXCHANGE SA		496	NC	20.00	100	100	-
45 bld Pierre Frieden 1543 LUXEMBOURG-KIRCHBERG							
TCM DROITS AUDIOVISUELS SNC	40952892400031	240	-	50.00	655	655	-
3, rue du commandant Rivière - 75008 PARIS							
TCM GESTION SA	40952934400031	40	(4)	49.88	20	20	-
145 Quai de Stalingrad 92130 ISSY-LES-MOULINEAUX							
MULTIPLEX R4 (MULTI 4)	44975397900011	60	4	16.67	10	10	-

FINANCIAL ACCOUNTS

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Guarantees and sureties given by the company	2006 Turnover	2007 Turnover	2006 Net profit/ (loss)	2007 Net profit/ (loss)	Dividends paid by the company in 2007
-	75,449	71,707	27,375	27,826	27,375
-	1,818	1 464	(102)	951	-
-	26,867	29,630	(1,495)	(2,587)	-
-	16,260	17 481	316	(561)	150
-	100,387	77,434	20,780	10,158	14,265
-	3,520	4,109	3,774	18,599	15,349
-	7,049	7,016	1,230	1,190	-
-	-	-	23	5	-
-	1,404	958	(234)	(415)	-
-	966	1 323	(5)	(14)	-
-	9,193	3,081	(437)	(678)	-
-	-	905	-	(2,423)	-
-	1,062	1,116	145	73	-
-	968	1,166	82	71	-
-	83	1,163	(288)	269	-
-	-	-	-	(2)	-
-	-	62	-	(14)	-
-	-	-	(31)	(24)	-
-	-	-	-	(2)	-
-	3,007	1,011	1,663	(2)	1,108
-	2,583	1,069	1,220	227	1,259
-	84,619	82,889	425	4,097	-
-	76,597	88,517	22,133	13,328	974
-	718	739	(7)	3	-
-	NC	NC	NC	NC	-
-	19,705	12,458	10,241	3,849	-
-	2	2	(1)	(12)	-
-	46	37	1	1	-

KPMG Audit

Division of KPMG SA
Immeuble KPMG
1, cours Valmy
92923 Paris-La Défense Cedex
SA with share capital of € 5,497,100

*Statutory Auditor
Member of compagnie
régionale de Versailles*

ERNST & YOUNG and others

41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with variable share capital

*Statutory Auditor
Member of compagnie
régionale de Versailles*

MÉTROPOLE TÉLÉVISION, SA
Financial year ended 31 December 2007

**Statutory Auditors' general report
on the parent company financial statements**

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you for the financial year ended 31 December 2007, on:

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

The annual 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 ANNUAL 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 involves 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, in light of French accounting principles and methods, the annual financial statements give a true and fair view of the financial position, assets and liabilities, and net profit of the Métropole Télévision SA company from the transactions for the financial year then ended.

II. JUSTIFICATION OF ASSESSMENTS

Pursuant to the application of the provisions of Article L.823-9 of the Commercial Code relative to the justification of our assessments, we bring to your attention the following matters:

- Notes 2.1.2 and 2.3 disclose the Company's 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.
- Notes 2.2.2 discloses the Company's principles and methods for accounting for its financial assets for the financial year. 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 have assured ourselves of its correct application.

These assessments were made within the framework of our audit, which focuses on the 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 AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law.

We have no comments to make concerning:

- the fairness and consistency with the annual financial statements of the information given in the Management Board report and in the documents sent to the shareholders concerning the financial situation and the annual financial statements.
- the fairness of information disclosed in the management report on Directors' remuneration and fringe benefits paid to directors concerned, as well as commitments granted for their benefit upon their appointment, term of office, change of position or subsequent to the provision of their services.

As required by law, we ensured that the various information concerning the acquisition of shareholdings and controlling interests was provided to you in the management report.

Paris-La Défense and Neuilly-sur-Seine, 7 April 2008

The Statutory Auditors

KPMG Audit
Division of KPMG SA
Grégoire Menou

ERNST & YOUNG and others
Bruno Bizet

KPMG Audit

Division of KPMG SA
Immeuble KPMG
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SAS with variable share capital

*Statutory Auditor
Member of compagnie
régionale de Versailles*

MÉTROPOLE TÉLÉVISION, SA
Combined General Meeting of 6 May 2008

**Statutory Auditors' special report
on regulated agreements and commitments**

As Statutory Auditors of your Company, we hereby present to you our report on the regulated agreements and commitments

**Agreements and commitments authorised during the financial year ended
31 December 2007, as well as those authorised up to 3 March 2008**

In application of Article L. 225-88 of the French Commercial Code, we have been notified of the following agreements and commitments that received prior approval from your Supervisory Board.

Our role is not to seek to bring other agreements and commitments to light, but, on the basis of the information given to us, to provide you with the characteristics and essential terms and conditions of the agreements brought to our attention, without having to issue an opinion on whether or not these agreements are useful or warranted. Pursuant to Article R.225-58 of the Commercial Code, it is your role to assess the interest in concluding these agreements and commitments, with a view to approving them.

We have performed our work in accordance with professional standards in force in France. These standards require the implementation of diligence procedures in order to verify the agreement of information provided to us with the base documents from which they have been derived.

1. COMMITMENTS ENTERED INTO BY YOUR COMPANY FOR THE BENEFIT OF MEMBERS OF THE MANAGEMENT BOARD***Persons concerned***

Nicolas de Tavernost, Chairman of the Management Board, Eric d'Hotelans and Thomas Valentin, Deputy-Chairmen of the Management Board and Catherine Lenoble, member of the Management Board.

Nature and purpose

Your Company committed, in application of the provisions of the TEPA Law of 21 August 2007, to subject to performance conditions the payment of severance pay for the benefit of members of the Management Board likely to become due following the termination or break of their employment contract. These commitments were authorised by the Supervisory Board on 3 March 2008

Terms and conditions

The commitment entered into by your company for the benefit of Nicolas de Tavernost, Chairman of the Management Board, provides, in the event he ceases to act as Chairman of the Management Board, for the payment of compensation equal to twenty four months of gross monthly remuneration measured on the basis of his total remuneration, including fixed and variable items, paid to him in respect of the last twelve months preceding the termination of his position as Chairman of the Management Board. In addition to the legal and conventional compensation due in respect of his seniority, M. de Tavernost waived his right to supplementary severance pay attached to his employment contract, subject to the above mentioned compensation remaining attached to his position as Chairman of the Management Board.

The commitments entered into by your Company for the benefit of Thomas Valentin, Eric d'Hotelans and Catherine Lenoble provide, in case their employment contract is terminated, for the payment of compensation equal to twenty four months of gross monthly remuneration measured on the basis of total remuneration, including fixed and variable items, excluding performance bonuses, paid to them in respect of the last twelve months preceding the termination of their employment contract. This compensation includes legal and conventional compensation due in respect of their seniority.

In application of the provisions of the TEPA Law of 21 August 2007, the Supervisory Board decided that the above mentioned commitments would be subject to the achievement of the following performance condition: Profit from operations (EBITA) of Métropole Télévision Group for the thirty six months prior to the termination of contract shall at least equal to 80% of the budgeted objective, as approved by the Supervisory Board. The amount of severance pay shall then be calculated in proportion (between 80% and 100% of its reference amount) of the percentage of profit from operations (EBITA) achieved compared to the budgeted objective. No severance pay shall be paid when profit from operations (EBITA) for the past 36 months prior to the termination of contract proved lower than 80% of the budgeted objective.

2. AGREEMENT WITH RTL GROUP, ACTING ON BEHALF OF IMMOBILIÈRE BAYARD D'ANTIN SA

Persons concerned

Gerhard Zeiler, Remy Sautter, Elmar Heggen, Vincent de Dordolot, Andréas Walker, Constantin Lange and Axel Duroux, representatives of RTL Group.

Nature and purpose

On 4 June 2007, following authorisation from the Supervisory Board on 2 May 2007, your company and RTL Group, acting on behalf of Immobilière Bayard d'Antin SA concluded an agreement for the acquisition of blocks of shares in your company, limited to 10% of the share capital, with a view to cancelling them.

This agreement comes within the framework of the programme of buying shares back with a view to cancelling them implemented in application of Article L. 225-209 of the French Commercial Code, authorised by the General Meeting of 2 May 2007, and according to which the Management Board may proceed with the acquisition, through an investment service provider, of blocks of shares in your company on the market and, off-market, from RTL.

Terms and conditions

This agreement provides for the sale of shares by RTL Group with a view to maintaining its shareholding below the legal threshold of 49%, as set by Article 39-1 of the Law of 30 September 1986. After communicating the number of shares sold by RTL to your Company, RTL commits to sell, subject to certain provisions specified in the agreement, a number of shares equal to 49/51st of the number of shares acquired on the market. This transaction shall be carried out a price per share equal to the weighted average price per share paid by your Company to acquire shares on the market.

3. AGREEMENT WITH M6 WEB SAS AND PAGESJAUNES GROUPE

Person concerned

Remy Sautter.

Nature and purpose

M6 Web SAS and Pages Jaunes Group concluded a shareholders' agreement on 17 October 2007, following M6 Web SAS's 34% investment in the share capital of Pages Jaunes Petites Annonces SA, a subsidiary of Pages Jaunes Groupe, of which Remy Sautter is a director.

Terms and conditions

This agreement defines the financing, management and administration rules of PagesJaunes Petites Annonces SA as well as the terms and conditions of tenure and management of shareholdings held by the company's shareholders.

Agreements and commitments approved in previous financial years whose execution continued in the 2007 financial year

Furthermore, in application of the French Commercial Code, we have been notified of the following agreements and commitments that were authorised in previous financial years and whose execution continued in the 2007 financial year:

CASH INVESTMENT AGREEMENT WITH IMMOBILIÈRE BAYARD D'ANTIN SA***Nature and purpose***

Your Company entered into a treasury management agreement in date of 1 December 2005, renewed on 12 December 2006 and 14 December 2007 with RTL, acting on behalf of Immobilière Bayard d'Antin SA.

Terms and conditions

Your Company may loan its surplus cash to the real estate company Immobilière Bayard d'Antin, either on a day-to-day basis or investing part of the loan for a duration not exceeding three months. Interest charged pursuant to this agreement is in line with market conditions. In order to comply with Métropole Télévision cash management policy, the aggregate amount that may be invested by your Company shall never exceed more than 20% of its cash resources.

The interest is calculated on the amount of the investments, namely:

- for investment periods directly fixed at one, two or three months, the remuneration shall be the EURIBOR 1 month, 2 month or 3 month rates + 5 basis points.
- day-to-day investments by your company entrusted to the real estate company Bayard d'Antin SA shall be remunerated by the EONIA rate + 5 basis points.

In respect of the financial year ended 31 December 2007, the average amount deposited was € 19,448,000 and the investment income generated by this agreement amounted to € 769,045.

Paris-La Défense and Neuilly-sur-Seine, 7 April 2008

The Statutory Auditors

KPMG Audit
Division of KPMG SA
Grégoire Menou

ERNST & YOUNG and others
Bruno Bizet

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1. Company Information

1.1 Bylaws Environment

The main features of the Company's bylaws are as follows:

COMPANY NAME

MÉTROPOLE TÉLÉVISION – (M6)

HEAD OFFICE AND REGISTERED OFFICE

89, avenue Charles-de-Gaulle
92575 NEUILLY-SUR-SEINE Cedex
FRANCE

LEGAL FORM

A French-law public limited company (société anonyme) with a Management Board and Supervisory Board governed by the Commercial Code, the unrepealed provisions of the decree of 23 March 1967 and subsequent texts on commercial companies.

DATE OF INCORPORATION - DURATION

The Company was incorporated on 13 October 1986 for a period of 99 years unless subject to early dissolution or extension.

TRADE AND COMMERCE REGISTER - SIRET – APE CODE

The Company is entered in the Trade and Companies Register under the number:
RCS Nanterre 339 012 452
SIRET 339 012 452 00084
APE 6020A

INSPECTION OF DOCUMENTS

Legal documents concerning the Company may be inspected at the 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 defendant and these courts will be designated in accordance with the location and nature of the litigation, unless otherwise specified by the Code of Civil Procedure.

CORPORATE PURPOSE (ARTICLE 3 OF THE BYLAWS)

The Company's corporate purpose is as follows:

- operation of an audiovisual communications service distributed over terrestrial, cable, satellite networks or by any other means that may be authorised, as applicable, by the

Conseil Supérieur de l'Audiovisuel (CSA), comprising notably the conception, production, programming and broadcasting of television programmes, including all advertising; - all industrial, commercial, financial and real estate transactions directly or indirectly connected to the above. Also, any related or complementary aims likely to further the development of the company's objectives or assets.

STATUTORY APPROPRIATION OF PROFITS (ARTICLE 40 OF THE BYLAWS)

5% of the profit of the year as reduced by any prior year losses shall be allocated to the legal reserve. This deduction ceases to be obligatory once the legal reserve amounts to one tenth 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) Any amounts that the General Meeting, upon the recommendation of the Management Board, decides to allocate to any special reserves, ordinary or extraordinary or to carry forward.
- b) Any amounts necessary to give shareholders, by way of first dividend, 5% of the amount paid and not written down on their shares without entitling them to a claim on future profits, if there is an insufficient profit in a year to effect the payment.

The balance of distributable profit, after the above deductions, shall be split equally among all shares by way of a special dividend.

If the General Meeting decides to distribute amounts from the reserves that are available, the decision shall expressly indicate which reserves are to be used.

In accordance with legal provisions, the General Meeting called to approve the annual financial statements may grant shareholders the option of receiving payment in cash or in shares for all or part of the dividend or interim dividend payment.

GENERAL MEETINGS (ARTICLES 27-29 OF THE BYLAWS)

Notice of meetings – Attendance and exercise of voting rights

Shareholders meetings are announced by a preliminary notice which is published in the *Bulletin des Annonces Légales Obligatoires (BALO)* at least 35 days prior to the meeting date, pursuant to regulations in force, other than where an exception to this rule is allowed by such regulations (notably during a public share-offer period).

The final notice of shareholders meetings is issued at least fifteen days prior to the date set for the meeting on first call, other than where an exception to this rule is allowed by regulations in force. This time period is reduced to six days for meetings on second call, other than where an exception to this rule is allowed by regulations in force.

The final notice is sent by postal carrier or by electronic mail to all holders of registered shares and published in a legal gazette serving the location in which the registered office is located and in the *BALO*.

The notice must set forth the date, time and place of the meeting and state the purpose and agenda for the meeting.

The notice must also specify the conditions in which a shareholder may vote by post, and must specify the location where postal voting forms may be obtained and the necessary documents to be attached.

Shareholders may submit their questions in writing up to four days prior to the shareholders' meeting.

All of the Company's shareholders whose shares are fully paid up may participate in meetings. No shareholder may delegate voting authority to another person except the shareholder's spouse or another shareholder.

The right to attend General Meetings is subject to the accounting record of the shares in the name of the shareholder or the intermediary on his behalf, on the third day preceding the meeting (00.00hours Paris time), either in the nominative accounts held by the company, or in the accounts of bearer shares held by an authorised intermediary

Proxy and postal voting forms are prepared and addressed in accordance with legislation in force. The owners of the shares referred to in paragraph 3 of Article L 228-1 of the Commercial Code may be represented at shareholders meetings by an intermediary registered on behalf of such owners in accordance with the provisions of the foregoing Article. The intermediary who has fulfilled the obligations specified in the paragraph 3 and 4 of Article L 228-1 may, pursuant to a general securities management mandate, transmit for a meeting its voting rights or power of attorney as an owner of shares as defined in paragraph 3 of the same Article.

LIMITATION ON VOTING RIGHTS (ARTICLE 35 OF THE BYLAWS)

Subject to the provisions below, the voting rights conferred on shares is proportional to the share capital they represent, and each 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.

REQUIREMENTS FOR HOLDINGS EXCEEDING THE STATUTORY THRESHOLD (ARTICLE 11 OF BYLAWS)

Shares are freely negotiable.

Shares are transferred by transfer from account to account subject to applicable legal and regulatory provisions. In the event of an increase in the share capital, shares may be traded as soon as it is completed.

Any individual or legal entity, acting alone, or with others, that attains a holding of at least 1% or any multiple of 1% of the capital and/or voting rights must notify the Company of the number of shares and/or voting rights held within a period of five stock market trading days from the moment this threshold is exceeded, by registered letter with return receipt addressed to its registered office.

The number of shares that determine the above thresholds shall include indirectly held shares and/or voting rights and shares and/or voting rights as defined by Articles L. 233-7 and subsequent of the Commercial Code.

This declaration must also be made each time that the fraction of share capital or voting rights held becomes less than one of the thresholds stated above.

If not declared under the above conditions, the shares in excess of the relevant threshold will be deprived of voting rights under the conditions laid down by the Commercial Code relating to the crossing of statutory thresholds. Intermediaries registered as holders of shares pursuant to paragraph three of Article L. 228-1 of the Commercial Code are required without prejudice to the obligations of the owners of shares, to make the declarations stipulated in this paragraph for all of the shares of the Company for which they are registered as the holder.

The requirements set forth in the above paragraph shall not limit the application of the provisions of the Law of 30 September 1986 on the free disclosure of share ownership or voting rights of companies licensed to operate an audiovisual communication service, or of any other provisions under law.

1.2 Regulatory Environment

By virtue of its corporate purpose and status as an operator of a terrestrial over-the-air analogic and digital broadcasting license, the Company is governed by a specific legal and regulatory regime which applies in addition to the ordinary provisions.

A. OWNERSHIP OF THE SHARE CAPITAL

Under the terms of Article 39 of Law n°86-1067 of 30 September 1986, as amended, an individual or entity, acting alone or with others, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a national television services by Free-to-Air terrestrial transmission.

This provision limits the scope of the 49% rule to those terrestrial channels with an average annual audience (terrestrial, cable and satellite combined) in excess of 2.5% of the total television audience.

Under the same provision, when an individual or entity holds, directly or indirectly, more than 15% of the capital or voting rights of a company licensed to operate a national television service by Free-to-Air terrestrial transmission, it shall not hold, directly or indirectly, more than 15% of the capital of another company holding a similar authorisation.

Under the terms of Article 40 of Law n°86-1067 of 30 September 1986, as amended, no individual or entity of foreign nationality shall purchase an interest leading to foreign nationals holding, directly or indirectly, more than 20% of the capital of a company licensed to operate a national television service by terrestrial over-the-air transmission.

B. LEGISLATION APPLICABLE TO THE COMPANY

M6 is a privately owned Free-to-Air terrestrial TV network which was initially licensed to broadcast for a duration of ten years from 1 March 1987 (expired on 28 February 1997) under the licensing regime set forth by Article 30 of the amended Law of 30 September 1986 on Freedom of Communication.

As a network which is financed exclusively by advertising, it is subject to the general requirements of this legal classification and to the special terms and conditions of its broadcasting license under the agreement between the CSA and the Company.

M6's broadcasting license 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.

On 10 June 2003, M6 received an authorisation to continue its terrestrial digital service effective from 31 March 2005. As a result, M6 authorisation is renewed until 28 February 2012, in accordance with Article 82 the Law 2000-719 of 1 August 2000.

In addition, M6 will receive a further five year authorisation prior to the termination of its analogue service (foreseen at latest by 30 November 2011), if its terrestrial digital service at that date has attained 95% of metropolitan France territory (Art. 96-2 of the Law of 30 September 1986).

On 20 November 2007, following a bidding process launched by the CSA, M6 was selected to take over the high definition service.

1. Investment obligations in audiovisual, cinematographic and broadcasting sectors

The Group's investment obligations in audiovisual, cinema and broadcasting sectors are defined by decree No. 2001-609 of 9 July 2001, as amended known as decree "Production", and by decree No. 90-66 of 17 January 1990, as amended known as decree "Broadcasting", and its Agreement.

Until 2007, the M6 Group enjoyed a regime which allowed it to:

- invest 18% of the previous year's net annual turnover in the production of French and European audiovisual works, of which 75% had to be dedicated to original french speaking works;
- broadcast 100 hours of audiovisual programmes originally produced in France or in Europe, not previously publicly broadcast on a nationwide Free-to-Air terrestrial TV network and with a starting broadcast time of between 8pm and 9pm;
- broadcast an additional hour of audiovisual works originally produced in France or in Europe, to fulfil their broadcasting quota for such programmes, between 5pm and 6pm.

For cinematographic works, the Group is subject to common law.

On 12 June 2007, in a plenary meeting, the CSA (Conseil Supérieur de l'Audiovisuel) decided not to renew M6's exemption for broadcasting quotas for peak viewing hours for 2008.

The Group is now subject to common law as foreseen by regulations in force:

Investment obligations in Production

- to invest 16% of the previous year's net annual turnover in the production of French audiovisual works, of which at least 66% must be dedicated to programmes that are independently produced;
- to invest at least 3.2% of the previous year's net annual turnover in the production of

European cinematographic works, of which at least 2.5% must be dedicated to French cinematographic works, of which 75% must be dedicated to cinematographic works that are independently produced;

Broadcasting obligations

- to broadcast annually 120 hours of audiovisual programmes originally produced in France or in Europe, not previously publicly broadcast on a nationwide terrestrial over-the-Air Television network and with a starting broadcast time of between 8pm and 9pm;
- in any 24 hour period, a minimum of 40% of audiovisual works broadcast must be original french speaking, and 60% must be european, and the same requirements apply to peak viewing periods between 6pm and 11pm everyday and between 2pm and 6pm on wenesdays;
- broadcast no more than 192 hours of cinematographic works during the year of which 144 hours must be during peak viewing period from 8.30pm to 10.30pm. Cinema works must comply with the broadcasting quotas throughout the day and for peak viewing hours, i.e. 60% of european work and 40% of original French-speaking works origin.

Other production and broadcasting obligations specific to the M6 Television service

In accordance with Article 28 of the Law of 30 September 1986, M6 agreed the following production and broadcasting obligations with the CSA:

Production of Audiovisual Programmes

- 66% of M6's audiovisual programme production must be dedicated to new programmes originally produced in Europe or in France (ie unreleased in France);
- at least 1% of the previous year's net annual turnover must be dedicated to the production of cartoons originally produced in France or in Europe.

Deaf and Hard of Hearing

- The obligations in respect of broadcasting sub-titled programmes for the deaf and hard of hearing require a progressive increase so that all transmissions, with the exception of advertising slots be sub-titled by 2010. In 2007, M6 was required to produce 2,400 hours of sub-titled works.

Musical programming obligations

For musical programming obligations, in 2007, M6 was obliged to:

- broadcast a minimum of 30% of musical programming per 24-hour period, and in particular between 4pm and midnight and 50% of original french speaking musical programming;
- invest € 21.34 million in musical programming and in the production and broadcast of 150 music videos dedicated to French speaking artists, of which 30 music videos dedicated to new talent.

In compliance with an option in Article 69 of the M6 agreement, the M6 musical obligations were revised in January 2008 by an amendment to the agreement that allows a decrease in musical programming over 4 years to attain a quota of 20% by 2011 and 100 co-produced music videos, of which 70% dedicated to new talent.

2. Advertising commitments

Concerning advertising, the law n° 93-122 of 22 January 1993 (the «Loi Sapin») governs the relationship between advertisers, their agents and the advertising media.

Other regulations that relate to broadcasting of advertising spots/messages arise from the Code of Public Health, from the law of 30 September 1986 already mentioned, and from decree n° 92-280 of 27 March 1992.

It should be noted that since from 27 February 2007, advertising or promotional messages for certain foods and beverages must be accompanied by relevant health information.

All of M6's programmes must comply with one of 4 viewing categories to indicate the public to which they are addressed.

2. General meeting

2.1 Summary and Agenda of the combined general meeting of 6 May 2008

The combined general meeting of the company has been convened for 6 May 2008 and the agenda will be as follows:

REPORT OF THE MANAGEMENT BOARD:

- on the Group's activities during 2007;
- on the resolutions to be presented at the general meeting;
- on the purchase of treasury shares;
- on the allocation of free shares to certain employees and/or executive officers during the year;
- on share purchase options outstanding.

THE SUPERVISORY BOARD'S OBSERVATIONS OF THE MANAGEMENT BOARD'S REPORT

CHAIRMAN OF THE SUPERVISORY BOARD'S REPORT ON THE CORPORATE GOVERNANCE OF THE COMPANY AND ON THE INTERNAL CONTROL PROCEDURES PUT IN PLACE BY THE COMPANY

STATUTORY AUDITORS' REPORTS:

- report on the consolidated financial statements for the year ended 31 December 2007;
- general report on the financial statements for the year ended 31 December 2006;
- report prepared in application of Article L.225-235 of the Commercial Code on the report by the Chairman of the Supervisory Board of Métropole Télévision regarding internal control procedures used in the preparation and processing of financial and accounting information;
- special report on the agreements covered by Article L.225-86 of the Commercial Code;
- special report on share capital reduction transactions foreseen by resolution 27;
- report on the allocation of free shares to certain employees and/or executive officers during the year foreseen by resolution 28.

VOTE ON RESOLUTIONS:

Resolutions for the ordinary general meeting

- | | |
|-----------------------------|---|
| 1 st resolution: | Approval of the parent company financial statements for the year ended 31 December 2007 |
| 2 nd resolution: | Approval of the consolidated financial statements for the year ended 31 December 2007 |
| 3 rd resolution: | Allocation of profits and fixation of dividend |

4 th resolution:	Approval of agreements covered by Article L225-86 of the CC
5 th resolution:	Approval of commitment undertaken for the benefit of Nicolas de Tavernost, in the event of termination of his term of office
6 th resolution:	Approval of commitment undertaken for the benefit of Eric d'Hotelans, in the event of termination of his term of office
7 th resolution:	Approval of commitment undertaken for the benefit of Thomas Valentin, in the event of termination of his term of office
8 th resolution:	Approval of commitment undertaken for the benefit of Catherine Lenoble, in the event of termination of her term of office
9 th resolution:	Ratification of the appointment of a Supervisory Board member
10 th resolution:	Ratification of the appointment of a Supervisory Board member
11 th resolution:	Renewal of Supervisory Board member
12 th resolution:	Renewal of Supervisory Board member
13 th resolution:	Renewal of Supervisory Board member
14 th resolution:	Renewal of Supervisory Board member
15 th resolution:	Renewal of Supervisory Board member
16 th resolution:	Renewal of Supervisory Board member
17 th resolution:	Renewal of Supervisory Board member
18 th resolution:	Renewal of Supervisory Board member
19 th resolution:	Renewal of Supervisory Board member
20 th resolution:	Renewal of Supervisory Board member
21 st resolution:	Renewal of Supervisory Board member
22 nd resolution:	Renewal of the principal Statutory Auditor
23 rd resolution:	Appointment of an alternate Statutory Auditor
24 th resolution:	Appointment of one new principal Statutory Auditor
25 th resolution:	Appointment of an alternate Statutory Auditor
26 th resolution:	Authorisation to be given to the Management Board for the purchase of its own shares by the company, within the scope of Article L. 225-209 of the Commercial Code

Resolutions for the extraordinary general meeting

27 th resolution:	Authorisation to be given to the Management Board to reduce the share capital by cancellation of its own shares purchased by the company, within the scope of Article L. 225-209 of the Commercial Code
28 th resolution:	Authorisation to be given to the Management Board for the allocation of free shares to certain employees and executive officers
29 th resolution:	Bylaw Revisions
30 th resolution:	Powers to complete formalities

2.2. Management Board Report to the combined general meeting

Ladies and Gentlemen,

We have called you to this Combined General Meeting to submit for your approval the following resolutions for the Ordinary General Meeting and the Extraordinary General Meeting.

1. RESOLUTIONS PRESENTED TO THE ORDINARY GENERAL MEETING

In the first resolution, shareholders are invited to approve the financial statements of the company Métropole Télévision for the year ended 31 December 2007, together with the expenses and charges stipulated in Article 39-4 of the General Tax Code.

In the second resolution, shareholders are invited to approve the consolidated financial statements for the year ended 31 December 2007 as presented.

In the third resolution, shareholders are invited to allocate the profits of the financial year of € 160,970,664 and retained profits from the prior year of € 458,634,096, representing total profits available for distribution of € 619,604,760, by distributing a dividend of € 1.00 per share and allocating the remaining balance of € 489,670,070 to retained profits carried forward.

In the fourth resolution, shareholders are invited to approve the conclusions of the Statutory Auditors' Special Report on the agreements covered by Article L.225-86 of the Commercial Code.

In the fifth, sixth, seventh and eighth resolutions, shareholders are invited to approve the commitments undertaken for the benefit of Nicolas de Tavernost, Chairman of the Management Board, Eric d'Hotelans, Thomas Valentin and Catherine Lenoble, members of the Management Board, in the event of termination of their terms of office.

In the ninth resolution, shareholders are invited to ratify the appointment of Andrew Buckhurst as a member of the Supervisory Board in replacement of Constantin Lange, who resigned, for the remainder of his term, i.e. until the close of the Ordinary General Meeting to be called to approve the 2007 financial statements.

In the tenth resolution, shareholders are invited to ratify the co-option of Immobilière Bayard d'Antin, represented by Fabrice Boé, as a member of the Supervisory Board in replacement of Andréas Walker, who resigned, for the remainder of his term, i.e. until the close of the Ordinary General Meeting to be called to approve the 2010 financial statements.

In the eleventh to the twenty-first resolutions, shareholders are invited to approve the renewal of Albert Frère, Guy de Panafieu, Gérard Worms, Rémy Sautter, Jean Laurent,

Bernard Arnault, Gerhard Zeiler, Axel Duroux, Vincent de Dorlodot, Elmar Heggen and Andrew Buckhurst, as members of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

In the twenty second and twenty third resolutions, shareholders are invited to approve the renewal of Ernst and Young as principal Statutory Auditor and to approve the appointment of AUDITEX as alternate Statutory Auditor, for a period of 6 (six) years, i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

In the twenty fourth and twenty fifth resolutions, shareholders are invited to approve the appointment of Price Waterhouse Coopers as principal Statutory Auditor and to approve the nomination of Etienne Boris, as alternate Statutory Auditor, for a period of 6 (six) years, i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

In the twenty sixth resolution, in accordance with the provisions of Article L.225-209 and subsequent articles of the Commercial Code, shareholders are invited to authorise the Management Board to trade in the Company's shares under the following conditions:

- maximum purchase price: € 30;
- maximum shareholding: 10% of the share capital including treasury shares acquired;
- maximum duration: 18 months;
- Maximum nominal amount of funds to be allocated to the share repurchase programme: € 389,804,070.

The acquisition of shares, may be carried out:

- to assure an active secondary market or the liquidity of the Métropole Télévision share through an intermediary service provider through a liquidity contract in compliance with the AFEI's ethical code admitted by the AMF;
- to conserve shares purchased and ultimately use them via exchange or payment within the framework of acquisitions, provided that the shares acquired for this purpose do not exceed 5% of the Company's share capital;
- to assure adequate coverage for share option plans and other forms of share allocations to Group employees and/or executive officers within the conditions and according to the methods permitted by law, notably by sharing in the profits of the entity, through a company savings plan or by the granting of free shares;
- to assure adequate coverage of marketable securities giving right to Company shares within the framework of current regulations;
- to cancel any share acquired.

The acquisition of these shares may be carried out by any means, including block purchases of shares, and at times the Management board considers appropriate, including during a period of a public offer within stock market regulatory limits.

2. RESOLUTIONS PRESENTED TO THE EXTRAORDINARY GENERAL MEETING

In the twenty seventh resolution, subject to shareholders' approval of the share repurchase programme which is the object of the twenty-sixth resolution, shareholders are invited to authorise the Management Board to reduce the share capital by cancelling repurchased shares, up to a limit of 10% of the share capital, as calculated on the day of their cancellation and excluding any shares cancelled during the preceding 24 month period.

In the twenty eighth resolution, shareholders are invited to authorise the Management Board to proceed with the allocation of free shares, either issued or to be issued, to certain employees and executive officers up to a limit of 0.5% of the share capital for each allocation, and for a period of thirty-eight months from the date of the general meeting. The allocation of free shares to recipients becomes final after a minimum acquisition term of two years, plus a further minimum two year period during which they must be held by the recipient. The Management Board will reserve the right to increase the length of both of these periods. The conditions for free share allocation, as well as the list of recipients and the number of shares allocated to each will be determined by the Management Board.

In the twenty ninth resolution, the modification of the following Articles of the company's bylaws to bring them in line with recent changes in regulations or in the Law:

- Article 10: to revise the reference to the share clearing house with the appropriate term Central Depository for the issue of shares;
- Article 11, 12 and 29: to update the reference to Article L.228-1 of the Commercial Code on the value of marketable securities;
- Revision of Article 22 in application of Article L.225-82 of the Commercial Code, to allow the Supervisory Board to carry out its meetings by videoconference or any other meaning of telecommunication;
- Revision of Article 27 to complete the list of obligatory information for inclusion in the notice of a general meeting, in compliance with paragraph 1 of Article R.225-66 of the Commercial Code;
- Article 28: to replace the reference to a Director by a member of the Supervisory Board in compliance with the legal form of the company;
- Revision of Article 29 to refer to the recognition of share accounting by a certificate of attendance at the general meeting issued by an authorized intermediary;
- Revision of Article 32 in compliance with Article R.225-108 of the Commercial Code that specifies the parties authorised to certify the minutes of the general meeting, in place of a member of the Supervisory Board.

Lastly, in the thirtieth resolution, shareholders are asked to confer powers to complete formalities.

We trust that these proposals will receive your support.

Neuilly-sur-Seine, 28 February 2008

Le Directoire

2.3. Supervisory Board's comments to the Combined General Meeting

Ladies and Gentlemen,

At this Combined General Meeting called in accordance with law and the bylaws, we present to you the reports of the Management Board and the Statutory Auditors for the year ended 31 December 2007.

In accordance with Article L.225-68 of the Commercial Code, we bring to your attention our observations regarding the Management Board Report and the financial statements for the year ended 31 December 2007.

In addition we bring to your attention the work of the Supervisory Board.

1. OBSERVATIONS OF THE SUPERVISORY BOARD

The Management Board Report to the General Meeting does not call for any specific comments by the Supervisory Board.

The Board reviewed the proposed resolutions to be submitted to the General Meeting and invites you to approve them in order to give the Management Board the essential means by which to fulfil its role and otherwise to bring the Company bylaws into line with the latest legislative and regulatory developments.

The financial statements for the year ended 31 December 2007 as presented to you, have been reviewed by the Audit Committee and certified by the Statutory Auditors. The Supervisory Board has no comments to make on the financial statements for the year ended 31 December 2007.

The Supervisory Board invites you to approve the resolutions proposed by the Management Board.

2. THE STATUTORY AUDITOR'S TERM OF OFFICE

- Ernst & Young's term of office as principal Statutory Auditor is at the point of expiring.

By the end of this term Ernst & Young will have certified the parent company and the Group's Financial consolidated Statements for six consecutive years.

We recommend their renewal for a further six (6) year period, i.e. until the close of the Ordinary

General Meeting to be called to approve the 2013 financial statements.

- Pascal Macioce's term of office as alternate Statutory Auditor is at the point of expiring.

We do not recommend his renewal, and instead, as alternate Statutory Auditor to Ernst & Young, we recommend the appointment of AUDITEX, a limited company with a capital of € 2,328,672 registered with the Register of Commerce and Companies in Nanterre under company number 377 652 938, and located in the Tour Ernst and Young, Faubourg de l'Arche, 92037 Paris-La Défense, for a six year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

- We recommend the appointment of Price Water House Coopers, a limited company with a capital of € 2,510,460 registered with the Register of Commerce and Companies in Nanterre under company number B 672 006 483, and located at 63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex, as principal Statutory Auditor and Etienne BORIS, of French nationality, located at 63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex, as alternate Statutory Auditor, for a six year period, i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

The text of the resolutions presented to you includes these recommendations.

We confirm that the candidates have not participated in any investment in the company or in any of its subsidiaries in the past two years, in compliance with Article L. 233-16 of the Commercial Code.

3. WORK OF THE BOARD

In application of legal regulations and following the review of the parent company financial statements and the Management Board Report, upon which it has just informed you of its observations, the Supervisory Board periodically extends the report of the Management Board to the company's market, it authorises major investments, the granting of security, partial or total disposals of shareholdings and property assets and rights.

Aside from these duties, the key undertakings of the Supervisory Board since the last Annual General Meeting of Shareholders are as follows:

- The budget for 2008;
- The bi-annual and annual accounts;
- The composition and the performance evaluation of the Board;
- The application of the general policy for the remuneration of members of the Management Board and specifically the setting of their quota entitlements to marketable securities during their term of office; the determination of the necessary conditions and perfor-

mance to authorise the payment of ultimate compensation in the event of termination of duties; the number of free shares to be allocated during the year, such as stock options; and the conditions for the allocation of free shares and stock options to employees of the company and its subsidiaries;

- The conditions for the repurchase of shares in view of their cancellation;
- The investment made in the company Pages Jaunes Petites Annonces;
- Main investment projects in new programmes.

We have no further comments to make.

Neuilly-sur-Seine, 3 March 2008

The Supervisory Board

2.4 Statutory Auditors Report

KPMG Audit
Division of KPMG SA
Immeuble KPMG
1, cours Valmy
92923 Paris-La Défense Cedex
SA with share capital of € 5,497,100

ERNST & YOUNG and others
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with variable share capital

MÉTROPOLE TÉLÉVISION, SA **Combined General Meeting of 6 May 2008**

Statutory Auditors' report on the share capital reduction by cancellation of shares (resolution n°27)

To the Shareholders,

As Statutory Auditors of Métropole Télévision and in execution of our assignment, as covered by Article L. 225-209, paragraph 7 of the Commercial Code, in the event of capital reduction arising from shares purchased, we present to you our report with a view to providing you with our opinion on the reasons for and terms and conditions of the proposed capital reduction.

We have performed the due diligence procedures that we deemed necessary in the light of the professional standards of the National Company of Statutory Auditors applicable to this assignment, in order to verify whether the reasons for and terms and conditions of the proposed share capital reduction are compliant.

This transaction arises from your company's share buyback programme, which allows it to purchase up to 10% of its capital, of its own shares, in accordance with the provisions of Article L. 225-209 of the Commercial Code. This purchase authorisation is also subject to approval by your General Meeting and will be valid for a period of 18 months.

Your Management Board proposes that you delegate to it, for a period that ends at the close of the General Meeting called to consider the 2008 financial statements, in respect of the implementation of the authorisation for your Company to purchase its own shares, all powers to cancel the shares thus purchased, up to the limit of 10% of its share capital and by twenty four-month periods.

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 General Meeting first approves the share buyback programme presented in resolution n° 26.

Paris-La Défense and Neuilly-sur-Seine, 7 April 2008

The Statutory Auditors

KPMG Audit
Division of KPMG SA
Grégoire Menou

ERNST & YOUNG and others
Bruno Bizet

KPMG Audit
Division of KPMG SA
Immeuble KPMG
1, cours Valmy
92923 Paris-La Défense Cedex
SA with share capital of € 5,497,100

ERNST & YOUNG and others
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with variable share capital

MÉTROPOLE TÉLÉVISION, SA
Combined General Meeting of 6 May 2008

**Statutory Auditors' special report on the free
allocation of shares already existing or to be issued
for the benefit of employees and executive officers
(resolution n°28)**

To the Shareholders,

As Statutory Auditors of Métropole Télévision and in execution of our assignment, pursuant to Article L.225-197-1 of the Commercial Code, we have prepared the present report on the proposal for the free allocation of shares already existing or to be issued for the benefit of employees and/or executives officers of Métropole Télévision SA and companies related to it in accordance with Article L.225-197-2 of the Commercial Code.

Your Management Board proposes that you authorise it to freely allocate shares that already exist or to be issued. It must prepare a report on this proposed transaction in order for it to proceed. It is our role to make you aware, where necessary, of our observations on the information thus provided for the transaction envisaged.

We have carried out due diligence that we considered necessary with regard to the professional standards of the National Company of Statutory Auditors relative to this assignment. This diligence consisted in verifying that the method envisaged and included in the report of the Management Board are within the provisions of the law.

We have no observations to formulate on the information provided in the report of the Management Board on the envisaged transaction for the free allocation of shares.

Paris-La Défense and Neuilly-sur-Seine, 7 April 2008

The Statutory Auditors

KPMG Audit
Département de KPMG SA
Grégoire Menou

ERNST & YOUNG and others
Bruno Bizet

2.5 The resolutions

2.5.1. PRESENTED TO THE ORDINARY GENERAL MEETING

First resolution

(Approval of parent company financial statements for the year ended 31 December 2007)

After reviewing the Management Report prepared by the Management Board, the Statutory Auditors' Reports and the observations of the Supervisory Board, the Ordinary General Meeting hereby:

- approves the financial statements for the year ended 31 December 2007 as presented, which show a net profit of € 160,970,664;
- accordingly, approves the transactions reflected in the financial statements and/or summarised in the reports;
- approves, in accordance with Article 223 quarter of the General Tax Code, the expenses and charges set forth in Article 39-4 of the same code, which were € 34,367, and the corresponding tax charge of € 11,832.

Second resolution

(Approval of the consolidated financial statements for the year ended 31 December 2007)

After reviewing the Management Report prepared by the Management Board, the observations of the Supervisory Board and the Statutory Auditors' Reports on the consolidated financial statements, the Ordinary General Meeting hereby approves the consolidated financial statements for the year ended 31 December 2007 in accordance with Articles L 233-16 and subsequent of the Commercial Code as presented, which show a net profit of € 168,725,924.

Third resolution

(Allocation of profits and Fixation of dividend)

The Ordinary General Meeting approves the allocation of profit as proposed by the Management Board as follows:

Origin

Net profit for the year	€ 160,970,664
Retained profit brought forward from prior year:	€ 458,634,096
Transfer from Other Reserves	-

Allocation

Statutory Reserve	-
Dividends	€ 129,934,690
Other Reserves	-
Retained profit carried forward	€ 489,670,070

The General Meeting notes that the dividend due to each share is set at 1 euro and that pursuant to Article 158-3 of the General Tax Code, dividend distributions will give rise to tax relief of 40% for eligible shareholders.

The dividend will be paid on 15 May 2008.

Dividends corresponding to M6 shares owned by the Company at the date of payment of the dividend will be transferred into the retained profits account.

For reference, pursuant to Article 243 bis of the General Tax Code, the General Meeting notes that the dividends paid and the distributions made over the past three financial years were as follows:

Financial Year	Eligible for tax relief		Distributions not eligible for tax relief
	Dividends	Other distributions	
2004	€ 110,786,499.60 or € 0.84 per share	-	-
2005	€ 125,294,255.50 or € 0.95 per share	-	-
2006	€ 125,294,255.50 or € 0.95 per share	-	-

Fourth resolution

(Approval of regulated agreements)

After reviewing the Statutory Auditors' Special Report, the Ordinary General Meeting hereby approves the agreements covered by Article L.225-86 of the Commercial Code.

Fifth resolution

(Approval of the commitment undertaken for the benefit of Nicolas de Tavernost, in the event of termination of his term of office)

After reviewing the Statutory Auditors' Special Report, the Ordinary General Meeting hereby approves the commitment undertaken for the benefit of Nicolas de Tavernost, Chairman of the Management Board, being the likely compensation due to in the event of termination of his term of office, according to the agreements covered by Article L.225-90 and 225-79-1 of the Commercial Code.

Sixth resolution

(Approval of the commitment undertaken for the benefit of Eric d'Hotelans, in the event of termination of his term of office)

After reviewing the Statutory Auditors' Special Report, the Ordinary General Meeting

hereby approves the commitment undertaken for the benefit of Eric d'Hotelans, Deputy Chairman of the Management Board, being the likely compensation due to him in the event of termination of his term of office, according to the agreements covered by Article L.225-90 and 225-79-1 of the Commercial Code.

Seventh Resolution

(Approval of the commitment undertaken for the benefit of Thomas Valentin, in the event of termination of his term of office)

After having reviewed the Statutory Auditors' Special Report, the Ordinary General Meeting hereby approves the commitment undertaken for the benefit of Thomas Valentin, Deputy Chairman of the Management Board, being the likely compensation due to him in the event of termination of his term of office, according to the agreements covered by Article L.225-90 and 225-79-1 of the Commercial Code.

Eighth resolution

(Approval of the commitment undertaken for the benefit of Catherine Lenoble, in the event of termination of her term of office)

After reviewing the Statutory Auditors' Special Report, the Ordinary General Meeting hereby approves the commitment undertaken for the benefit of Catherine Lenoble, member of the Management Board, being the likely compensation due to her in the event of termination of her term of office, according to the agreements covered by Article L.225-90 and 225-79-1 of the Commercial Code.

Ninth resolution

(Ratification of the appointment of a Supervisory Board member)

The Ordinary General Meeting ratifies the co-option of Andrew Buckhurst as a member of the Supervisory Board, as carried out by the Supervisory Board on 7 November 2007, in replacement of Constantin Lange, who resigned, for the remainder of his term, i.e. until the close of the Ordinary General Meeting to be called to approve the 2007 financial statements.

Tenth resolution

(Ratification of the appointment of a Supervisory Board member)

The Ordinary General Meeting ratifies the co-option of Immobilière Bayard d'Antin, represented by Fabrice Boé as a member of the Supervisory Board, as carried out by the Supervisory Board on 3 March 2008, in replacement of Andréas Walker, who resigned, for the remainder of his term, i.e. until the close of the Ordinary General Meeting to be called to approve the 2010 financial statements.

Eleventh resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Albert Frère's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Twelfth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Guy de Panafieu's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Thirteenth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Gérard Worms' term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Fourteenth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Rémy Sautter's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Fifteenth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Jean Laurent's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Sixteenth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Bernard Arnault's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a

new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Seventeenth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Gerhard Zeiler's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Eighteenth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Axel Duroux's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Nineteenth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Vincent de Dorlodot's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Twentieth resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Elmar Heggen's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Twenty first resolution

(Renewal of a Supervisory Board member)

The Ordinary General Meeting, noting that Andrew Buckhurst's term of office as Supervisory Board member has expired, renews him as a member of the Supervisory Board for a new four (4) year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2011 financial statements.

Twenty second resolution

(Renewal of the principal Statutory Auditor)

Their current term of office as principal Statutory Auditor having expired, on the Supervisory Board's recommendation, the Ordinary General Meeting renews Ernst and Young as principal Statutory Auditor for a period of 6 (six) years, i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

Twenty third resolution

(Appointment of an alternate Statutory Auditor)

His term of office as alternate Statutory Auditor having expired, on the Supervisory Board's recommendation, the Ordinary General Meeting does not renew Pascal Macioce as alternate Statutory Auditor and instead appoints AUDITEX, a limited company with a capital of € 2,328,672 registered with the Register of Commerce and Companies in Nanterre under company number 377 652 938, and located in the Tour Ernst and Young, Faubourg de l'Arche, 92037 Paris-La Défense, for a six year period i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

Twenty fourth resolution

(Appointment of a principal Statutory Auditor)

On the Supervisory Board's recommendation, the Ordinary General Meeting appoints Price Water House Coopers, a limited company with a capital of € 2,510,460 registered with the Register of Commerce and Companies in Nanterre under company number B 672 006 483, and located at 63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex, as principal Statutory Auditor for a six year period, i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

Twenty fifth resolution

(Appointment of an alternate Statutory Auditor)

On the Supervisory Board's recommendation, the Ordinary General Meeting appoints Etienne BORIS, of French nationality, located at 63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex, as alternate Statutory Auditor for a six year period, i.e. until the close of the Ordinary General Meeting to be called to approve the 2013 financial statements.

Twenty sixth resolution

(Authorisation to be given to the Management Board for the purchase of its own shares by the company within the scope of Article L. 225-209 of the Commercial Code)

After reviewing the Management Board's Report, and in accordance with the provisions of Article L.225-209 and subsequent of the Commercial Code, the Ordinary General Meeting authorises the Management Board to repurchase the Company's shares, on one or more occasions as and when decided by the Management Board, up to a limit of 10% of the

share capital, based either on current share capital, or as adjusted to take account of any potential capital increase or reduction transactions that could take place during the period.

This authorisation terminates the prior authorisation granted to the Management Board by the Ordinary General Meeting on 2 May 2007.

The acquisition of shares, may be carried out by any means:

- to assure an active secondary market or the liquidity of the Métropole Télévision share through an intermediary service provider through a liquidity contract in compliance with the AFEI's ethical code admitted by the AMF;
- to conserve shares purchased and ultimately use them via exchange or payment within the framework of acquisitions, provided that the shares acquired for this purpose do not exceed 5% of the Company's share capital;
- to assure adequate coverage for share option plans and other forms of share allocations to Group employees and/or executive officers within the conditions and according to the methods permitted by law, notably by sharing in the profits of the entity, through a company savings plan or by the granting of free shares;
- to assure adequate coverage of marketable securities giving right to Company shares within the framework of current regulations;
- to cancel shares subject to approval of the 27th resolution by the Extraordinary General Meeting of shareholders.

The acquisition of these shares may be carried out by any means, including block purchases of shares, and at times the Management Board considers appropriate, including during a period of a public offer within stock market regulatory limits. The company retains the right to use derivative products within the framework of applicable regulations.

The maximum purchase price is set at €30 per share. In the event of an increase in capital by the allocation of free shares or a division or consolidation of shares, the price indicated above will be adjusted by a factor equal to the ratio between the number of shares comprising the share capital before and after the transaction.

The maximum amount of the transaction is therefore fixed at € 389,804,070.

The General Meeting confers full powers on the Management Board to proceed with these transactions, set the terms and conditions, conclude all agreements and perform all formalities.

2.5.2. PRESENTED TO THE EXTRAORDINARY GENERAL MEETING

Twenty seventh resolution

(Authorisation to be given to the Management Board to reduce the share capital by cancellation of treasury shares purchased by the company within the scope of Article L. 225-209 of the Commercial Code)

After reviewing the report of the Management Board and the report of the Statutory Auditors, and subject to shareholder approval of the 26th resolution, the Extraordinary General Meeting authorises the Management Board to reduce the share capital by cancelling any or all of the Company shares acquired in the framework of the share repurchase programme authorised by the voting of the foregoing twenty sixth resolution, within the limit of 10% of the share capital, as calculated on the day of their cancellation and excluding any shares cancelled during the preceding 24 month period.

The Extraordinary General Meeting confers full powers to the Management Board to amend the Bylaws to reflect the exercise of this authorisation, to make all disclosures and publications and to carry out all necessary formalities.

This authorisation shall expire at the close of the General Meeting called to approve the 2008 financial statements.

Twenty eighth resolution

(Authorisation to be given to the Management Board for the allocation of free shares to certain employees and executive officers)

After reviewing the report of the Management Board and the report of the Statutory Auditors, and in accordance with Articles L 225-197-1 and L 225-197-2 of the Commercial Code, the Extraordinary General Meeting authorises the Management Board to proceed, in one or more occasions, with the allocation of free shares, either issued or to be issued:

- to employees of the Company, or directly or indirectly related companies, as defined by Article L 225-197-2 of the Commercial Code;
- and/or
- to executive officers falling within the conditions defined by Article L. 225-197-1 of the Commercial Code.

The total number of such free shares allocated may not exceed 0.5% of the total share capital on the date of the allocation.

The allocation of free shares to beneficiaries will be final after a minimum acquisition term of two years. In addition, the recipients must hold such allocated shares for a minimum period of two years. The Management Board reserves the right to increase the length of both of these periods.

By exception, the final allocation will take place before the end of the purchase period in the case of the recipient's disability according to the classification in the second and the third categories as defined by Article L. 341-4 of the Social Security Code.

The Management Board is conferred with all the necessary powers to:

- Set the conditions, and if need be, the criteria for free share allocation;
- Determine the identity of beneficiaries and the number of shares allocated to each;
- Determine the impact on the rights of the beneficiaries, of transactions which modify the capital or are likely to affect the value of shares allocated and carried out during periods of purchase and retention, and as a consequence modify or adjust, if necessary, the number of shares allocated to protect the rights of the beneficiaries;
- If need be:
 - to verify the existence of sufficient reserves, and at the time of each allocation, to transfer the necessary amount to allow the allocation of new shares to an unavailable reserve,
 - to decide, at the appropriate time, in the case of capital increase(s) by incorporation of reserves, premiums or profits associated with the issue of free shares allocated,
 - to repurchase any shares necessary under the share repurchase programme and apply them to the free share allocation plan,
 - to take all useful measures to ensure that the retention period is respected by recipients,
 - and in general, to carry out any action within the scope of current legislation considered necessary to fulfil the present authorisation.

The present authorisation includes the full right of shareholders to renounce their pre-emption rights to the subscription of new shares issued by the incorporation of reserves, premiums and profits.

This authorisation is granted for a period of thirty eight months from the date of the present general meeting.

Twenty ninth resolution

(Bylaw Revisions)

The Extraordinary General Meeting decides to update the company's bylaws and to modify certain Articles:

- To revise the reference to the share clearing house with the appropriate term Article 10, paragraph 3 of the bylaws previously read as follows:
"At any time, the Company is empowered to request the share clearing house, for the name or the denomination, for the nationality, for the year of birth or the year of constitution and the address of the head office, of the holders of the Company's shares, immediately or in time, the share voting rights at a shareholders' meeting, in addition to the number of shares held by each of them, and the possible restrictions that could apply to these shares, in accordance with current laws and regulations in force".

And from now on will read as follows:

"At any time, the Company is empowered to request the central depository ensuring the recording of company shares issued, for the name or the denomination, for the nationality, for the year of birth or the year of constitution and the address of the head office, of the holders of the Company's shares, immediately or in time, the share voting rights at a shareholders' meeting, in addition to the number of shares held by each of them, and the possible restrictions that could apply to these shares, in accordance with current laws and regulations in force".

The rest of the Article remains unchanged.

- to update the reference to Article L.228-1 of the Commercial Code, Article 11.3 of the bylaws previously read as follows:

"The intermediary registered as the holder of shares in accordance with the third paragraph of Article L. 228-1 of the Commercial Code is obliged, without prejudice of the obligations of the owners of the shares, to complete declarations foreseen by this Article, for all shares of the company of which it is the registered holder".

And from now on will read as follows:

"The intermediary registered as the holder of shares in accordance with Article L. 228-1 of the Commercial Code is obliged, without prejudice of the obligations of the owners of the shares, to complete declarations foreseen by this Article, for all shares of the company of which it is the registered holder".

The rest of the Article remains unchanged.

- to update the reference to Article L.228-1 of the Commercial Code, Article 12 paragraph 1 of the bylaws previously read as follows:

"The ownership of shares is according to the holder or intermediary as recorded in the share register in accordance with the third paragraph of Article L. 228-1 of the Commercial Code".

And from now on will read as follows:

"The ownership of shares is according to the holder or intermediary as recorded in the share register in accordance with Article L. 228-1 of the Commercial Code".

The rest of the Article remains unchanged.

- in application of paragraph 3 of Article L.225-82 of the Commercial Code, allowing the Supervisory Board to carry out its meetings by videoconference, Article 22.3 of the bylaws previously read as follows:

"An attendance register is kept and signed by Supervisory Board members participating at each meeting. The minutes are drawn up and copies or extracts of the decisions taken are certified as being in accordance with the law".

And from now on will read as follows:

"An attendance register is kept and signed by Supervisory Board members participating at each meeting. The minutes are drawn up and copies or extracts of the decisions taken are certified as being in accordance with the law, and detail the names of the Supervisory Board members who have participated by means of video-conference or by telephone".

A new, paragraph 4, is added:

"Other than in cases specifically excluded by legal provisions and applicable regulations, members of the Supervisory Board who participate at a meeting of the Board by video-conference or telephone are deemed as having been present for the calculation of the quorum and the majority, thereby permitting their identification and their effective participation, and whose nature and applicable conditions are determined by legal provisions and regulations in force".

The rest of the Article remains unchanged.

- to complete the list of compulsory information for inclusion in the notice of a general meeting, in compliance with paragraph 1 of Article R 225-66 paragraph 1 of the Commercial Code, Article 27 paragraph 7 of the bylaws previously read as follows:

"These notices specify the place, date and time of the meeting, as well as the nature of the meeting and the questions entered in the agenda".

And from now on will read as follows:

"These notices specify the information required by legal provisions and relevant regulations and in particular, the place, date and time of the meeting, as well as the nature of the meeting and the questions recorded in the agenda."

The rest of the Article remains unchanged.

Article 28 paragraph 3 of the bylaws previously read as follows:

"The General Meeting may only discuss questions recorded in the agenda. It may, however, in any circumstance, dismiss one or more directors and proceed with their replacement".

And from now on will read as follows:

"The General Meeting may only discuss questions recorded in the agenda. It may, however, in any circumstance, dismiss one or more members of the Supervisory Board, and proceed with their replacement".

The rest of the Article remains unchanged.

- to refer to the recognition of share accounting by a certificate of attendance at the general meeting Article 29 of the bylaws previously read as follows:

"The right to attend General Meetings is subject to the accounting record of the shares in the name of the shareholder or the intermediary on his behalf, on the third day preceding the meeting (00.00hours Paris time), either in the nominative accounts held by the company, or in the accounts of bearer shares held by an authorised intermediary".

And from now on will read as follows:

"The right to attend General Meetings is subject to the accounting record of the shares in the name of the shareholder or the intermediary on his behalf, on the third day preceding the meeting (00.00hours Paris time), either in the nominative accounts held by the company, or in the accounts of bearer shares held by an authorised intermediary. Bearer shares will only be recognized when accompanied by a certificate of participation issued by an authorised intermediary".

To update the reference to Article L228-1 of the Commercial Code, Article 29 paragraph 9 of the bylaws previously read:

"The owners of shares detailed in the third paragraph of Article L 228-1 of the Commercial Code may be represented under the conditions foreseen as verified by a registered intermediary".

And from now on will read as follows:

"The owners of shares detailed in Article L 228-1 of the Commercial Code may be represented under the conditions foreseen as verified by a registered intermediary."

To update the reference to Article L228-1 of the Commercial Code, Article 29 paragraph 10 of the bylaws previously read:

"The intermediary who satisfies the obligations according to the third and fourth paragraphs of Article L 228-1 may, by virtue of a general mandate for share management, transmit the vote or the rights of a shareholder to a general meeting as defined by the third paragraph of the same Article".

And from now on will read as follows:

"The intermediary who satisfies the obligations according to the third and fourth paragraphs of Article L 228-1 may, by virtue of a general mandate for share management, transmit the vote or the rights of a shareholder to a general meeting as defined by the same Article".

To update the reference to Article L228-1 of the Commercial Code, Article 29 paragraph 11 previously read:

"Before transmitting the rights or the votes to a general meeting, the authorised intermediary as defined by Article L 228-1, is required, as requested by the company or its representative to provide a list of non resident shareholders to which these voting rights are attached. This list is provided, where relevant, according to Articles L 228-2 or L 228-3. The vote or the right issued by an intermediary who is either not declared as such according to the fourth paragraph of Article L 228-1 or according to the second paragraph of the present Article, or who has not disclosed the identity of the shareholders according to Articles L 228-2 or L 228-3, may not be taken into account".

And from now on will read as follows:

"Before transmitting the rights or the votes to a general meeting, the authorised intermediary as defined by Article L 228-1, is required, as requested by the company or its representative to provide a list of non resident shareholders to which these voting rights are attached, in addition to the number of shares held by each shareholder. This list is provided, where relevant, according to Articles L 228-2 or L 228-3. The vote or the right issued by an intermediary who is either not declared as such according to Article L 228-1, or who has not disclosed the identity of the shareholders according to Articles L 228-2 or L 228-3, may not be taken into account".

The rest of the Article remains unchanged.

- In application of Article R.225-108 of the Commercial Code that specifies the parties authorised to certify the minutes of general meetings, Article 32 paragraph 5 of the by-laws previously read:

"The copies or extracts of the minutes to be produced in legal proceedings or otherwise are validly certified by the Chairman or by the Vice-Chairman of the Supervisory Board or by a member of the Supervisory Board or the Management Board or by the Secretary of the General Meeting".

And from now on will read as follows:

"The copies or extracts of the minutes to be produced in legal proceedings or otherwise are validly certified by the Chairman or by the Vice-Chairman of the Supervisory Board or by a member of the Management Board or by the Secretary of the General Meeting".

The rest of the Article remains unchanged.

Thirtieth resolution

(Powers to complete formalities)

The Combined General Meeting confers full powers on a bearer of copies or certified extracts of the minutes of this meeting to make all filings and advertising and to carry out any other legal and administrative formalities as required, in accordance with the law.

Persons responsible for the Reference Document

I certify, after taking all reasonable measures to this effect, that to the best of my knowledge, the information set out in this Reference Document is accurate and contains no omission which could impair its meaning.

I certify that, to my knowledge, the financial statements are established in accordance with professional standards applicable in France and give a fair view of the assets, financial situation and performance of the Group and of all companies included in the consolidation perimeter, and that the enclosed Management Report gives a true view of the business situation, performance and financial situation of the Group and of all companies included in its perimeter, as well as a description of main risks encountered.

I have obtained from the Auditors a letter issued upon completion of their engagement, stating that they have verified the information concerning the financial position and financial statements presented in this Reference Document and that they have read the entire Reference Document.

Neuilly sur Seine April 9th, 2008

Nicolas de Tavernost

Chairman of the Management Board

Information included by reference

In application of article 28 of Regulation (EC) N° 809/2004 of the Commission of April 29, 2004, the following information is included by reference in the present reference document:

- The consolidated accounts for the year ended December 31, 2006, the relevant report of the statutory auditors included in pages 156 to 205 of the Reference Document registered with the AMF on April 5, 2007 with number D.07-0277, and the Group's Management Report included in pages 107 to 153 of the same document;
- The consolidated accounts for the year ended December 31, 2005, the relevant report of the statutory auditors included in pages 124 to 179 of the Reference Document registered with the AMF on April 5, 2006 with number D.06-0213, and the Group's Management Report included in pages 75 to 122 of the same document;

People responsible for financial information

Jérôme Lefébure

Chief Financial Officer

Tel. : (33) 1 41 92 64 30

Fax : (33) 1 41 92 64 59

E-mail : jlefebure@m6.fr

Jean-Marc Duplaix

Deputy Chief Financial Officer

Tel. : (33) 1 41 92 57 94

Fax : (33) 1 41 92 64 59

E-mail : jmduplaix@m6.fr

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1- DESCRIPTION OF THE BUY BACK PROGRAMME

- i. **Statement of the previous buyback programme**
This information is available in pages 64 and 65 of the current Reference Document
- ii. **Breakdown by objective of shares held by the company at present**
This information is available in pages 65 and 66 of the current Reference Document
- iii. **New buyback programme**
This information is available in pages 66 and 67 of the current Reference Document

2- INFORMATIONS PUBLISHED IN THE LAST TWELVE MONTHS

This information is available in pages 147 and 148 of the current Reference Document

3- 3- ANNUAL FINANCIAL REPORT

- i. **Parent company financial statements**
The parent company financial statements for the year ended December 2007 are available in pages 234 to 257 of the current Reference Document.
- ii. **Consolidated financial statements**
The consolidated financial statements for the year ended December 2007 are available in pages 156 to 231 of the current Reference Document.
- iii. **« Management report » according to article 222-3-3° of the general AMF rules**
 - a. Fair and true view of the business, sales and financial situation of the Group and the companies included in the consolidation perimeter, and a description of major risks.
This information is available in pages 8 to 56, 104 to 126, and 145 of the current Reference Document
 - b. Informations that could have an influence in a public offer context
 - c. Informations on the buyback programme situation at year end
This information is available in pages 63 to 67 of the current Reference Document

d. Statement of the person responsible for the Annual financial report
This information is available in page 298 of the current Reference Document

iv. Reports of the statutory auditors on financial statements

This information is available in pages 232, 233, 258 and 259 of the current Reference Document

4- FEES OF STATUTORY AUDITORS

This information is available in page 146 of the current Reference Document



The original version of this Reference Document in French was deposited with the French Financial Market Authority (AMF), on April 9, 2008 in accordance with article 212-13 of the AMF Règlement Général. It may be used for the purpose of a financial transaction, if completed by an Information notice approved by the AMF.

METROPOLE TELEVISION
A public limited company
Share capital of 51,973,876€

Head office:
89 avenue charles de gaulle,
92200 Neuilly sur Seine, France

Tel: (33) 1 41 92 66 66
Fax: (33) 1 41 92 66 10
Website: www.m6.fr

Commercially registered at:
339 012 452 RCS Nanterre
Siret: 339 012 452 00084
APE: 6020A

Conception and production : ERWANN KERVADEC DESIGN



MÉTROPOLE TÉLÉVISION
89, Avenue Charles de Gaulle
92200 Neuilly-sur-Seine
Tél.: 00 33 1 41 92 66 66
Fax: 00 33 1 41 92 66 10
Internet: www.m6.fr