



2005
In brief 

THE M6 GROUP

Key dates

• **1987** - Métropole Télévision is granted the authorisation to exploit France's 6th analogue TV channel on 1 March.

At 11:15 am, M6 broadcasts its 1st image.

• **1989** - 1st local news station at Bordeaux, broadcast at 8:54 pm. The 1st of a long series of local news station openings at Grenoble, Lille, Lyon, Marseille, Montpellier, Nancy, Nantes, Nice, Rennes and Toulouse.

• **1992** - Creation of M6 Interactions, which commercialises derived products. M6 concludes its 1st profitable year of operation.

• **1994** - M6 shares are launched on the Second Marché of the Paris Stock Exchange.

• **1996** - M6 sets up its Internet site: www.m6.fr
TPS, television by satellite, is launched.

• **1999** - M6 takes over the Football Club des Girondins

de Bordeaux, with 66% of the capital (increased to 100% in 2002)

• **2000** - Record growth in advertising with an increase of over 20% of advertising revenues

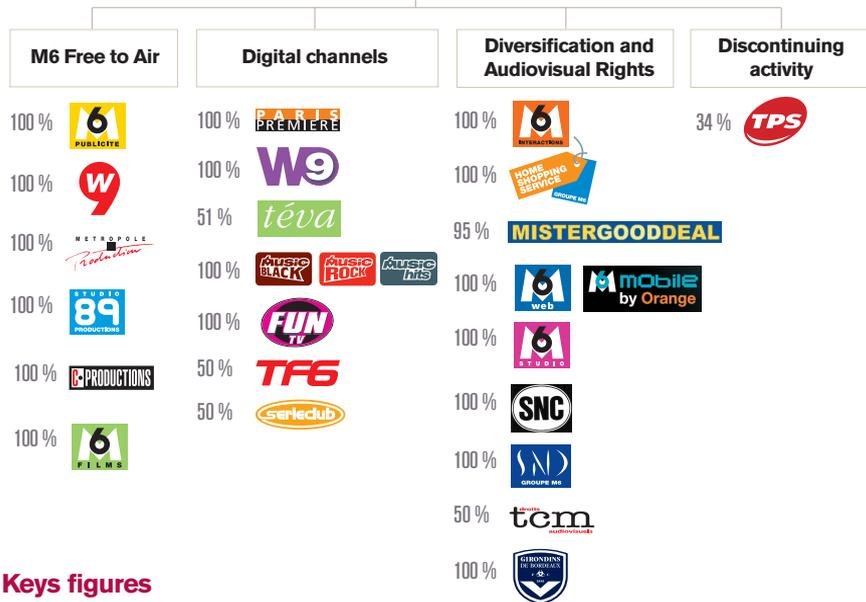
• **2001** - Launch of *Loft Story*, 1st French venture into reality TV.

• **2002** - With the 2nd season of *Loft Story*, M6 sets an all time record prime time network viewing audience of 8.2 million.

• **2004** - Suez disengages itself from the M6 group, maintaining a 5% shareholding.

• **2005** - M6 becomes the leading free to air broadcaster for the FIFA 2006 World Cup (in number of matches). M6 becomes the majority shareholder in the free magazine *Citato* and launches, as co-publisher, the *Auto Turbo* magazine. Acquisition of mistergooddeal.com, one of the leaders in e-commerce in France.

Simplified Group structure at 31 December 2005



Keys figures

Consolidated Turnover
€ 1,274.7 M

Advertising Turnover
€ 625.5 M

Operating profit
€ 242.3 M

Permanent staff
1,518

Net profit (Group share)
€ 156.2 M

Cash dividend per share
€ 0.95

Corporate Governance



Management Board

Nicolas de Tavernost - *Chairman*

Thomas Valentin - *Deputy-Chairman Head of Programming*

Catherine Lenoble - *Head of Advertising*

Éric d'Hotelans - *Deputy-Chairman Head of Administration*

Jean d'Arthuys - *Head of Digital TV Operations*

Supervisory Board

Albert Frère

Chairman

G rard Worms

Deputy-Chairman

Bernard Arnault

Vincent de Dorlodot

Axel Ganz

Constantin Lange

Jean Laurent

Guy de Panafieu

Remy Sautter

Yves-Thibault de Silguy

Ignace Van Meenen

Gerhard Zeiler

Message from the Chairman of the Management Board

In 2005, the Group had the opportunity of both proving the efficiency of its profitable growth model and asserting its development project for the coming years. Group financial performances established new record levels: Group turnover increased by 6.4% to €1,274.7 million (€1,079.9 million excluding TPS) while net profit grew by 21.3% to €156.2 million.

Concerning audience rating, M6 progressed in all audience categories (4+ year-old individuals) and confirmed its status as France's 2nd most popular TV network for housewives under 50 years old, with an average audience share of 19.1%.

High audience ratings and the relevance of the network positioning have won over an increasing number of advertisers. Gross advertising market share reached 23.2%, the historical record for the network since its creation. M6 succeeded in increasing its advertising revenues by 4.0% in a stable market.

M6 is moving toward a wider, more family oriented programming and offers more sport, more news and more French drama to its audience, as testified by the acquisition of the rights to 31 FIFA World Cup 2006 matches.

The strategy of content enhancement is being implemented within an audiovisual environment affected by profound changes, with DSL and DTT.

The Group was able to anticipate these developments by creating or acquiring new channels, such as Paris Premi re, in order to secure the Group's position. In addition, by launching W9, M6 Group possesses a free-to-air DTT channel, which will progressively become a second free-to-air core asset for the Group.

M6 Group diversification operations experienced a dynamic year 2005: new growth drivers were launched or integrated. M6 Mobile by Orange marks

the first steps of the Group in the mobile phone industry. The Group created a Home Shopping business with a critical size, following the acquisition of Mistergooddeal.com. Moreover, the growth recorded by M6 Web reflected the relevance of the Group's strategy built around its brand, by combining a powerful channel with proximity and interactivity. In addition, the Group focused on strengthening the development prospects of the Interaction business, notably with the acquisition of the *Citato* newspaper and the launch of the *Auto Turbo* magazine. Finally, efforts made in 2004 in relation to the Football Club des Girondins de Bordeaux bore fruits, enabling to return to financial profitability and to fulfill its sports ambitions.

As regards TPS, 2005 was a decisive turning point. TPS and Canal+ Group shareholders took into consideration developments in the pay TV economic environment and recognised the necessity of joining forces by signing an agreement for the combination of the two entities. The objective of this agreement, subject to approval by competition authorities, is to give new and better prospects to the pay TV market.

The M6 Group is ready to face numerous challenges, including the opening up of the advertising market to distribution in 2007, the development of new broadcasting mediums and technological and competitive developments. The Group is now in a position to seize new opportunities and valorise the significant growth margins and levers at its disposal.

Nicolas de Tavernost

M6 Group Chairman of the Board



CONSOLIDATED FINANCIAL STATEMENTS

In 2005, M6 Group experienced continued growth in all its operations. Consolidated turnover progressed by 6.4% to €1,274.7 million, including € 625.5 million from M6 TV network advertising (+4%), € 454.4 million from other activities (digital channels, diversification and audiovisual right activities up by 10.6%) and € 194.8 million from discontinuing operations (TPS +5.1%). Group operating profit was € 242.3 million, a 16.3 % increase over 2004.

Net profit (Group share) amounted to € 156.2 million, compared to € 128.8 million in 2004. This 21.3% increase represents a new Group's record.

As a consequence of the rise in profitability, M6 had Group equity of € 504.1 million, at 31 December 2005. Total assets increased by 12.6% to € 1,390.3 million: this change reflects both the inclusion of new companies in the Group's consolidation scope, in particular Mistergooddeal and SNC and the development of Group activities

At 31 December 2005, Cash and cash equivalents net of financial debt amounted to € 242.8 million in respect of continuing activities. Including TPS, it amounted to € 188.7 million, compared to € 203.2 million at 31 December 2004.

Consolidated Balance Sheet (€ millions)

	12/31/2004	12/31/2005
Goodwill	114.6	61.3
Non-current assets	228.2	206.6
Current assets	680.8	677.5
Cash	211.5	243.1
Assets used in discontinuing operations	0	201.8
TOTAL ASSETS	1235.1	1390.3
Equity	440.9	504.3
Non-current liabilities	76.2	27.4
Current liabilities	718.0	639.3
Liabilities used in discontinuing operations	0	219.3
TOTAL LIABILITIES AND EQUITY	1235.1	1390.3

Consolidated Income Statement (€ millions)

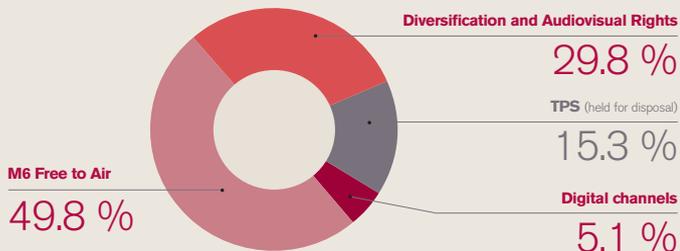
	12/31/2004 IFRS			12/31/2005 IFRS		
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Turnover	1,012.2	185.4	1,197.6	1,079.9	194.8	1,274.7
Other operating income	53.2	2.6	55.8	50.8	1.3	52.1
Total operating revenues	1,065.4	188.0	1,253.4	1,130.7	196.1	1,326.8
Total operating expenses	(857.6)	(187.4)	(1,045.0)	(897.1)	(187.4)	(1,084.5)
Profit from operation	207.8	0.6	208.4	233.6	8.7	242.3
Net financial income (expenses)	4.0	(3.9)	0.1	2.7	(0.9)	1.8
Share of associates results	(0.6)	0.0	(0.6)	0.0	0.0	0.0
Profit before tax	211.2	(3.3)	207.9	236.3	7.8	244.1
Income tax	(80.8)	1.2	(79.6)	(85.1)	(2.7)	(87.8)
Profit before minority interest	130.4	(2.1)	128.3	151.2	5.1	156.3
Minority interest	0.5	0.0	0.5	(0.1)	0.0	(0.1)
Net profit (Group share)	130.9	(2.1)	128.8	151.1	5.1	156.2

Consolidated Cash Flow Statement (€ millions)

	2004	2005
Self-financing capability (before tax)	286.0	324.8
Net movement in working capital requirements	17.9	(38.9)
Tax	(107.5)	(75.4)
Cash flow from operations	196.4	210.5
Relating to discontinuing operations	44.5	16.2
Net cash used in short-term investing activities	(100.8)	(120.9)
Relating to discontinuing operations	(8.8)	(12.4)
Net cash used in financing and long-term investing activities	(113.3)	(56.0)
Relating to discontinuing operations	(35.7)	(3.4)
Net change in cash and cash equivalents	(17.7)	33.6
Relating to discontinuing operations	-	0.4
Cash and cash equivalents - start of the year	229.2	211.5
Cash and cash equivalents - end of the year	211.5	245.1
Relating to continuing operations	211.5	243.1
Relating to discontinuing operations	-	2.0

KEY FIGURES

Breakdown of sales by segment

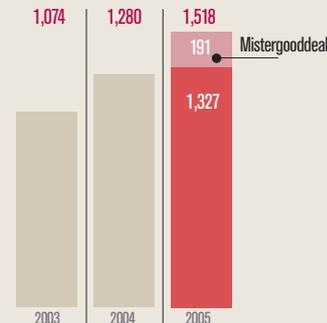


2005 key figures

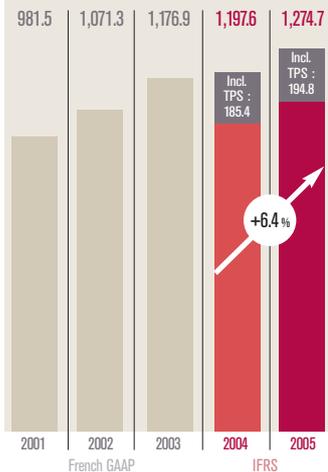
Operating profit margin
19.0 %

Net profit margin
12.3 %

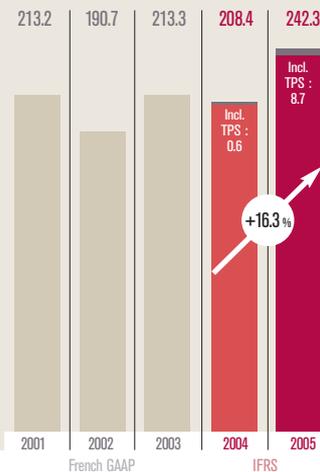
Permanent Workforce



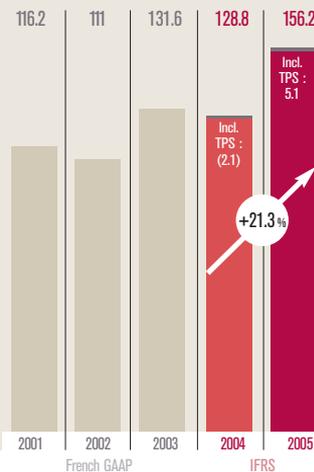
Consolidated Turnover (€ millions)



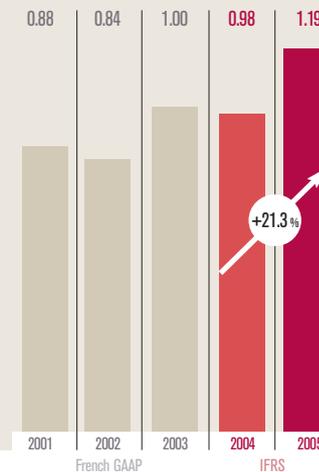
Operating Profit (€ millions)



Consolidated Net Profit (€ millions)



Earnings per share (€)



SHAREHOLDERS' NOTEBOOK

Stock market listing

Company Name :

Métropole Télévision

ISIN code :

FR0000053225

Reuters code : MMT:PPA

Bloomberg code :

MMT:FP

Share capital :

€ 52,755,476 comprising 131,888,690 same class and fully subscribed and paid-up shares with a par value each of € 0.40.

Stock market listing :

Compartment A of Euronext Paris Eurolist (companies whose average stock market capitalisation is more than a billion Euros)

Date 1st listed : September 28 1994

Differed Settlement

Eligibility (SRD) : yes

Indices

The M6 share is a component of the SBF 80, SBF 120, SBF 250, Euronext 100, IT CAC 50 and IT CAC indices. Since their creation on 1 January 2005, the M6 share is a component of the new **CAC IT 20** index, comprising the 20 tech shares the most representative of the SBF 120 and the **CAC MID100** index since 1 September 2005.

The M6 share is also a component of 17 DJ STOXX® indices, in particular **DJ Euro Stoxx Media and DJ Stoxx 600 Media**, sector indices, respectively grouping the 23 and 41 most important European media shares.

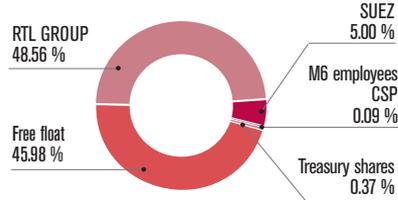
2006 shareholder agenda (for information only)

- Monday 24 April 2006: Shareholders' Combined General Meeting and 2006 1st quarter turnover
- Friday 28 April 2006: Payment of cash dividend in respect of the 2005 financial year
- Thursday 27 July 2006: 2006 2nd quarter turnover
- Monday 28 August 2006: 2006 first half results
- Thursday 26 October 2006: 2006 3rd quarter turnover

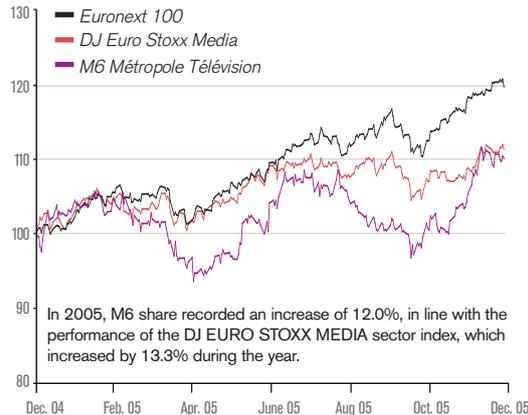
This agenda is for information only. Updates will be posted on our website. In order to follow M6 financial information, please visit our website: <http://www.m6finance.com>

Share capital ownership at 31 December 2005

(based on Euroclear bearer share survey)

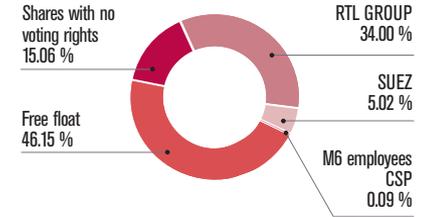


Comparative change of the M6 stock and the Euronext 100 and DJ Euro Stoxx Media indices since 1 January 2005.

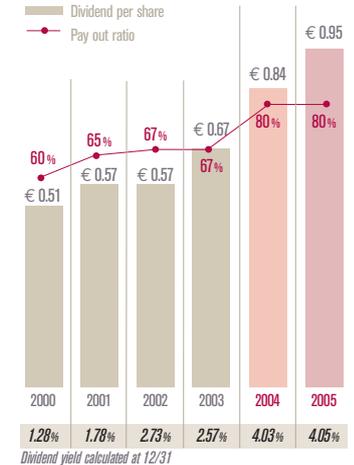


Voting rights ownership at 31 December 2005

(based on Euroclear bearer share survey)



A regular pay-out policy





Message from the Head of Programming

2005 was an excellent year for M6, consolidating its position as a challenger in the world of television.

M6 has retained its title of 2nd most watched channel by the under 50 years old for the 7th year in a row, with 19% of the audience share in this category. Another significant figure: 4 million viewers watched M6 one evening in three in 2005 versus one evening in five in 2004, while keeping an increase in programming costs limited to 3.9%.

Our ambition is to attract an increasingly wide public around more and more innovative programmes while safeguarding our traditional core target market, young people. Who would have imagined that *Six Minutes*, all in images, would make room for *12:50*, a completely new personified news programme that attracts 1,500,000 viewers every day? Who would have thought that the 1998 channel *10% football* would be the first free to air broadcaster of the Football World Cup in 2006?

Innovating also means taking risks and giving new talents a chance. Replacing *Caméra Café* with its famous actors after four years of success with *Kamelott*, a medieval series

played by unknown actors, was a real gamble! A gamble that has paid off handsomely.

We have also greatly advanced the editorial line of our French drama by developing the comedies *Merci, les enfants vont bien*, *Élodie Bradford*, *Trois pères à la maison*, as well as successful and unifying French comedies which give M6 a new status in this world. In 2006, M6 will launch its first summer saga *Laura*, with a young and yet unknown comedienne: Delphine Chanéac.

Always on the look-out for new themes and new faces, M6 this year again knew how to make real talents emerge: Amel Bent in singing, recently rewarded with a "Victoire de la musique", Cyril Lignac in catering, Anne-Sophie Lapix for the news and successfully relit took on the flagship magazine *Zone Interdite* and launched the mid-day newscast, or even Estelle Denis, who hosts *100% Foot*, a magazine primarily aimed at men.

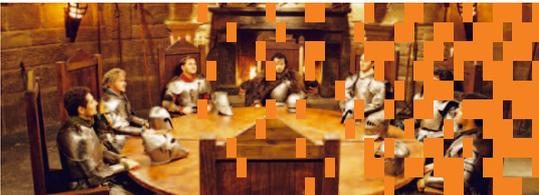
M6 knew how to revive the docu-reality show category: *On a échangé nos mamans*, *Nouveau look pour une nouvelle*

vie, *Super Nanny*, *C'est du propre* etc. Every episode, which responds directly to all of our daily lives, asks real questions, gives solutions and shows a society on the move.

Whether this is through documentaries such as *l'Hôpital des enfants*, which unveils life on a daily basis over the weeks at the Robert Debré Hospital in Paris that specializes in the care of children, or such as *Pékin Express*, which tells an unusual human adventure in the form of a game, M6 pursues its development while keeping its daily fighting spirit in mind: "innovating and bring together".

In 2006, we would like more than ever to offer a television of our times, the prime strengths of which are quality, creativity and independence.

Thomas Valentin



M6 Free to Air

KEY FIGURES

Turnover

€ 635 M

Of which Advertising revenues

€ 625.5 M

Programming cost

€ 258.4 M

Housewives under 50 years old audience share

19.1%

Contribution to Group turnover

49.8%

EBIT

€ 201.3 M

Programmes

INTERNAL PRODUCTION COMPANIES

With its internal production companies, M6 controls the whole process of producing a broadcast (from creation of the concept to broadcast on air). A strong point which extends across all types of programmes: news magazines with C.Productions and Métropole Télévision and entertainment with W9 Productions and Studio 89 Productions specializing in streaming broadcasts.

INFORMATION

Complementary to the three Sunday evening magazines, *Capital*, *Zone Interdite* and *Secret d'actualité*, two



new broadcasts have been added: *Enquête Exclusive* and *100% Foot*.

Finally, at the beginning of 2006, *Six' Midi* became *12:50* and changed from the "all-image" format to that of a personified news-cast, presented by Anne-Sophie Lapix.

DRAMA

Between humour (*Kaamelot*), family stories (*Merci les enfants vont bien*) and police drama (*Jeff et Léo*), M6 has greatly succeeded in its efforts. Viewers are attached to the M6 heroes. M6 demonstrated its leadership in terms of series from across the world (*The 4400*, *Nip Tuck*, *NCIS*...).

ENTERTAINMENT

Laurent Boyer, Virginie Efira and Benjamin

Castaldi together present the channel's entertainment with a common goal: to discover while enjoying tomorrow's talents. *Nouvelle Star* is recognised as the preferred musical broadcast.

In 2005, the 3rd edition of *Nouvelle Star* beat its own record with an average of 4.2 million viewers.

DOCU-REALITY TV

In 2005, *Oui Chef !* followed the journey of a young chef, Cyril Lignac, who gave an opportunity to 10 young people with no training with whom he opened his first restaurant.

At the start of 2006, the game *Pékin Express* followed the adventures of ten applicant team, who aimed at getting to Peking with only €1 per day.

SPORT

M6 acquired the broadcasting rights to the UEFA Cup Final for 2005 and 2006, and the rights to 31 matches of FIFA World Cup 2006.



Audiences

The year 2005 was marked by record audience levels for all viewers. M6 remains the 2nd channel for housewives under 50 years old and has never had so many evenings that appealed to everyone.

A year of progress

In 2005, M6's audience grew by 2.2% among all viewers and audience share grew by 0.1% to 12.6%. A performance marked particularly by prime time which attracted an additional 200,000 viewers to an average of 3.2 million every night. M6 has stronger and stronger evenings: 26 evenings with over 5 million viewers in 2005 compared to 17 in 2004, and 90 evenings with over 4 million viewers compared to 66 in 2004.

Records among a privileged public

M6 grew in the under 50 years old public with an audience share of 18.4% compared to 18% in 2004. Housewives under 50 years old have never watched M6 as much with a 19.1% audience share among this public (compared to 18.6% in 2004). Young people also remain loyal to the channel as M6 has recorded its best performance on this target group since its launch: 21.5% audience share among the 15 to 34 year olds.

Success for all types of programmes

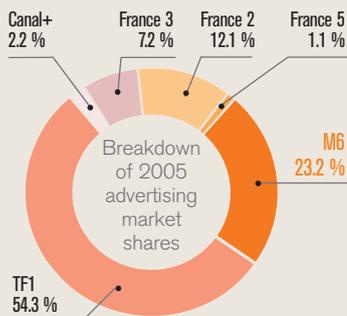
All types of programmes were well received by the public. Magazine, drama and sports, symbols for the programming diversity, the flagship of the channel as well as new programmes attracted record audiences.

2004-2005 all channels performance among the housewives under 50 years old (audience share in %)



Advertising revenues

The M6 channel confirms its position as the second channel in terms of advertising investments with a gross market share of 23.2% that grew by 1.1 basis point. In 2005, the channel achieved its highest market share since its creation.



(Source : Mediametrie - Media Explorer/TNS Media Intelligence)

Evolution of M6 gross advertising market share

Thanks to higher audience ratings and more unifying nights by reaching out to a wider audience, M6 channel strengthened its position with advertisers, enabling advertising revenues to increase by 4.0 % in a market experiencing very little growth.

M6 benefits from significant structural growth drivers related to available time slots, sector market share and a favourable price difference. Therefore, the channel is optimistic with respect to the next milestone, the opening up of the advertising market to mass distribution at 1 January 2007.





Digital channels

KEY FIGURES

Turnover

€ 64.6 M

EBIT*

€ +3.0 M
(* W9 excluded)

Average daily number of viewers watching the Group's digital channels

4.8 Million

The digital channels' turnover progressed by 25.9% to € 64.6 million, due to the reinforcement of the offer (M6 Music's trilogy, W9 on DTT), the increase in advertising revenues and the scope effect (Paris Première).

M6 Group is reference participant in the complementary TV offer

As regards the channel editor business, the Group has built up a portfolio of 9 digital channels, complementary in terms of positioning and targets.

PARIS PREMIERE W9 téva

MUSIC BLACK MUSIC ROCK MUSIC HITS

FUN TV TFS serlectub

The Group had an aggressive year 2005

The year was marked by numerous events for the Group's channels:

- The launch of three new channels, M6 Music Black and M6 Music Rock, followed by M6 Music Hits,
- The launch of W9 on free DTT,
- The positioning on mobile phone market,
- Extended channel distribution,
- The first break even financial year for Paris Première since the acquisition and the restructuring of the channel in 2004,
- Agreement among Vivendi Universal, TF1 and M6 concerning the combination of their Pay TV activities.

Promising prospects for the M6 Group

M6 Group second free-to-air channel, W9, as well as the unscrambled Paris Première air time will potentially be received by over 75% of TV-equipped French households within 5 years.

The Group pay channels would be potentially received by nearly 3 million additional French households within the next 5 years.

Mobile phone TV is an emerging market segment with a strong growth potential. This segment could be a real growth driver for the Group's digital channels.

W9, a major participant in DTT

Following the launch of W9 on 31 March 2005, the channel confirmed an ambition to strengthen its position as a benchmark channel for the under 35 year-olds. At this significant stage in the development of the channel, W9 designed a programme offering based on three mainstays: music, action and relaxation. In less than one year, W9 has asserted itself on DTT by reaching 2.7% audience ratings on the 4 year old + equipped with DTT*. W9 is the most popular of all new DTT channels among young adults. 71.5%** of 15-34 year-olds equipped with DTT watch W9 every week.**



* Source Médiamétrie / Médiacabsat

** IFOP survey from 8 June to 20 June 2005 among set-top-box equipped households



Paris Première

In 2005, Paris Première kept all its promises, overcoming a triple challenge: retaining its identity, increasing its exposure and audience ratings while breaking even financially. In one year, Paris Première's audience ratings increased by 24% on the 4+ year old segment* and the channel attracts a daily audience of 3.3 million*. Its broadcasting performance is reflected in its core target with a 30% increase among the upper middle classes*.

Fun TV

Fun TV is the channel for 15-24 year olds. It brings together 1.8 million viewer on this subscriber segment and recorded 13% growth among 15-34 year olds* in only 6 months. Its unique, impertinent and distinctive format matches the expectation of the channel's audience and offers programmes designed around humour, music or celebrities.



Téva

As a generalist channel oriented towards women, Téva is the 4th most popular with subscribers under 50 year old housewives* and 64% of its audience is female**. The channel reinforced its programmes in 2005 with daring and identity magazines, such as *Les Dossiers de Téva*, *Téva Déco* or *Elles ont les moyens de vous faire parler*.

TF6

The channel is TPS first channel on nearly all audience segments. This performance TF6 offers very ambitious programming: no less than 10 star presenters (Cauet, Virginie Efira,...), nearly 200 great films (*Ransom* or *The Fast and The Furious*), prime time series (*24 Hours*) and reality TV formats broadcast in France for the first time (*Myriam et les garçons...*).



M6 Music Hits, M6 Music Rock, M6 Music Black

M6 Music Hits, M6 Music Rock and M6 Music Black were launched in 2005 and their offering achieved 3.8% audience ratings among 15 to 24 year olds on TPS*. Each of these 3 channels offers live performances, events and shows that include the best of today's music: all current hits on M6 Music Hits, rock and heavy metal on M6 Music Rock, urban music (French hip-hop, ragga, R'n'B, reggae) on M6 Music Black.

Série Club

The channel continues to attract the 15 to 49 year olds who constitute 51% of its audience*, a 12% increase over the past 6 months. Its positioning is simple and clear: Série Club is the only 100% series channel. The series channel pursued its innovation policy in 2005 with new, never shown before series: *The king of Las Vegas*, *Pacific homicide* (n°1 series in Australia) and *Miracles*.



Diversification and Audiovisual Rights

KEY FIGURES

Turnover

€ 380.3 M

Contribution to Group turnover

29.8 %

EBIT

€ 25.6 M

Number of products sold on newsstands by M6 Interactions

9 million

Subscribers to M6 mobile By Orange (at 21 February 2006)

300,000

Films distributed by SND in 2005

13 films

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

The diversification and audiovisual right activities realised sales of € 380.3 million, an 8.0% increase over 2004. This progression is due to the dynamism of new activities (M6 Mobile generated € 10.1 million in turnover) and interactivity (up 22.5%), as well as good performance by the audiovisual right selling activity. The contribution of F.C.Girondins de Bordeaux to Group turnover increased by 11% to € 34.2 million, due notably to higher TV rights.

2005: a year of success and development for M6 Interactions

Publishing available on newsstands and discs

M6 Interactions sold around 9 million products in 2005.

- **Collections:** 6 new collections were released in 2005 including major successes such as the Jean Gabin DVD collection. 2006 has started well with the launch in January of 3 new collections including *La Légende du Dakar*.

- **Video games and CD Roms:** over 30 videogames for PCs and Playstation were marketed in 2005, including *Driv3r* and *Medal of Honor*.

- **DVDs:** while continuing the exclusive sale in newsstands of

successful films or series such as *Alexandre*, the video business was enriched with cult offerings (*Star Wars*, *Indiana Jones*, *The Godfather*).

- **Discs:** M6 Interactions is known for its talent in discovering new artists such as the main discovery of the year, Ilona who achieved the best single sales in France in 2005, the Dezil band from the Seychelles or MPokora, n°1 in the charts on the release of his 2nd album.

M6 Événements

M6 Événements business operates in two areas: firstly, the creation, promotion and co-production of shows (including *Arrête de pleurer Pénélope*) and secondly corporate events.

M6 Éditions

The year 2005 was a year of development for the Publishing business with additional titles to attract a larger public:

- **Young people** with *Fan 2*, *Hit Machine*, *Manga Hits* and since August 2005 the monthly *Citatio* which is issued free with 230,000 copies in schools and universities.

- **Women:** At the start of 2006, M6 strengthened its position in free press and women's market by taking a shareholding of *Femme en ville*, the leading women's magazine at the top of the range for free press (500,000 copies per edition).

- **Men:** M6 launched its 1st magazine dedicated to the automobile, *Auto Turbo*, in November 2005, as a co-publication with the leader of the sector Motor Press. M6 also became the leading shareholder in the free monthly *Homme en ville* (300,000 copies per edition).





M6 Web, at the heart of a convergence strategy for the M6 Group

At the heart of a convergence strategy for the M6 Group, **M6 Web** runs operations related to the internet, interactive devices and mobile phones.

With an average of 1.5 million unique visitors per month, m6.fr strengthened its 2nd place of most visited media site. M6 also was among the top 30 most visited sites in 2005.

A partnership on mobile phone announced at the beginning of 2005 was commercialising starting June, with an attractive offer towards young people.

On 21 February 2006, **M6 Mobile by Orange** attracted more than 300,000 subscribers. For its first year, M6 Mobile by Orange already generated positive operating profit.

HSS and Mistergooddeal joined home shopping and e-commerce.

A 100% subsidiary since 1998, **Home Shopping Service** today dominates the sale on television with 55% of the French and Benelux markets, 700 hours of programmes broadcast per week, 2 million active customers and 2.5 million products sold in 2005.

In 2005, the M6 Group acquired the **mistergooddeal.com** site, one of the leading players in e-commerce, the leader in inven-



tory liquidation for major brands on the internet. So, the Group created a Distance Selling segment with a critical size.

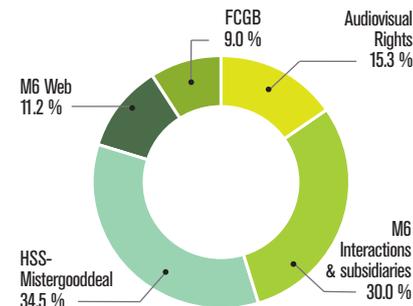
M6, a multi faceted player in the cinema arena

In 2005, the cinema operations with SND achieved success in a tight market, generating 6.5 million box office ticket sales.



Mr & Mrs Smith attracting an audience of close to 3 million in France, a record for the company since it was established. Promising films are awaited for the cinema and in video in 2006, particularly *Lord of War*, and *Underworld 2*. In 2006, the international distribu-

Breakdown of segment revenues by subsidiaries



tion business will see the release of *Astérix et les Vikings*.

SND continued with its policy of acquiring rights, with the acquisition of Société Nouvelle de Cinématographie (SNC), whose catalogue contains over 400 movies, composed by great successes and French and European classical movies.

Football Club des Girondins de Bordeaux

A high level team and a club achieving financial breakeven





TPS

(discontinuing activity)

2005 total subscribers

1.326 million subscribers satellite + DSL

1.750 million active subscribers

KEY FIGURES

Turnover
(M6 stake)

€ 194.8 M

Contribution to Group
turnover

15.3%

EBIT
(M6 stake)

€ 8.7 M

An enriched programme offering: 23 new thematic channels

In 2005, TPS offering was enriched with the launch of 23 new channels, including 7 on DTT. All themes were represented: music (M6 Music Hits, M6 Music Black and Rock, NRJ 12 and Europe2 TV), cinema (Ciné FX, Ciné Polar, TPS CinéComedy and TPS Ciné Club), small generalist channels (W9, NT1, TMC), discovery (Ushuaïa TV, exclusive to TPS), news (BFM TV), sport (Eurosport 2, OLV TV, OM TV and Real Madrid TV), programmes for adults (Spice Platinum), events (Star Academy 5), astrology (Astrocenter.TV) and children programmes (Baby TV, Gulli).

New broadcasting mediums

TPS is banking on transmission by DSL and continues to extend this broadcasting medium with the majority of operators (France Telecom, Neuf Telecom and Alice).

Development of new services

- High-definition TV
- On-demand video service
- Mobile TV



The TPS - Canal+ Group combination agreement

The agreement between M6 Group and TF1, shareholders of TPS at respectively 34% and 66%, and Vivendi Universal, shareholder of Canal+ Group, announced in December 2005, aims at making an industrial combination of their Pay TV activities. The goals of this agreement are to create a stronger and richer offer for the benefit of consumers, to enlarge and stimulate the Pay TV market in France, while allowing the new entity to reach the critical mass, necessary to face the upheaval of the overall balance of the market.

Signed on 6 January 2006, the agreement is subject to the approval of the French Anti-trust Authorities. Lagardère, partner of Canal+ Group in CanalSat, confirmed its will to become shareholder of the new entity with an agreement announced on 17 February 2006.

After the approval of the Anti-trust Authorities, the new Canal+ France Group would be owned 5.1% by M6, 9.9% by TF1, 20% by Lagardère and 65% by Vivendi Universal. M6 Group and TF1 can exercise a put option on their shares 3 years after the closing of the operation, while Lagardère has a call option on 14% of the new group under the same calendar.



CANAL+ France
Assets of Pay TV
(including 100% TPS, 49% Canal+ and 100% CanalSat)



M6, A RESPONSIBLE GROUP

The M6 Group is fully committed to sustainable development in its business, corporate and society at large responsibilities.

Economic development

Ensure conditions for growth

To ensure conditions for its economic growth, the Group as content producer, must guarantee its editorial policy in developing the ability to detect and hold on to the talent of tomorrow. The other challenge of scale is also to preserve the environment in which the Group operates by encouraging cultural diversity, by helping artistic creation and by working to respect intellectual property rights.

A model of profitable growth for today and tomorrow.

Conscious of delivering continuously better financial performance year on year, the Group seeks also to enlarge and consolidate the bases of its future growth in a competitive and technological environment undergoing rapid change.

The M6 Group today has a number of strengths to respond to the challenges and opportunities of its market, and to add value to margins and leverage significant growth.

Corporate responsibility

More Group employees

The principal strength of the M6 Group is the dynamism and expertise of its people: 1,298 permanent employees aged 34 on average and women at 52% (with 46% women in Group senior management). The Group, a stakeholder in Syndicat des Télévisions Privées (STP), has a policy in favour of occasional workers reducing the level of insecurity.

Transmission and development of expertise

The Group monitors its employees' career in supporting internal mobility and training, and develops a dynamic internal communication by constituting tools to diffuse its values and to ensure the sharing of information.

Respect for moral and ethics

An ethics code is given to every new arrival. It sets the rules to be followed by every employee in their behaviour, to make choices in the action they take.

Social responsibility

Quality of information and public awareness

The M6 Group is an efficient mean of passing messages dedicated to the challenges of sustainable development (environment, health, solidarity, children's rights, etc.).

Programmes accessible to all

M6 largely subtitles the programmes, in order to improve access to the deaf and the hard of hearing. The Group also seeks to protect young people in adapting its symbols and the broadcasting hours.

Promotion of cultural diversity and representation of French society

M6 has decided to promote the diversity of French society in its musical programme, entertainment, drama or also the selection of presenters, potential comedians as well as narrators. The M6 Group took initiatives and specific steps to allow the representation of cultural plurality. The Group was indeed a partner and broadcaster of the *Tous égaux, tous en scène* concert, making people aware of the battle against discrimination.

Environmental responsibility

Although the M6 Group's business does not present a significant impact on the environment, it has adopted an active policy of recycling waste generated by its operations (batteries, neon lights, etc.) as well as a policy of energy control (consumption of water, electricity, etc.). In addition, the responsibility of a group that produces and broadcasts content is based also on a desire to make the general public aware of the challenges of sustainable development.

Thus, M6 acted in 2005 in an educational role via broadcasts such as the evening event of 29 November on the tsunami, the transmission of docudramas such as *Super Volcan*, or *E=M6, Climat, l'État d'urgence* (attracting 3.2 million viewers).

Other magazines demonstrated this desire such as *Capital* dedicated to renewable energy (5.3 million viewers and the best audience for the magazine in 2 years).

