

# 2003: A YEAR OF STRONG GROWTH NET PROFIT UP 17.7% TO €131.6 MILLION



Neuilly-sur-Seine, France

4 March 2004

The Supervisory Board of M6 has reviewed the accounts prepared by the Management Board for the financial year ending 31 December 2003.

(€millions)	2003	2002	2002 pro forma <sup>(1)</sup>	% 2003 / 2002	% 2003 / 2002 pro forma
<b>Sales</b>	<b>1,176.9</b>	<b>948.5</b>	<b>1,071.3</b>	<b>24.1%</b>	<b>9.9%</b>
Advertising revenues	575.2	556.6	556.6	3.3%	3.3%
Brand Diversification	601.7	391.9	514.7	53.5%	16.9%
<b>Operating profit (EBIT)</b>	<b>213.3</b>	<b>193.1</b>	<b>190.7</b>	<b>10.5%</b>	<b>11.9%</b>
<b>Net profit</b>	<b>131.6</b>	<b>111.8</b>	<b>111.0</b>	<b>17.7%</b>	<b>18.5%</b>
<b>Free cash flow <sup>(2)</sup></b>	<b>154.4</b>	<b>98.4</b>	<b>106.2</b>	<b>56.9%</b>	<b>45.4%</b>

(1) TPS 34% proportionally consolidated from 1 January 2002

(2) Free Cash Flow = Net cash flow from operating and investing activities

M6 Group realised 2003 financial year sales of € 1,176.9 million, up 9.9% on a constant Group structure basis <sup>(1)</sup> over 2002, with advertising revenues and Brand Diversification sales rising 3.3% and 16.9%, respectively, on a pro-forma basis, during this time.

Operating profit improved by 11.9% on a constant Group structure basis <sup>(1)</sup> to € 213.3 million, due to:

- operating profit generated by Digital Pay TV operations (TPS and specialty channels),
- strong resistance of M6 Television Network's gross profit margin, reflecting the effectiveness and control of the investments in programmes,
- a significant development of M6 Web with a refocusing on content activities,
- an improvement in production (W9, Studio 89, M6 Films) and rights distribution (M6 DA) operations,
- an improvement in home shopping that is developing in new segments and countries (infomercials, catalogue and Netherlands).

Free cash flow <sup>(2)</sup> increased by nearly 57% to € 154.4 million, primarily as a result of the improvement in cash flows generated

from operations and the one-off delaying of cash disbursements until 2004.

**M6 Group has enjoyed significant growth over the last 5 years, reporting sales and net profit average annual increases of 17% and 14.2%, respectively, during this time.**

The start of 2004 has been favourable in terms of audience numbers, with the M6 TV Network achieving for the first 9 weeks of 2004 an average 19.5% share of its target market of under 50 year olds households, representing a 1.4 basis point rise over the same period in 2002, the best performance posted by TV networks in France. This is reflected in a significant growth in advertising revenue receipts during the 1<sup>st</sup> quarter, without any extrapolation possible for the rest of 2004, in light of the volatility of the market.

In addition, M6 has exercised its pre-emption right on Paris Première to increase its ownership in this company to 100% from 10.7%, at the completion of the acquisition process.

The Management Board will propose to the Extraordinary General Meeting of 28 April 2004 a € 0.67 per share dividend, up 17.5% over the previous year and payable from 5 May 2004.

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