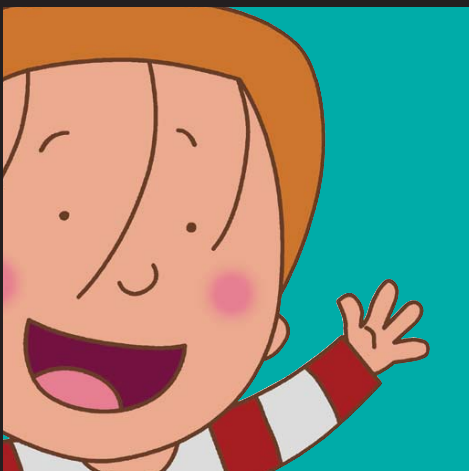
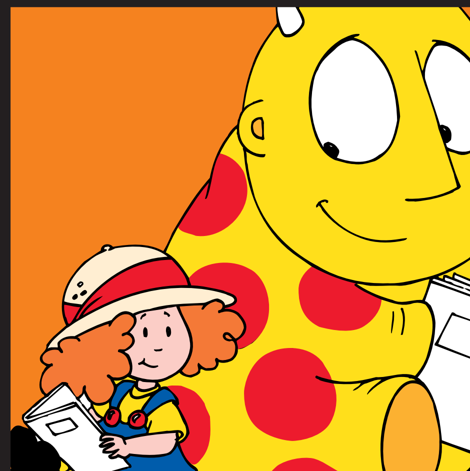




Annual Report 2001

RTV Family Entertainment AG

Key Figures

Income Statement

	2001 in EUR million	2000 in EUR million
Sales	60.4	54.9
Cost of materials	7.7	16.0
Personnel expenses	4.9	4.0
Other operating expenses/income	14.2	16.7
EBITDA	43.6	25.6
Depreciation	40.8	35.0
EBIT	2.8	-9.3
Income (loss) from ordinary expenses	-2.2	-11.4
Net income (loss), group share	-2.7	-7.3

Balance Sheet

	2001 in EUR million	2000 in EUR million
Balance sheet total	161.2	178.3
Long-term assets	147.6	138.5
Short-term assets	13.6	39.8
Equity	103.0	99.6
Liabilities	58.2	78.7

Share

	2001	2000
Markt capitalization (in EUR million)	29.6	167.1
Free Float (in million shares)	8.3	8.2
DVFA earnings per share (in EUR)	0.01	-0.21
Eernings per share according to IAS 33 (in EUR)	-0.11	-0.32

Contents

Introduction

Dear Shareholders,

RTV is a leading European producer and distributor of children's and family programs, with a primary focus on animated productions. We have our own production studio in Australia, a diverse and internationally marketable program library and a powerful international distribution organization. We also have well established brands in Ravensburger and Off the Fence.

Last year was marked by our restructuring. In the future, RTV will focus on its two core business areas: children's and family programming (animation, live action and non-fiction programming) and merchandising. Other activities are no longer considered core businesses. In June 2001, RTV phased out Waterfront Medien Produktion GmbH, Hamburg.

Last year, RTV continued to integrate acquisitions and investments made in 2000. To that end we took over the strategic and operational management of our Energee subsidiary. Phillip Bowman now has management responsibility for Energee Entertainment, and Ellen Windemuth manages Off the Fence. RTV has maintained close working relationships with both executives for several years. In order to ensure a more consistent integration, RTV has also assigned at least one of its managers to the management team of each subsidiary.

RTV secured long-term financing in 2001. Over the course of the year, bank debt was reduced from EUR 52 million to less than EUR 30 million, and a syndicated loan was extended through December 2005.

RTV also developed relationships with new strategic partners and strengthened existing cooperative ventures last year. We are marketing our ancillary rights in the audio and video segments through Universal, the German market leader. We also strengthened our partnership with Super RTL by extending a joint programming venture for coproductions and licensing for two more years through 2005. Since June 2001, we have very successfully provided content for our own "Ravensburger TV" programming time slot on Super RTL. We also made further progress on coproduction and reciprocal purchasing agreements with Nelvana, our North American partner.

Our strategic goals include expanding our core fiction/non-fiction and merchandising businesses. At the same time, we aim to secure our solid market position in German-speaking Europe, Scandinavia and Eastern Europe and to boost profitability. We also intend to strengthen our competitive positions in key European markets such as the U.K., France and Spain as well as other English-speaking markets.

Dr. Peter Duval | Peter Hille | Wolfgang Heidrich

We will continue to add to our competencies by recruiting new talent and developing high-quality materials with international marketing potential. In that respect, we will focus on improving the marketability of our licenses in the key parts of the value chain.

Our operating targets for the consolidated group in the years ahead include a double-digit EBIT margin, strong free cash flow and continued debt reduction. In order to achieve these goals, we are looking to expand our commissioned programming business for networks. This business ensures recurring cash flows while supporting our ongoing efforts to invest in our own high-margin productions and co-productions. We will also strive to reduce the tied-up capital for each production, thereby strongly emphasizing the importance of increasing the profitability per production.

RTV's long-term goal is to become one of Europe's three largest and most profitable producers of children's and family programming. We are also striving to make Off the Fence, our non-fiction subsidiary, one of the five most renowned providers of documentary films worldwide.

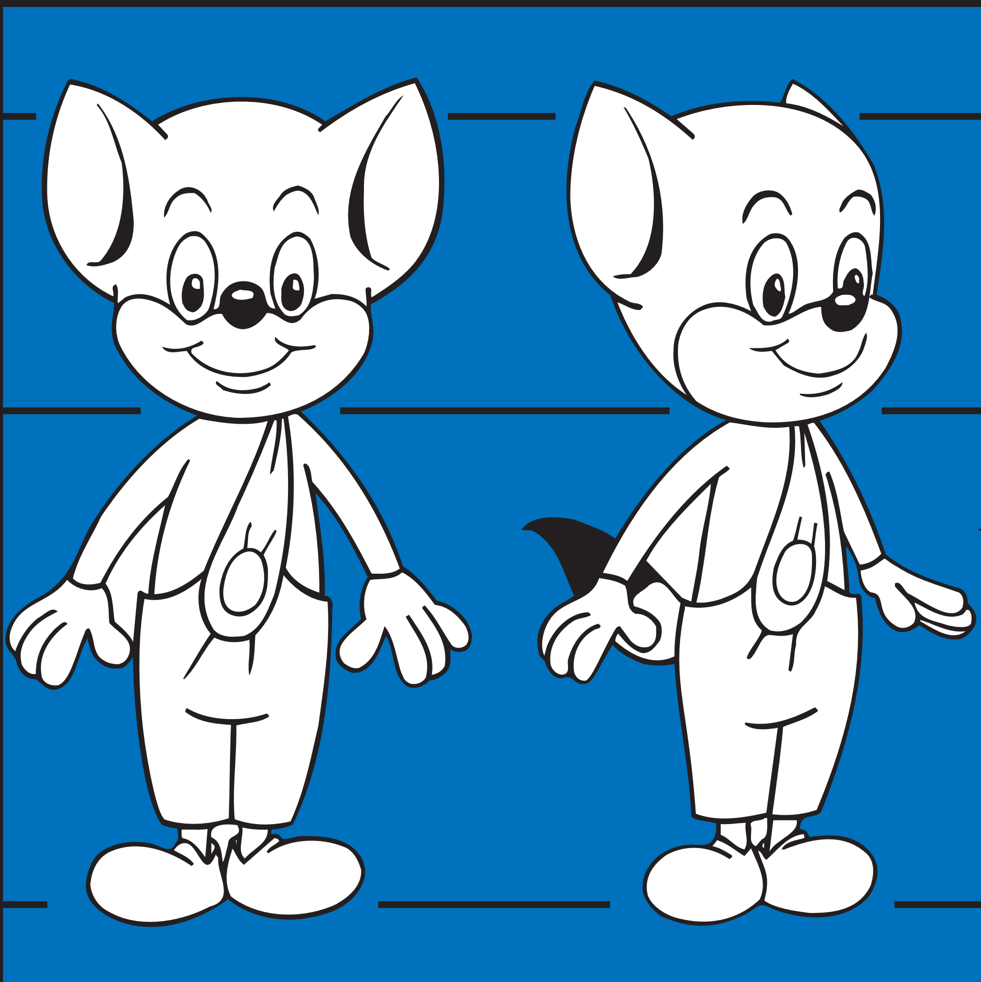
We firmly believe that our efforts last year to refocus on our core competencies have laid the foundation for RTV to add long-term value.

Sincerely,

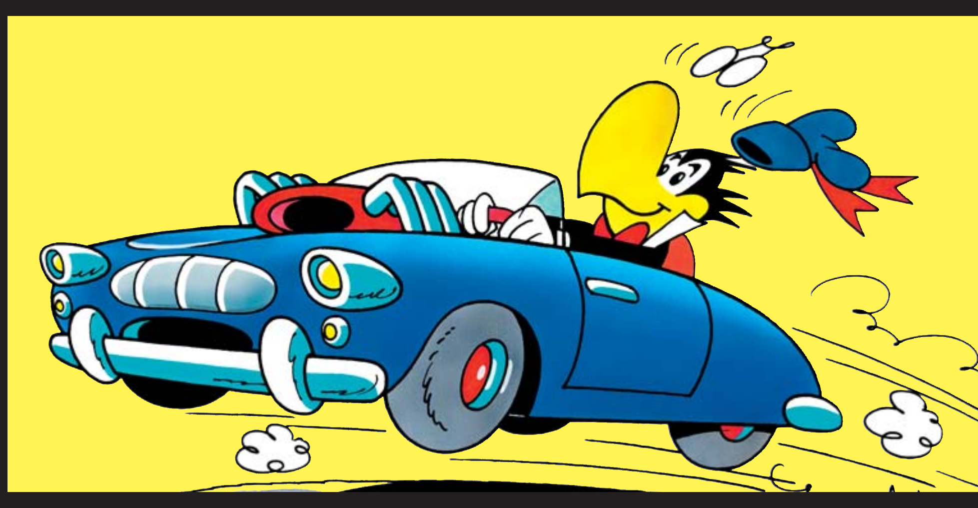
Dr. Peter Duval

Peter Hille

Wolfgang Heidrich



Rolf Kauka's Fix & Foxi



Supervisory Board report

The Supervisory Board met four times and was kept regularly informed by the Managing Board through oral and written reports on the company's strategy, progress, financial situation and all major investments in programs.

RTV Family Entertainment AG's 2001 accounts, financial statements, consolidated financial statements and combined Managing Board Report and Consolidated Group Managing Board Report were audited by Ernst & Young Deutsche Allgemeine Treuhand AG, Stuttgart, which issued an unqualified opinion. The Report on Relations to Affiliated Companies prepared in accordance with § 312 of the German Stock Corporation Law (AktG) by the Managing Board and audited by the auditor of the financial statements received an unqualified opinion, whereby the actual information contained in the report is correct and the company's performance with regard to the legal transactions described in the report was not inappropriately overstated.

The auditor informed the Supervisory Board as to the significant findings of its audit. The Supervisory Board approved the attached written audit findings that were presented to it.

The Supervisory Board examined and approved the RTV Family Entertainment AG financial statements and combined Managing Board report presented with the consolidated financial statements and prepared by the Managing Board. The financial statements are duly established.

The Supervisory Board also examined the Report on Relations to Affiliated Companies and raised no objections to the conclusions of the Managing Board and approves the results of the audit by the auditor of the financial statements.

Effective March 31, 2001, Managing Board Member Dr. Arno Haselhorst retired from the Managing Board. In May 2001, John Travers resigned from the Managing Board. Effective May 1, 2001, Dr. Peter Duval joined the Managing Board. At its July 27, 2001 meeting, the Supervisory Board appointed Dr. Duval Managing Board Speaker (CEO).

Dr. Detlev Lux will resign from the Supervisory Board effective March 31, 2002. Dr. Johannes Kreile will become Supervisory Board Chairman effective April 1, 2002.

Ravensburg, March 25, 2002

Investor Relations

Capital markets 2001

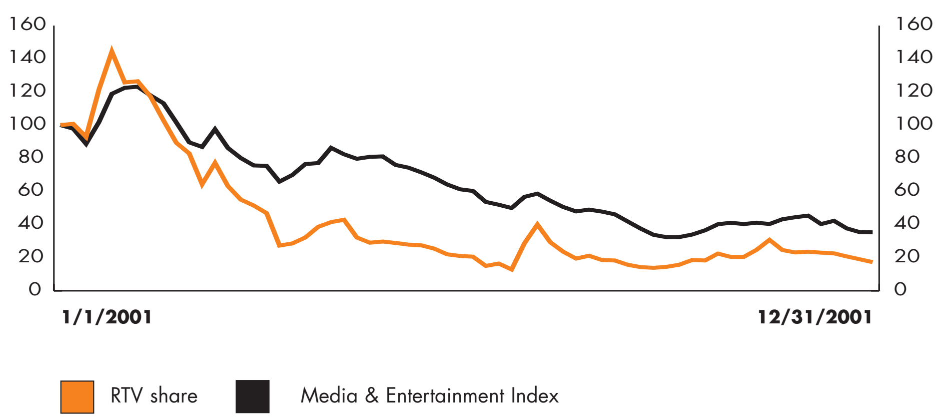
2001 was yet another difficult year for the Neuer Markt. Only 11 companies made initial public offerings on this market, compared with 132 the previous year. The image of growth companies suffered as a result of the rapid stock price declines and scandals at a few companies. The Deutsche Börse enacted stricter regulations in order to restore investor confidence in the Neuer Markt.

RTV share price trends

Last year's decline in RTV's stock price was driven by the overall market decline, negative trends in the media sector and, above all, the company's inability to meet its 2000 sales and earnings targets. We nevertheless believe that the current share price does not reflect the company's fair value or its future growth perspectives. Following a brief run-up in early January, the share price reached a high for the year of EUR 10.10 on January 10, but then fell to a low of EUR 0.90 on July 20, 2001. Favourable first-half results helped the stock to rebound over the ensuing weeks to EUR 2.80 in early August. The shares declined once again, however, finishing the year on December 28 at EUR 1.21, or 83 % lower than the previous year-end closing price of EUR 7.00. Over 253 trading days, the average daily trading volume stood at approximately 125,470 shares. At year-end, the company's market capitalization was EUR 29.61 million.

The Nemax All Share as well as the Media & Entertainment Index also recorded significant declines last year. September 21, 2001 was the worst day in the Neuer Markt's history, as the Nemax All Share reached an all-time low of 724.2 points. RTV shares closed that day at EUR 0.92. The Nemax All Share finished the year at 1,096 points, down 60 % from its 2,743-point level the previous year. The Media & Entertainment Index lost two-thirds of its value last year, closing the year at 10.02 points compared with 29.75 points the previous year.

Share price trend
in %



Shareholder structure

The number of shares outstanding increased from 23,875,000 to 24,470,590 following the in-kind capital increase on April 27, 2001. Of the 595,590 new shares, 555,090 shares were subscribed by Ellen Windemuth and 40,500 by Harald Golbach, the respective founders and current managers of the acquired subsidiaries Off the Fence based in Amsterdam and Golbach Productions based in Düsseldorf. At year-end 2001, the 24.471 million shares outstanding were owned in the following proportions: Ravensburger AG 56.86 %; Ravensburger Stiftung 2.86 %; CLT-Ufa 3.60 %; Ellen Windemuth 1.51 %; founding family of Energee 0.69 %; Harald Golbach 0.17 %. The free float was 34.31 %.

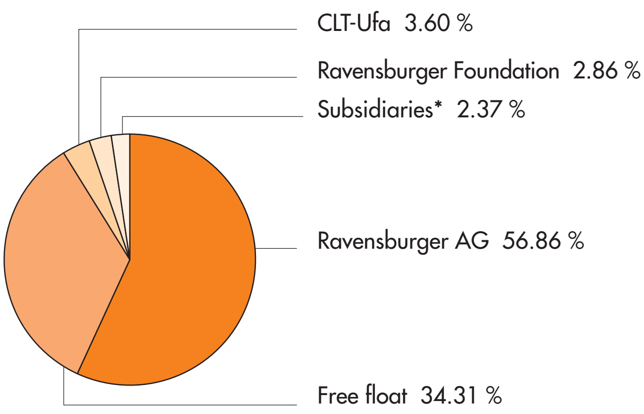
Shareholders' General Meeting

The shareholders' general meeting took place on May 23, 2001, with 64.6 % of the common stock represented. Among the resolutions up for vote were changes in the existing authorized class I and class II capital and corresponding stock option programs as well as the creation of additional authorized capital. The shareholders' meeting approved all resolutions.

Coverage during the year

Last year, eight well-respected German and international banks provided ongoing research coverage of the RTV share. Their current ratings range between "Hold" and "Buy".

Shareholder structure



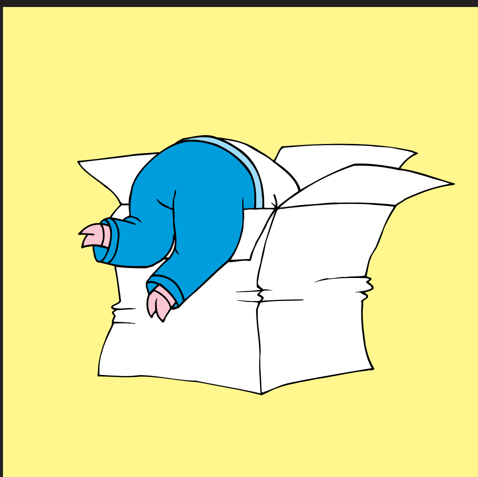
* Subsidiaries: Ellen Windemuth 1.51 %
Energee (Founders) 0.69 %
Harald Goldbach 0.17 %

Development of investor relations activities
Through timely, open, comprehensive and regular dialog with shareholders, analysts and potential investors, we seek to foster investor confidence in RTV and thus lay the groundwork for a fair valuation of the company's shares.

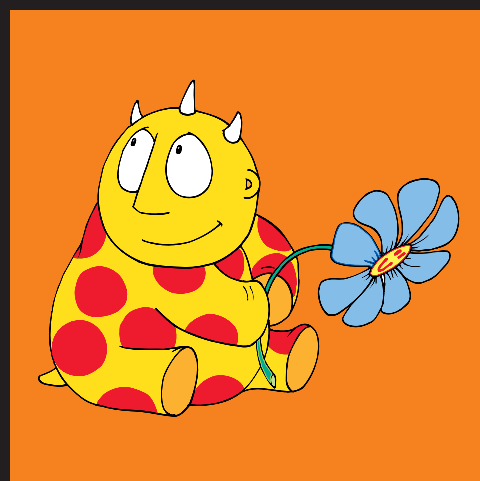
The Internet has proved to be an excellent medium for communicating with our many private investors and is currently one of their leading sources of information. We have addressed this development by completely reworking and expanding our online presence.

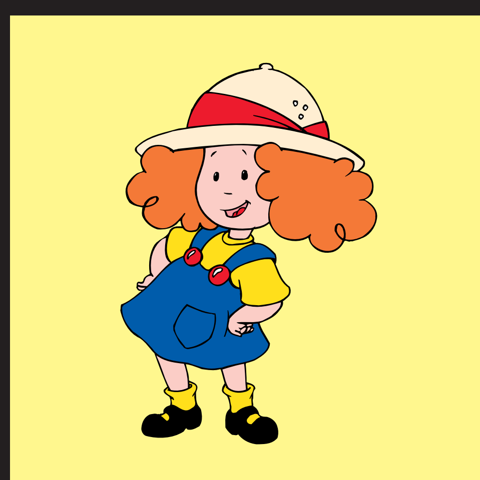
Shares

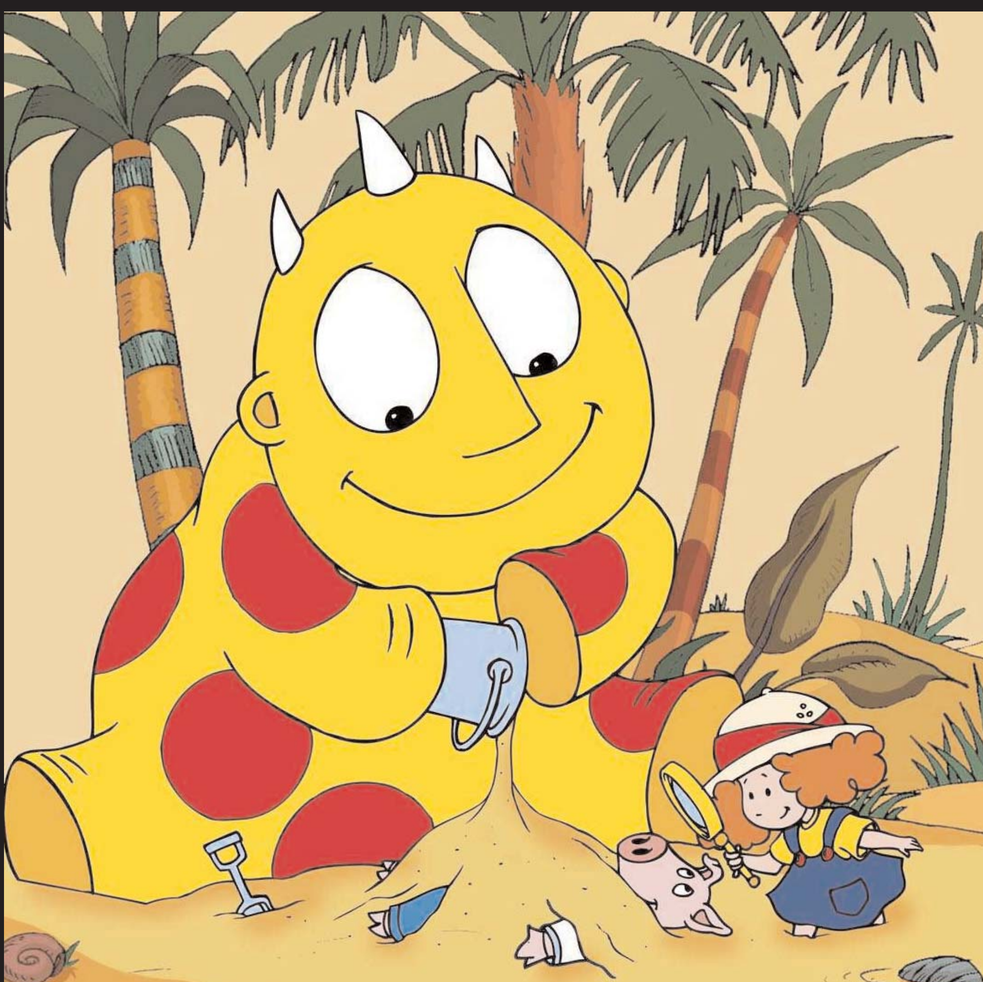
	2001	2000
Number of shares outstanding	24,470,590	23,875,000
Par value	EUR 1	EUR 1
High of the year	EUR 10.10	EUR 40.25
Low of the year	EUR 0.90	EUR 5.91
Year-end market capitalization	EUR 29.61 million	EUR 167.13 million



MAGGIE AND THE FEROCIOUS BEAST™







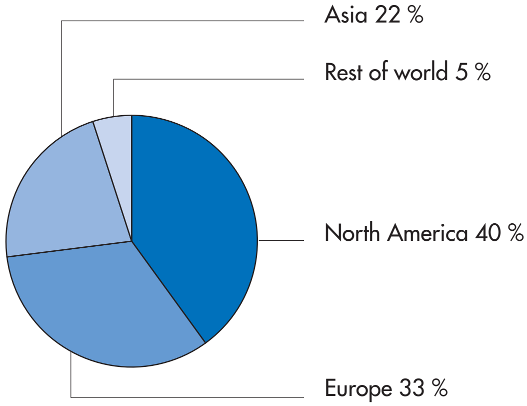
Business Lines
Overall

Development of the TV market
In recent years, the television network market has changed dramatically with the shift toward digital technology. The number of television channels has increased significantly, making it possible to target segmented audiences. In the past, the repositioning and consolidation trends among broadcasters made it more difficult to sell programming. Although this consolidation trend continues apace, several favorable new developments are emerging. The clear positioning by the networks has made it easier to provide targeted programming. Furthermore, it is clear that demand for new programs will begin to strengthen in the very near future. Although the networks built up their program libraries in recent years, the growth in the number of new channels has increased demand for programming content and the supply of new programs has dwindled. Companies with large program libraries will have the greatest opportunities to meet this new demand.

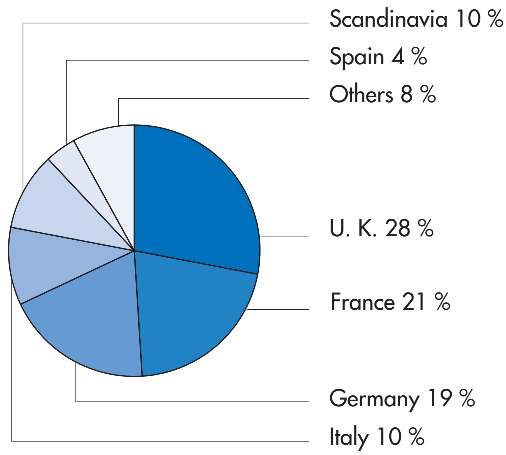
The global television market for children's and family entertainment currently stands at around EUR 2.1 billion. North America accounts for the largest share, about 40 %. Europe accounts for about one-third of the total market for children's television, of which approximately 78 %, or EUR 540 million, is generated in the key markets of Germany, the U.K., France and Italy.

Development of the Merchandising sector
The merchandising sector continues to grow in economic importance and is now well established as a leading worldwide growth market. Along with the current individual top hits such as box office favorites like "Harry Potter" and "Lord of the Rings", classics have the greatest chance for success. The key to merchandising success is the characters' international marketability. Merchandising is nevertheless a risky business, in which success is never

Global market for children's television



Market for children's television in Europe



guaranteed. In addition to developing new licensing themes, providers must therefore be able to offer well-established classic characters capable of generating recurring revenues. With "Fix & Foxi" and "Moorhuhn", RTV has such characters, among our regular customers are experienced licensees such as Ravensburger, Santex, Haribo, Herding and Sox.

RTV International

We created "RTV International", a common distribution label, in order to reflect the changes in RTV's organizational structure more accurately. In the fall of 2001, we presented this new group-wide distribution unit to the public for the first time at MipCom, the leading television industry trade show in Cannes, France. Our distribution activities for RTV and the Off the Fence and Energee subsidiaries are now consolidated from an organizational standpoint and operate globally from Munich and Amsterdam. All RTV, Energee and Off the Fence programs and ancillary rights are distributed by this new entity under the new name. The full effects of the synergies, however, will only be felt beginning in end-2002.

In the future, we plan to develop RTV International as a brand in the business-to-business segment and further enhance RTV's reputation.

Last year, RTV restructured its program distribution to achieve greater efficiency. Our centralized management enables us to serve our traditional markets in Central, Northern and Eastern Europe while strengthening our ability to penetrate other key markets for both the fiction and non-fiction segments. In 2002, we will continue to optimize our distribution activities through further centralization in Munich as well as the local sales offices and agents in key foreign markets.

Productions in 2001

We made adjustments to RTV's original strategy of focusing almost exclusively on our own productions and coproductions. In the future, we will seek to achieve a more balanced mix of commissioned productions and coproductions in order to make optimum use of our production capacities.

Program Library

	Total		Genre			Rights			
	Hours	Episodes	Fiction		Non Fiction	German-speaking territories	Europe	Australasia	worldwide
			of which Animation	of which Non-Animation					
RTV Catalog (12/31/2000)	1,842	5,849	4,765	1,084	-	1,907	2,721	538	683
Increase Non-Fiction Program 2001	79	117			117				117*
Increase Fiction Program 2001	106	336	286	50		50	156		130
Disposals 2001	-21	-168	-168			-26	-142	0	0
Total (12/31/2001)	**2,006**	**6,134**	**4,883**	**1,134**	**117**	**1,931**	**2,735**	**538**	**930**

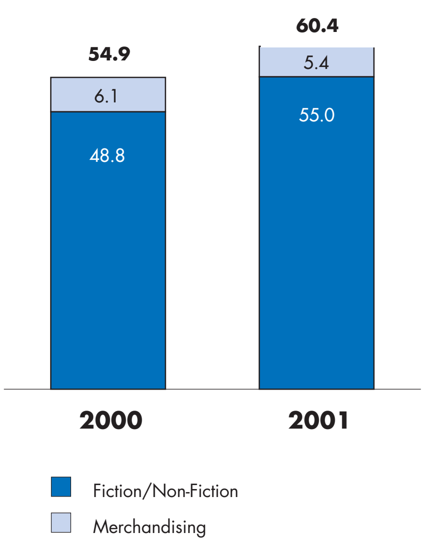
*7 Episodes are without rights in German-speaking territories

This change will result in mutually beneficial effects. Commissioned productions provide a reasonable margin, but the company does not retain any rights. With our own productions and coproductions, we create rights but tie up capital. In order to further minimize risk, RTV will also strive to achieve a better balance between fiction and non-fiction programs. For that reason, we will strengthen our non-fiction business.

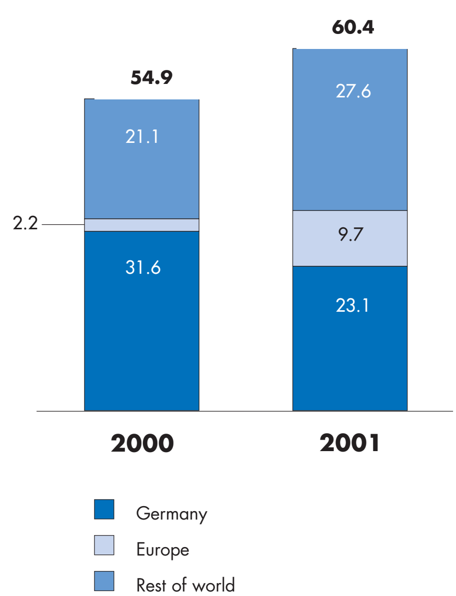
Instead of dividing our business lines into production, distribution and merchandising as in previous quarterly reports, we have chosen to divide them into fiction/non-fiction and merchandising business lines. This new classification ensures that all of a production's costs and revenues are allocated to a single business line.

In 2001, RTV recorded sales of EUR 60.35 million, with fiction/non-fiction accounting for 91 % of the total and merchandising 9 %.

Sales by business lines
in EUR mill.



Sales by regions
in EUR mill.



Fiction/Non-Fiction

Our fiction/non-fiction business was once again our leading business line by a large margin. The sector fiction includes developing and producing narrative children's and family programs (animation, live action and game shows). In 2001, we completed eight of our own productions and coproductions.

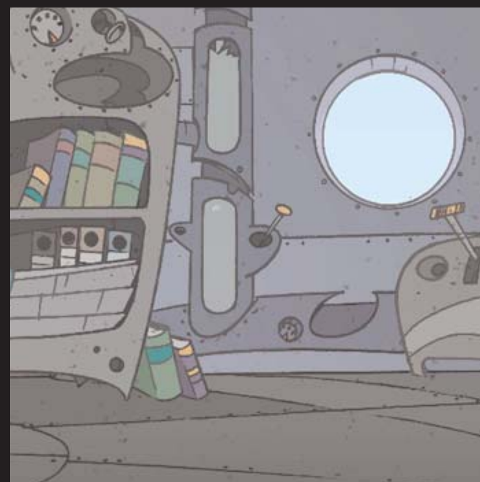
Some of these productions were made at our Energee Entertainment studio in Sydney, Australia, which RTV acquired in 2000. These productions included the following series: "Gloria's House" (nominated for four Pulcinella Awards at the Filmfestival Cartoons on the Bay, in Italy), the second season of the classic "Fix & Foxi" and "Wicked!" animated series. "Wicked!" is based on the bestseller from Morris Gleitzman and Paul Jennings and is Energee's most successful production to date with sales of more than EUR 8 million.

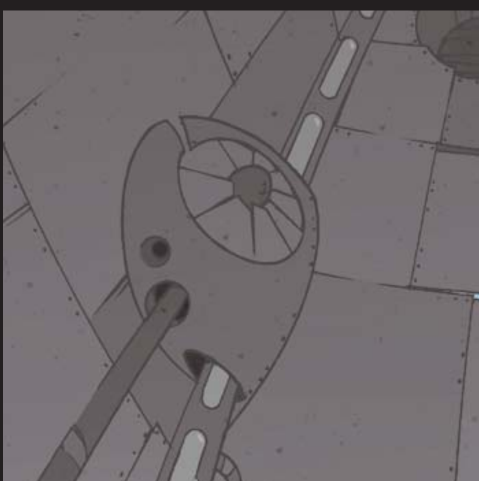
Last year we also assumed control over Energee's strategic management and simplified its integration and management. Phillip Bowman has agreed to manage the subsidiary. He has extensive experience in the production business, having worked at ABC TV in Australia and the BBC TV in London. Peter Hille from RTV's Managing Board will also co-manage the company.

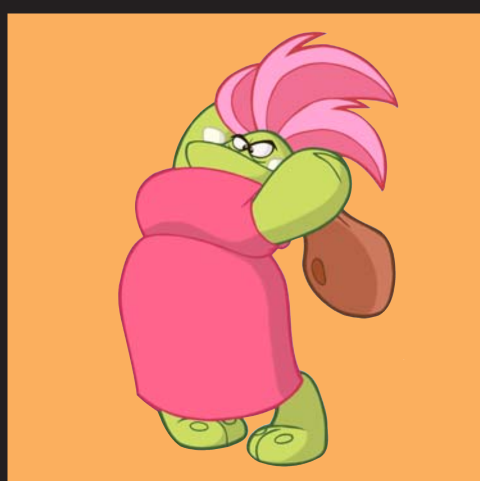
In the area of commissioned productions, we continued to produce "Philipps Tierstunde", a weekly live production that has been on air for five years. Since the beginning of last year, RTV has produced "KlugBeißer", a 200-part infotainment series, in cooperation with CMA (Centrale Marketing-Gesellschaft der deutschen Agrarwirtschaft mbH) and H5B5 AG. These three-minute episodes feature agriculture, food production and nutrition and continue to be aired on Super RTL.

Completed productions - Fiction

Title	Format	Genre	Target group	RTV Share
Gloria's House	26x24'	Animation	6-12 J.	100 %
Wicked!	26x24'	Animation	8-12 J.	100 %
Moorhuhn-Spots	26x1'	Animation	5-99 J.	75 %
Marvellous Milly II	13x5'	Animation	5-8 J.	70 %
Gnarfs I	26x11'	Animation	Family	65 %
RoboRoach I	13x24'	Animation	6-12 J.	50 %
Hoota + Snoz II	26x1'	Animation 3D	5-99 J.	50 %
Fix & Foxi II	26x24'	Animation	6-10 J.	40 %







GNARFS

We have many years experience producing game shows (“Nobody is perfect“, “Memory“, etc.) and last year produced 13 episodes of ”Spielegalaxie“, a quiz and game show. This series was produced in September and first aired on October 7, 2001 in our “Ravensburger TV” time slot on Super RTL. With an average 30 % market share for the relevant target audience, the show has been so successful that we already produced a second season and third season.

RTV has put up a relatively large share of the budget and thereby secured many geographic rights. As a result, we have added to our international rights and program library and generated increased international sales through our new distribution organization.

Our distribution business scored big hits with “Gloria’s House“ and “Wicked!“ We delivered “Gloria’s House“ to the following clients, among others: KiKa (Germany), TF1 (France), LUK (Spain), RAI (Italy) and the Channel 7 and Optus networks in Australia. We successfully marketed “Wicked!“ in the following core European markets, among others: the U.K. (Fox Kids, BBC), France (Canal J), Italy (Fox Kids) and Spain (LUK). We also marketed the show in Australia (Channel 7, Optus) and, through Nelvana, to Canadian and U.S. networks. Other distribution successes in 2001 included “Turtle Island“, the second season of “Fix & Foxi“ as well as library programs such as “Sweet Valley High“, ”Enid Blyton Secret Series“, “Swiss Family Robinson“ and the Nelvana programs “Pelswick “ and “George Shrinks“. The recent rights sales for our “Gnarfs I“ series, which finished production late last year, have been outstanding. This series tells the story of amusing extraterrestrials with the intelligence of cavemen. They are supposed to be civilized by robots, which proves in the end to be nearly impossible.

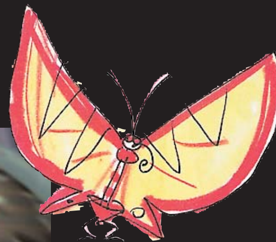
In addition to supplying its traditional customer base, i.e. German government-owned and private television networks, RTV also developed a new market by selling program packages to regional networks such as B.TV owned by the state of Baden-Württemberg. We are actively pursuing our strategy of selling programs as non-exclusive packages. The negotiations with tv.nrw, the regional network for Northrhine-Westphalia, were successfully concluded in March 2002.

Last year, Energee continued to develop and produce new programs. Together with Cromosoma, Energee is producing the promising series "Juanito Jones" in the Sydney production studio. In each episode, the little Juanito character experiences an imaginary adventure that nevertheless helps him better understand and cope with the real world around him.

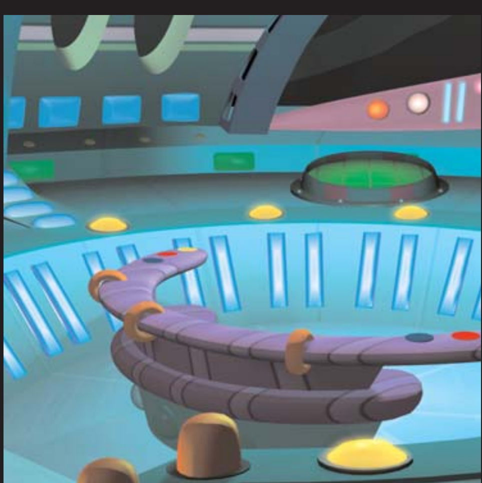
For Bayerischer Rundfunk, RTV is developing a new science magazine program for 6- to 10-year-olds that will be produced in 2002. Entertaining and amusing cartoon clips link the various pilot films from the animal world as well as documentaries and brief news segments. For the first time, all RTV companies will work together on the same project. RTV is responsible for the overall project conception and organization and will produce the brief news segments. Energee has developed the characters and will produce the animation, while Off the Fence supplies the animal documentaries.

Coproductions in progress - Fiction

Title	Format	Genre	Target group	RTV Share	Completion date
Wilf	26x11'	Animation	5-8 J.	67 %	June 02
Juanito Jones	52x11'	Animation 2D/3D	5+ J.	25 %	August 02
RoboRoach II	13x24'	Animation	8-12 J.	51 %	September 02
Albert fragt	26x11'	Animation	5-8 J.	35 %	November 02
Gnarfs II	26x11'	Animation	Family	65 %	December 02
Malo Korrigan	26x24'	Animation 2D/3D	8-12 J.	40 %	April 03



JUANITO JONES



In 2001, RTV expanded its program portfolio to include non-fiction programs through the 100 %-acquisition of Off the Fence. This new subsidiary ranks among the most highly regarded and sought after documentary film production and distribution companies in the world. The company produces wildlife, adventure, science and technology programs, among others. In its first year since being acquired, Off the Fence contributed 5 % of RTV's consolidated sales.

Last year, Off the Fence produced 32 program hours, which significantly expanded the program library.

"Gift of the Rains", 12 episodes of 30 minutes shot in 16:9 format, was one of the leading programs in 2001. This wildlife series produced for Discovery International examines the animals and plants in and around the largest African rivers. The first season of "Few of a kind" (6x30'), a documentary series about very successful young people in Third World countries, was also very successful.

Last year, Off the Fence reached a multiyear cooperation agreement with Granada, the world's leading producer of non-fiction programs. Through this agreement, we intend to add to our non-fiction library and increase our distribution activities for documentary programs. This agreement, which involves coproductions and television sales support, calls for the joint production of 10 hours of new programming and the acquisition of 100 hours of high-quality library programs. The following titles completed in 2001 were among those purchased: "Tutankhamen: A Murder Mystery", "Island Life" and "Conquistadors".

Completed productions - Non-Fiction

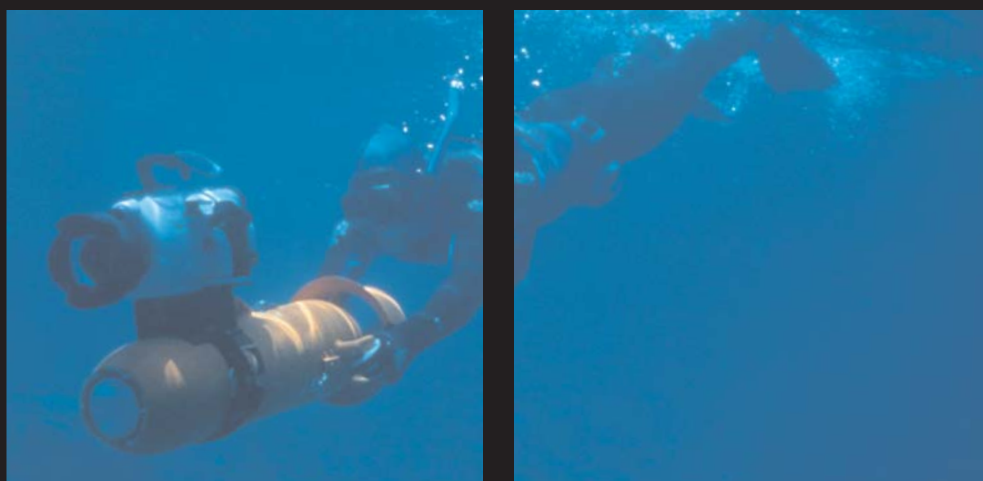
Title	Format	Genre	OTF Share
Innertainment	26x30'	Magazine	33 %
Insights	13x30'	Magazine	33 %
Gift of the Rains - Africa's Great Rivers	12x30'	Wildlife	30 %
African B.A.S.E.	1x30'	Adventure	25 %
Desert Friction	1x30'	Adventure	25 %
Orange Unplugged	1x30'	Adventure	25 %
Few of a kind I	6x30'	Reality	15 %
Ochre & Water	1x60'	Social	15 %
Journey to Kanjiroba	1x60'	Adventure	0 %

In the future, the strategic marketing of programs through pay and free television networks, DVD and video will be just as important as the expansion of our distribution activities to new markets. With the recent addition of non-fiction programs from Off the Fence, we can enter new markets in Japan, Australia and Latin America. These new markets will help to offset a temporary slowdown in U.S. sales. We will continue to develop non-fiction programs in the internationally popular genres such as natural history, history, science and technology. New genres will also help to win over new audiences for Off the Fence programs, and the Granada series "Ancient History" and "Science Technology" have contributed along those lines. Last year, Off the Fence began to market DVD rights for its own productions and titles such as "The Great Dance", "Sharks" and "Fit for the Wild", among others.

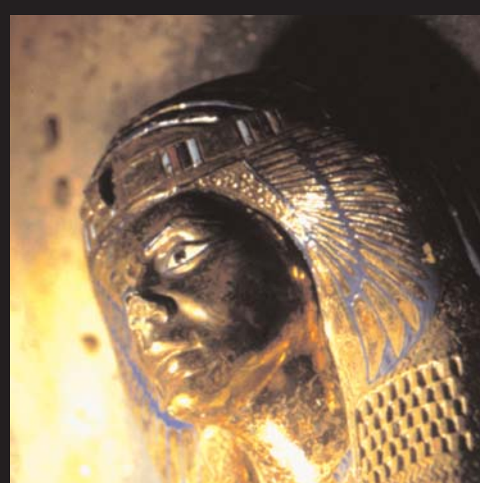
A highlight for 2002 will be our production of "City Slickers", a one-hour docucomedy about a group of penguins crowded into the well-known seaside town of Boulder near Cape Town, South Africa. This coproduction is being produced with Pelican Pictures and the german broadcaster ZDF, NHK Japan and Animal Planet US) The production has been sold to a few broadcasters worldwide and thereby demonstrates that leading networks around the world place great trust in Off the Fence projects. For the first time, we were able to cover production costs before the project's completion.

Productions in progress - Non-Fiction

Title	Format	Genre	OTF Share	Completion date
Tracing Ché	1x60'	Social	0 %	January 02
Fresh Air Riders	1x30'	Adventure	25 %	February 02
City Slickers	1x60'	Wildlife	20 %	March 02
Whale Induna	1x60'	Wildlife	25 %	March 02
Cargolifter	1x60'	Technology	0 %	June 02
Animal Babies	13x30'	Wildlife	50 %	November 02
Few of a kind II	7x30'	Reality	15 %	January 03
Night Eyes	1x60'	Wildlife	30 %	March 03
Cosmic Africa	1x60'	Science	0 %	July 03



OFF THE FENCE



Merchandising

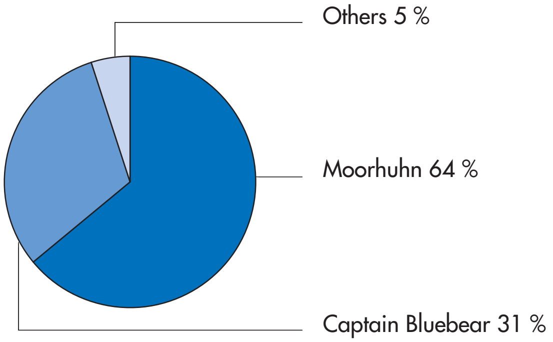
In 2001, merchandising accounted for 9 % of RTV's total sales. This figure includes the audio and video sales and advertising revenues from the Super RTL time slot.

Our character "Moorhuhn" led the way in sales last year. Moorhuhn-related products for customers ages 12 and up have been especially popular, for example cell phone holders, lighters, bags, socks and boxer shorts.

In the past, our merchandising business was limited to the German-speaking region. Our characters "Moorhuhn" and "Gnarfs" have broader international appeal, however, and as of mid 2002 we will begin marketing them abroad. For each country, we will try to market the merchandising characters and online games just as the television spots or series are first aired. We are working with the licensor Phenomedia (Moorhuhn and Gnarfs) to develop and implement specific activities. Scandinavia, Spain and France will be the first international target markets.

In recent years, RTV has successfully marketed the rights to all the Bluebear-characters to licensees such as Ravensburger AG, Haribo, Herding, Bofrost and TUI. For the past four years, we acted as the merchandising agency for the WWF Lizenzhaus Köln GmbH. This agency business expired at the end of last year. In the future we will replace these characters with new promising themes. We generated successful sales of "Maggie and the ferocious Beast" to Ravensburger Spieleverlag, Togu and Kinsy. The "Gnarfs" will soon make their appearance on outerwear as well as underwear and sleepwear manufactured by Santex.

Merchandising sales by characters



Ravensburger TV

Television air time is absolutely essential to secure and increase the marketing potential of ancillary rights. Consequently, we have expanded our cooperation with Super RTL and decided to provide content for our two-hour time slot, "Ravensburger TV," which was aired Sunday through Friday since early June 2001.

This time slot secures a platform for RTV that enables us to broadcast our entire range of programs and demonstrate our programming skill.

Thanks to the Ravensburger brand, which enjoys 95 % unaided brand awareness, our engaging programs are increasingly well known and popular. The program time slot is very successful and supports our sales efforts in merchandising and television rights distribution. In addition, the guaranteed television broadcasts and market shares for the time slot are an indicator for the success of the programs on video and DVD.

The favorable year-end results were clear for all to see. The average weekday market share reached 35 % for the target audience of children ages 3 to 13, well above our 20 % target. In some instances, program highlights such as "Timothy goes to School", "Seven little Monsters", "George Shrinks" and "Rotten Ralph" recorded market shares of more than 50 %.

Outlook

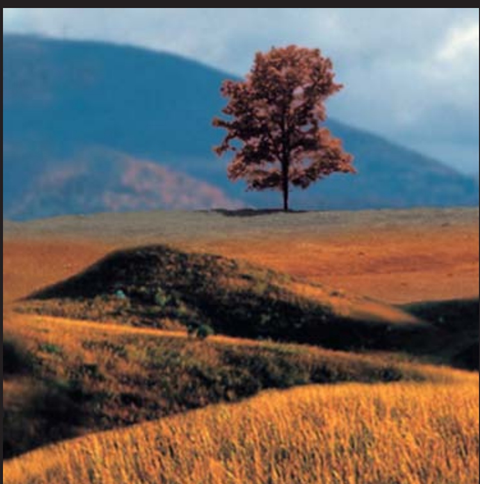
The television series "Maggie and the ferocious Beast" as well as "Tommy & Oscar" had a successful launch in 2002 and are among RTV's key merchandising themes. Our programming time slot has given us the necessary foundation for successful merchandising themes in the German-speaking region.

In the future, we will expand our merchandising business into new markets and develop promising new characters to go with the traditional themes. Among the new characters and themes will be television highlights such as "Juanito Jones", "Wilf", "RoboRoach" and "Albert".

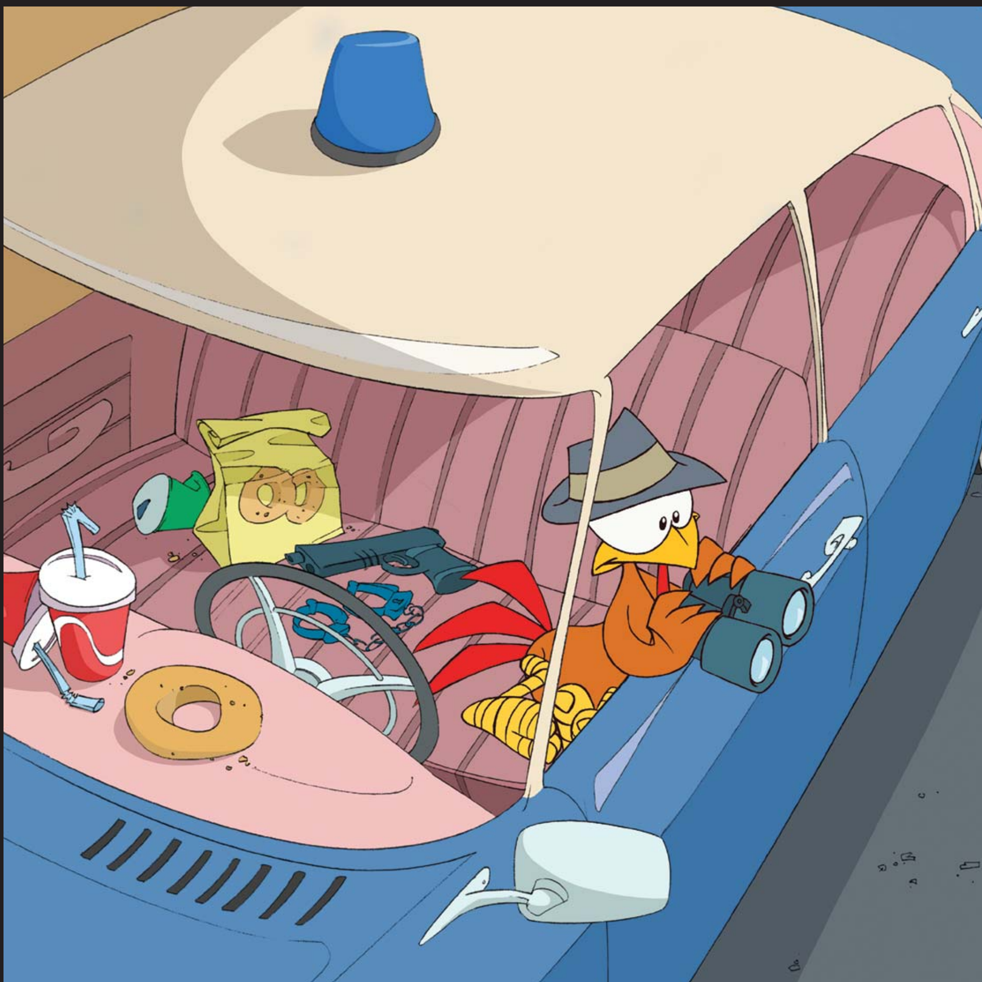
Audio & Video

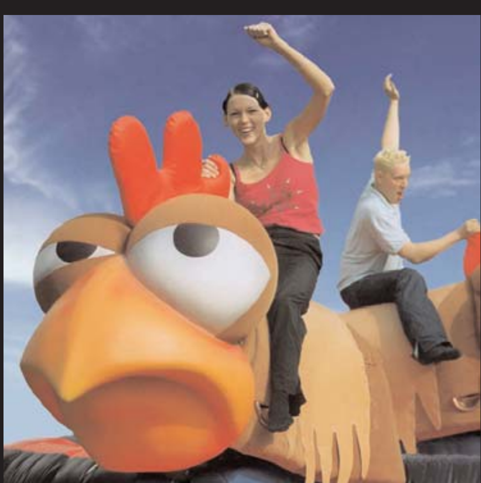
Effective January 1, 2001, RTV acquired the audio and video business from Ravensburger. This segment includes mainly the exploitation of RTV themes and programs on sound storage mediums (MC/CD) and Video/DVD. We are selectively expanding the product range and adding more RTV programs, which are then jointly distributed under the Ravensburger label. At first we continued to use Ravensburger AG's distribution resources. At year-end, the entire audio and video program portfolios were licensed to Universal Family Entertainment and Universal Pictures, respectively. Both companies are the market leaders in the German-speaking region. Universal now distributes the entire audio and video segment as well as the new themes to be developed each year by RTV (four television series per year are currently planned for the video segment) under the Ravensburger program label. This theme presence is a key success factor along with our Super RTL programming time slot.

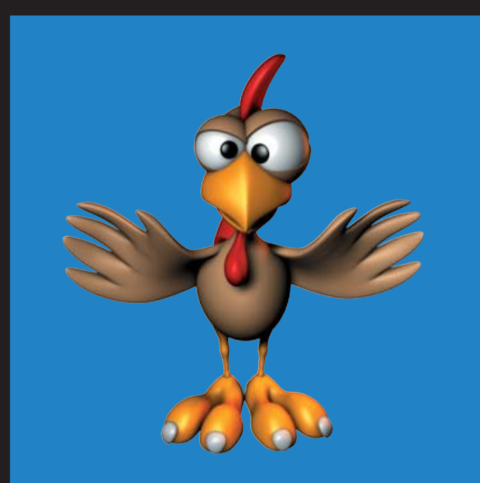
In Universal Pictures Germany and Universal Family Entertainment, we have found long-term strategic partners to market our audio and video products. The Universal Group stands for optimal marketing of licensing themes and ensures the continued growth of program recognition and successful market placement.



MOORHUHN™







Managing Board Report

A. CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Structure and Business Lines

RTV Family Entertainment AG owns majority interests in the following subsidiaries:

- Energee Entertainment Pty. Ltd. based in Sydney, Australia
- CJGT Investments Pty. Ltd. based in Sydney, Australia
- Off the Fence Holding B.V. based in Amsterdam, the Netherlands
- Off the Fence B.V. based in Amsterdam, the Netherlands
- Waterfront Medien Produktion GmbH i. L. based in Hamburg, Germany
- RTV Family Entertainment Produktions GmbH based in Munich, Germany
- Golbach Productions GmbH based in Düsseldorf, Germany

Effective January 1, 2000, RTV acquired a 68 % stake in Energee Entertainment, an Australian animated film production company. RTV's ownership interests in Energee are held directly (12.5 %) and indirectly (55.5 %) through CJGT, which is purely a holding company and has no operations. The remaining shares in Energee are owned by members of the founding family, but will be acquired by RTV in 2002. Energee Entertainment has fully consolidated equity interests in the following companies: Energee Distribution Pty. Ltd.; Energee Licensing Pty. Ltd.; and Ekidz Pty. Ltd.

Effective January 1, 2001, RTV acquired a 100 % equity interest in Off the Fence Holding B.V., which owns 97.5 % of Off the Fence B.V. based in Amsterdam, the Netherlands, while the remaining 2.5 % stake is owned directly by RTV. The company's business activities comprise the acquisition, production and marketing of licensed and original non-fiction rights.

RTV owns 95 % of Waterfront Medien Produktion GmbH, which was founded in March 2000. In accordance with a decision taken on May 22, 2001, this 95 %-owned subsidiary was dissolved effective June 30, 2001. The company was originally founded for the purpose of producing adult-oriented entertainment programs on a commission basis for German networks. The company's market entry proved to be more difficult than anticipated, however, as high development costs for the new segments, a lackluster overall market and limited orders from German networks prevented RTV from pursuing this venture further. Waterfront is currently being liquidated, a process that is expected to be completed by June 2002.

In addition, effective January 1, 2001, RTV acquired a 50.2 % equity interest in Düsseldorf-based Golbach Productions GmbH, which specializes in advertising film production. Since that time, RTV has refocused its corporate strategy and plans to dispose this equity interest. As a result, this subsidiary was not consolidated in the financial statements.

In late 2001, RTV acquired a previously inactive company and reincorporated it as RTV Family Entertainment Produktions GmbH based in Munich. As of 2002, the company will provide production services for film funds, among other clients.

RTV's two business lines consist of fiction/non-fiction and merchandising. The fiction/non-fiction business line covers program acquisitions, production and distribution. The fiction business involves mainly animated series and feature films, while the non-fiction business covers various documentary formats. The merchandising business comprises all ancillary rights activities, including audio and video rights distribution.

2. Significant events of 2001

Last year, RTV refocused its corporate strategy. In the future, the company will concentrate on its two core business lines of fiction/non-fiction and merchandising. RTV therefore decided in the middle of last year to terminate Waterfront and resell Golbach.

Last year, RTV took over the overall strategic and operational management of the animated production studio of Energee Entertainment, Sydney, which helped to simplify the company's integration and control. On June 22, the members of the founding Travers family relinquished all positions and duties, but remained minority shareholders with a 32 % stake. This move has made it easier for RTV to exploit all the expected synergies with Energee. Phillip Bowman has agreed to become the company's new general manager.

In November, RTV sold program rights and receivables from the CLT-Ufa program library worth EUR 16.4 million to the RTV's main shareholder, Ravensburger AG. RTV used these primarily to pay down bank debt. At the same time, RTV negotiated an agreement with Deutsche Bank and Baden-Württembergische Bank to extend a syndicated loan from September 2003 to December 2005. HypoVereinsbank withdrew from the lending consortium. As part of the negotiations, RTV was able to get HypoVereinsbank to waive EUR 9.3 million in claims.

On the equity side, RTV issued 595,590 new shares as part of an in-kind capital increase, which equaled to the equity portion agreed upon in the respective purchase agreements.

3. Results of the individual business lines

RTV Family Entertainment AG's consolidated sales increased by 10 % last year from EUR 54.890 million to EUR 60.353 million. Excluding the first-time consolidation of Off the Fence, sales grew by 4 %. RTV exceeded its EUR 56.242 million sales target for the year, which it set in May, by slightly more than 7 %.

Last year's sales broke down by business line as follows:

Sales by business lines

	2001		2000	
	in EUR 000	in %	in EUR 000	in %
Fiction/Non-Fiction	54,988	91	48,830	89
Merchandising	5,365	9	6,060	11
Total	**60,353**	**100**	**54,890**	**100**

As of December 31, 2001, RTV's overall program library consisted of 6,134 episodes, or 2,006 program hours. These programs are for the most part marketable in Europe and elsewhere in the world, and over several cycles.

Fiction/Non-Fiction

The fiction/non-fiction business generated sales of EUR 54.988 million last year, a 13 % increase over the previous year's total of EUR 48.830 million. However, growth trends contrasted within the respective segments of the fiction/non-fiction business.

In 2001, the fiction segment performed only satisfactorily. Sales were up 6 %, or EUR 2.939 million, from the EUR 48.830 million level in 2000 to the EUR 51.769 million recorded last year. The fiction segment thus accounted for 86 % of the group's total consolidated sales. Last year, the distribution organization failed to exploit the program library's full sales potential, despite several personnel changes. Toward year-end, the distribution organization was streamlined and a new, experienced manager was hired.

In 2001, we completed eight coproductions. These productions included the first installments of "Gnarfs", the "Moorhuhn" spots and "RoboRoach", as well as the second season of "Fix & Foxi". These programs are all television and merchandising themes. During the course of the year, we also completed production on "Gloria's House", "Wicked!" and the above-mentioned hit series "Fix & Foxi". These three series, which were produced by Energee, were not delivered in 2000 as planned on account of production delays. The production of the feature film "The Magic Pudding" missed its deadline and consequently tied up production capacity.

After the production on the three above-mentioned series was completed, the studio did not fully utilize its production capacity as planned, which weighed on 2001 earnings. With Phillip Bowman becoming Managing Director, RTV expects capacity utilization to improve significantly, helped along by commissioned productions.

As of December 2001, we completed 13 episodes of the "Juanito Jones" series (52x11'), which is being coproduced together with the Spanish production firm Cromosoma. Production on the remaining episodes will be completed by August 2002.

We continued to acquire programs from our Canadian partner Nelvana in accordance with our purchase agreement. Last year, RTV purchased the following productions: "Pecola", the fourth and fifth seasons of "Rolie Polie Olie", and the respective second seasons of "George Shrinks", "Seven Little Monsters" as well as "Maggie and the ferocious Beast".

Last year, we added 336 new episodes, or 106 program hours, to our program library. Our total fiction program rights increased from 5,849 episodes in 2000 to 6,017 episodes last year. Of this total, nearly 68 % are internationally marketable, with the remaining 32 % marketable only in the German-speaking region. In terms of program hours, RTV has a total of 1,927 fiction program hours.

After Nelvana (PBS, Fox Kids, etc.), the RTL Group (Super RTL, RTL II) is by far the leading purchaser of RTV's program rights. Other major rights purchasers include the Spanish production company D'Ocon, RAI in Italy, Channel 5 and TF1 in France, ORF in Austria and Kinderkanal and ARD in Germany.

RTV expanded its non-fiction program portfolio through the 100 % acquisition of Off the Fence last year. The company produces documentaries in genres such as wildlife, adventure, science, history and technology. In its first year of consolidation, Off the Fence contributed EUR 3.219 million in sales, or 5 % of the total, and EUR 475,000 in earnings before interest and taxes (EBIT). RTV considers Off the Fence's 15 % EBIT margin to be most satisfactory.

Last year, Off the Fence completed eight coproductions for a total of 32 program hours. Among the most significant programs were "Gift of the Rains", produced on behalf of Discovery International, and "Few of a kind". Last year, Off the Fence reached a multiyear collaboration agreement with Granada, the largest producer of non-fiction programs worldwide. Under the agreement, Off the Fence will acquire 100 hours of high quality library programs and will produce 10 hours of new programs together with Granada. Both partners also plan to cooperate in the area of television sales. The agreement takes effect beginning in 2002.

At the beginning of the year, Off the Fence's program library consisted of 43 episodes, or 35 program hours. During the year, 74 new episodes, or 44 program hours, were added.

For non-fiction programs, RTV typically owns the global distribution rights, and only seven programs acquired last year may not be distributed in the German-speaking region.

The key program rights purchasers include National Geographic, Discovery Network Europe, RAI (Italy), France 3 (France) as well as the Japanese network NHK and Germany's ZDF.

Last year Off the Fence completed the commissioned production of "Journey to Kanjiroba". In the future, we will expand the volume of commissioned productions. In 2002, for example, we will produce "Tracing Ché", "Cargolifter" and "Cosmic Africa" on a commission basis.

Merchandising

Despite major sales successes, which in 2001 were generated mainly by our "Captain Bluebear" and "Moorhuhn" characters, the merchandising business underperformed relative to our high expectations. Sales totaled EUR 5.365 million, down 11 % from the previous year. Merchandising accounted for approximately 9 % of RTV's total sales in 2001. This figure includes sales from the audio and video segments as well as advertising revenues from the Super RTL program time slot. In the future, we intend to expand international merchandising sales. Characters with international marketing potential include "Moorhuhn" and "Gnarfs".

In recent years, RTV successfully marketed the rights to all its "Bluebear" characters. Over the past four years, RTV was the merchandising agency for WWF Lizenzhaus Köln GmbH. This agency contract expired in end-2001. RTV will replace these characters with promising new themes such as "Maggie and the ferocious Beast" and "Gnarfs".

RTV also decided to provide content for its own program time slot in order to support its merchandising efforts. This two-hour time slot, "Ravensburger TV", has aired every Sunday through Friday since early June 2001 on Super RTL.

Using the Ravensburger brand, the entertaining RTV programs are gaining in recognition and popularity. The time slot helps with the programs' success and also serves to drive merchandising sales. In addition, the guaranteed television air time and market share ratings are a useful measure for a program's success on DVD and video. In the first six months, the time slot has achieved great success.

On weekdays, it achieved an average market share of 35 % in the targeted age group of children between the ages of 3 and 13, well above the planned 20 % market share.

Effective January 1, 2001, RTV took over the audio and video business from Ravensburger. This segment comprises the marketing of RTV themes and programs in audio (MC/ CD) and video/DVD formats. At year-end, the entire program portfolio was licensed to Universal Family Entertainment (audio) and Universal Pictures (video), respectively. The existing audio and video inventory as well as new themes to be produced by RTV will be distributed by Universal under the Ravensburger program label. The presence of the themes in connection with Ravensburger TV will be a key success factor.

The sales contribution from Germany fell to 38 % last year, compared with 58 % the previous year. This decrease was due in part to the increased international distribution activities. The planned discontinuation of guaranteed German revenues from the sale of the CLT-Ufa program library also dampened sales. In international sales, some slight shifts among the various regions occurred. Sales in the core European market outside Germany increased and now account for 16 % of the overall total. Sales to the rest of the world increased by 30 % and now account for 46 % of the overall total. This increase can be attributed for the most part to the expanded business cooperation with Nelvana.

4. Earnings

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 70 %, or EUR 17.969 million, to EUR 43.597 million in 2001, compared with EUR 25.628 million the previous year.

Operating income (EBIT) totaled EUR 2.778 million in 2001, compared with an operating loss of EUR 9.325 million the previous year. The company's EBIT target of EUR 1.6 million, announced in May of last year, was exceeded by 73 %. This exceptional earnings growth was due mainly to a very strong fourth quarter, in which total EBIT surpassed that of the previous three quarters combined.

Sales by regions

	2001		2000	
	in EUR 000	**in %**	**in EUR 000**	**in %**
Germany	23,060	38	31,564	58
Europe	9,735	16	2,193	4
Rest of world	27,558	46	21,133	38
TOTAL	**60,353**	**100**	**54,890**	**100**

Loss from ordinary operations totaled EUR 2.238 million in 2001, compared with a loss of EUR 11.435 million the previous year. Last year's earnings were negatively affected by a write-down on the equity interest in the advertising film production company Golbach Productions. After deducting deferred taxes and excluding minority interests (a loss of EUR 1.018 million), the company recorded a net loss (group share) of EUR 2.682 million, compared with a net loss of EUR 7.267 million the previous year.

In 2001, the group reduced its syndicated bank debt through a refinancing package, which increased other operating income by EUR 9.267 million. This non-recurring income fully covered non-recurring expenses such as extraordinary depreciation on Energee's film assets, a write-down on the rights to "Captain Bluebear", which was no longer marketed as of December 31, 2001, etc.

5. Net worth and financial situation

Total consolidated assets were down 10 %, or EUR17.136 million, to EUR 161.194 million. Intangible assets (mainly film assets, other rights including prepayments and goodwill) rose by 18 %, or EUR 21.015 million, to EUR 139.694 million. Film assets and other rights including prepayments includes investments totaling EUR 59.510 million and the first-time consolidation of Off the Fence. The decrease in total assets resulted from the disposal of assets worth EUR 6.409 million to the main shareholder, Ravensburger AG, and from depreciation.

At year-end, goodwill totaled EUR 24.149 million. This amount corresponded to the goodwill carried forward for the equity interests in Energee Entertainment, CJGT and Off the Fence (first-time consolidated in 2001).

RTV significantly reduced long-term receivables (with a term period of more than one year) by 83 %, or EUR 10.359 million. Of that total, EUR 9.958 million comprised the residual "guaranteed revenues" receivables from CLT-Ufa, which accompanied the rights package purchased from CLT-Ufa Group in 2000. On November 9, 2001, the discounted receivables were sold to Ravensburger AG, which in turn factored them to banks. This indirect factoring enabled RTV to achieve a lower discount rate.

Inventory was drawn down to near zero due to the completion of several productions and capacity utilization problems at the Energee studio in the second half of 2001. Trade receivables were also reduced by EUR 8.869 million, which was due to improved working capital management.

Overall, the equity ratio increased from 55.9 % in 2000 to 63.9 % at the end of last year. Equity capital increased by EUR 3.383 million to EUR 102.990 million, largely on account of the in-kind capital increases I and II in April 2001. The capital stock was increased by EUR 596,000 to EUR 24.471 million through the issue of new bearer shares with a proportionate par value of EUR 1.00 per new share in order to offset in-kind contributions (a portion of the purchase price for Off the Fence and Golbach shares). This capital increase was made using approved capital pursuant to the authorization granted at the extraordinary shareholders' meeting of May 6, 1999. The pre-emptive rights of existing shareholders were waived. The shares were purchased by the contributors of the in-kind capital. The additional paid-in capital from the capital increase through in-kind contributions totaled EUR 5.599 million. Further changes in the equity position are summarized in the equity statement.

In addition to an overdraft facility of EUR 10.226 million, RTV had a syndicated loan in the amount of EUR 40.903 million pursuant to a loan agreement dated September 6, 2000 and maturing in September 2003. This loan was lead managed by Deutsche Bank AG, Ravensburg branch, and included Bayerische Hypo- und Vereinsbank AG, Munich branch, and Baden-Württembergische Bank AG, Ravensburg branch, in the lending consortium. In light of changes to its lending policies (significant reductions in its media portfolio), HypoVereinsbank preferred to withdraw from the syndicated loan, whose term was to be extended. In return, RTV succeeded in having HypoVereinsbank partially waive its claim by a total of EUR 9.267 million. The debt waiver includes an income adjustment clause, for which reserves in the amount of EUR 633,000 have already been established. Pursuant to an agreement dated November 7, 2001, RTV was granted a credit facility in the amount of EUR 33.230 million by the two remaining banks, led by Deutsche Bank AG, Ravensburg branch. This agreement replaces the previous syndicated loan agreement and now also includes the overdraft facility through December 31, 2005. Of the total credit facility in the amount of EUR 33.230 million, EUR 2.560 million becomes available only beginning in February 2002. As of December 31, 2001, the RTV Group had bank debt totaling EUR 28.383 million, compared with EUR 47.987 million the previous year. In addition, RTV has a shareholder loan from Ravensburger AG in the amount of EUR 5.113 million, maturing December 31, 2005.

6. Investments

Investments were down by EUR 30.508 million to EUR 61.744 million last year. Whereas in 2000, the bulk of the film asset investments involved the purchase of the CLT-Ufa program library, last year the company invested primarily in coproductions. In all, RTV invested EUR 59.510 million in fiction and non-fiction programs. Investments in company acquisitions totaled EUR 2.005 million in 2001, compared with EUR 20.475 million the previous year. The balance of the investments went toward fixed assets and data processing software.

In November 2001, a wide-ranging rights package worth EUR 6.409 million was sold to Ravensburger AG. Cash used for investing activities totaled EUR 55.179 million and was fully covered by operating cash flow of EUR 60.942 million.

7. Depreciation

Depreciation rose by EUR 5.866 million last year to EUR 40.819 million. This amount includes extraordinary depreciation of EUR 11.812 million. Excluding this extraordinary expense, depreciation would have remained below the previous year's level despite the significant increase in sales.

8. Key figures

Key figures (in EUR 000)	2001	2000
Sales	60,353	54,890
EBITDA	43,597	25,628
EBIT	2,778	-9,325
Net income, group share	-2,682	-7,267
Cashflow (calculated on DVFA/SG basis)	31,521	27,713
Balance sheet total	161,194	178,330
Intangible assets including prepayments	115,397	98,007
Equity	102,990	99,607
Interest bearing liabilities	33,810	48,448

9. Employees

Last year RTV reduced the number of employees by 14 % group-wide. This decrease was largely due to the workforce reductions at Energee. At year-end, RTV had 61 employees, and the annual average was 70 employees. Personnel costs in 2001 totaled EUR 4.9 million group-wide, compared with EUR 4.0 million in 2000. The increased personnel costs can be attributed to salary adjustments to reflect Munich pay scales (whose impact was felt for the first time over the entire 12-month period), severance pay and a greater average number of employees on the year.

Number of employees by entity as of year-end

	2001	2000
Energee Entertainment	16	24
Off the Fence	7	-
Waterfront	-	5
Employees RTV (incl. Managing Board)	38	42
Total Employees	61	71

Number of employees by function as of year-end

	2001	2000
Development/Production	24	32
Sales	19	16
Administration	18	23
Total Employees	61	71

B. RTV AG FINANCIAL STATEMENTS

The RTV Family Entertainment AG financial statements were prepared in accordance with the principles of the German Commercial Code (HGB) and German Stock Corporation Law (Aktiengesetz). Since RTV AG is the primary company in the consolidated RTV Group, most of the above comments also apply to RTV AG.

1. Income statement

RTV AG increased sales by 25 % in 2001 relative to the previous year. Personnel expenses increased by 26 %, since at the time of the company's relocation to Munich in April 2000, adjustments to salary levels were made. Severance pay also weighed on personnel expenses. The financial result was influenced by higher interest expense in the amount of EUR 1.220 million and write-downs on financial assets (Energee, CJGT, Golbach, Waterfront) totaling EUR 5.976 million. In 2001, the extraordinary income resulted primarily from the waived claim by HypoVereinsbank and the fact that expenses related to the capital increase were booked during the previous year.

2. Balance sheet

Intangible assets increased by 12 % in 2001 relative to the previous year. Financial assets were up 24 % to EUR 30.310 million as a result of the acquisitions of Off the Fence and Golbach and the reclassification of a loan to Energee from current assets to fixed assets. Depreciation (EUR 5.976 million) on financial assets was down. Trade receivables fell by 63 % through the sales of receivables to Ravensburger AG as well as improved working capital management.

Income statement RTV AG

In EUR 000	2001	2000
Sales	52,964	42,336
Other operating income	1,072	984
Cost of materials	-3,581	-849
Personnel expenses	-3,529	-2,793
Other operating expenses/other taxes	-14,873	-18,312
EBITDA	32,053	21,366
Depreciation	-32,949	-31,263
EBIT	-896	-9,897
Financial result	-8,900	-1,890
Extraordinary income	7,498	-2,971
Taxes	-23	700
Net loss	-2,321	-14,058
Net loss carried forward	-14,058	0
Net loss total	-16,379	-14,058

The subscribed capital and retained earnings increased by 6 % through the in-kind capital increase related to the acquisitions of Off the Fence and Golbach Productions. Bank debt was reduced by 40 % in 2001 to EUR 28.192 million. Concurrent with the decrease in trade receivables, trade payables also fell by 43 %. Liabilities to affiliated companies increased by EUR 5.221 million, mainly on account of a loan from Ravensburger AG.

Balance sheet RTV AG

In EUR 000	2001	2000
ASSETS		
Intangible assets	108,154	96,374
Fixed assets	271	357
Financial assets	30,310	24,418
Trade receivables	11,167	30,497
Receivables from affiliated companies	2,441	12,719
Other assets and prepaid expenses	425	2,308
Cash	138	1
Total assets	152,906	166,674
LIABILITIES		
Capital stock	24,471	23,875
Paid-in capital	90,250	84,650
Retained earnings	820	820
Loss carried forward	-16,379	-14,058
Reserves	2,960	1,284
Bank debt	28,192	46,809
Advances on orders	1,423	225
Trade payables	12,606	22,061
Liabilities to affiliated companies	5,334	113
Other liabilities	3,229	895
Total liabilities	152,906	166,674

C. RISK REPORT

1. Business risks

Corporate organization and controlling

New controlling mechanisms were needed as a result of the company's restructuring last year and of its equity interests acquired in Energee Entertainment and Off the Fence. The appointment of RTV managers to management positions in the RTV subsidiaries should ensure more consistent integration and improved control.

Future fluctuations in results

Sales and earnings fluctuations are possible in the course of a year. These fluctuations may be caused by a number of factors, including the scope and timing of completing new productions, scope and timing of film and televisions rights sales, competitive effects on average sales prices and demand, and progress made in the expansion of the sales force.

2. External risks / Market risks

Competitive risks

The feature film and television market remains characterized by industry consolidation in both the production and broadcast businesses, which can affect demand for productions. Other potential risk factors include current consumption and leisure trends, changes in the advertising market and network programming and purchasing preferences.

3. Performance risks / operating risks

Program production risks

RTV has mastered the production process through a careful selection of reliable, creative and well-respected partners as well as contractual measures such as insurance and completion bonds. RTV also closely monitors financial matters and exercises creative control throughout the course of production. These measures notwithstanding, production delays remain a possibility and can disrupt the timing of sales and earnings.

Program-related purchasing and marketing risks

RTV has ties to the full range of broadcast networks: state-owned, advertising-sponsored free television and pay television. RTV looks to identify and meet network trends and needs, although the company cannot avoid the current restrictive purchasing policies implemented by the networks. The company's new distribution label, RTV International, creates a unified sales presence for RTV and its Off the Fence and Energee Entertainment subsidiaries. The centralized sales management from Munich is yet another measure that reduces risk.

4. Financial risks

Access to financing

The company's expansive growth in recent years was financed largely through capital increases and syndicated loans. Given the substantial time lag between investments and sales revenues, access to outside financing is essential for RTV's operating business.

Currency fluctuations and hedging

Since the bulk of RTV's programs are produced abroad, approximately 70 % of their costs are incurred in non-euro currencies, mainly U.S. dollar. RTV enters into forward currency contracts on a case-by-case basis in order to hedge against currency fluctuations, and acts accordingly with interest rate swaps to protect against interest rate fluctuations.

5. Risk management

In accordance with the stipulations of the law on business controlling and transparency (KonTraG), all general and operating risks are regularly monitored, assessed and addressed through risk minimization measures. RTV has appointed a risk manager to carry out this task.

D. OUTLOOK

For the medium to long term, RTV is seeking to achieve a balance between commissioned productions and coproductions. This will help to reduce risk. At the same time, the company is looking to further diversify its sales internationally while still increasing them in absolute terms in the German-speaking region.

In 2002, outside sources of financing will still be necessary in order to finance coproductions begun during the past two years. In order to cover the anticipated working capital needs, RTV has credit lines worth an additional EUR 7.6 million as of February 2002 compared to the year-end 2001. Even with these increased credit lines, RTV must nevertheless reduce personnel and materials costs.

This year, RTV will respond to a difficult market environment and reduced network demand for programs by financing and producing fewer new programs through its own invested capital than was the case during the past two years. In the future, RTV will look to receive funding and national and international grants as well as seek out financial investors in order to keep tied-up capital and prefinancing as low as possible while at the same time significantly increasing its return on investment. In the years ahead, these innovative financing forms should enable RTV to utilize capacities fully and generate increased sales while reducing tied-up capital.

In merchandising, RTV intends to market between two and three top themes each year. These may be established themes such as “Grouse” or new themes such as this year’s “Maggie and the ferocious Beast”, “Gnarfs” and “Tommy & Oscar”. RTV is also looking to diversify its merchandising revenues internationally beyond its traditional German-speaking market, either directly via the RTV International distribution organization or indirectly through agencies.

This year, RTV will also acquire, as planned, the remaining 32 % minority interest in the Energee studio still held by the founding family. RTV already paid the purchase price in previous years. RTV will thus be able to make all future strategic decisions in addition to exercising operational control, as is currently the case. In the medium term, RTV is considering taking on an investor or strategic partner of its choice as a co-owner of the studio.

Consistent with RTV's decision last year to refocus its strategy, the negotiations to sell the company's equity interest in Golbach Productions should be completed during 2002.

RTV also recognizes the need for industry consolidation among producers of television programs. While this industry consolidation has already occurred on the demand side, i.e. the television networks, the program providers will likely merge to form larger associations. In that respect, RTV plans to play an active role to help shape this process.

RTV currently expects improved earnings this year on sales that will remain approximately in line with those recorded last year.

E. DEPENDENT COMPANY REPORT

The Managing Board produced the 2001 dependent company report, which outlines ties between RTV Family Entertainment AG and its subsidiaries, and submitted the report to the company's independent auditor. The Managing Board declares that to its knowledge, the company has received appropriate consideration for all legally binding transactions with affiliated companies. No measures taken in 2001 were subject to reporting requirements under § 312 para. 1 line 2 of the German Stock Corporation Law (AktG).

Ravensburg, March 2002
The Managing Board

Consolidated Financial Statements
BALANCE SHEET

ASSETS	Notes (III)	12/31/2001 EUR	12/31/2000 EUR 000
FIXED ASSETS			
Intangible assets			
Software and similar rights		148,247.32	231
Film portfolio and similar rights		111,902,197.72	95,985
Goodwill	1	24,149,148.71	20,441
Prepayments		3,494,878.47	2,022
		139,694,472.22	**118,679**
Tangible fixed assets			
Other Investments, office equipment and machinery	2	793,512.60	1,136
Financial assets			
Shares in affiliated companies	3	40,903.35	0
Equity interests	3	2,885.17	44
Deferred taxes	5	**4,967,150.73**	**6,220**
Other long-term receivables	6	**2,070,241.83**	**12,429**
		147,569,165.90	**138,508**
CURRENT ASSETS			
Inventory			
Unfinished goods and services	7	80,635.01	6,684
Receivables and other assets			
Trade receivables		11,583,264.38	20,452
Receivables from affiliated companies	8	698,698.82	9,451
Other assets and prepaid expenses	9	693,183.63	3,205
		12,975,146.83	**33,108**
Cash and bank deposits	10	**568,941.31**	**30**
		13,624,723.15	**39,822**
		161,193,889.05	**178,330**

LIABILITIES

	Notes (III)	12/31/2001 EUR	12/31/2000 EUR 000
EQUITY	11		
Capital stock	12	24,470,590.00	23,875
Paid-in capital	13	88,482,246.99	82,883
Retained earnings		819,753.30	820
Other equity		-838,870.10	-709
Loss carried forward, group share		-9,943,254.62	-7,262
		102,990,465.57	**99,607**
MINORITY INTERESTS	19	**105,063.15**	**1,181**
LONG-TERM RESERVES AND DEBT			
Reserves			
Pension reserves	20	274,266.39	263
Other reserves	21	1,113,364.47	72
		1,387,612.86	**335**
Deferred tax	22	**628,608.52**	**647**
Liabilities	23		
Bank debt	24	28,206,338.09	41,166
Liabilities to subsidiaries	25	5,112,918.81	0
Liabilities to equity-affiliated companies		2,885.18	0
Other long-term operating debt		1,378,306.91	302
		34,700,448.99	**41,468**
		36,716,670.37	**42,450**
CURRENT RESERVES AND LIABILITIES			
Reserves			
Tax reserves		183,861.29	178
Other reserves	21	1,608,845.99	1,143
		1,792,707.28	**1,321**
Liabilities	23		
Bank debt	24	177,262.91	6,821
Advances on orders		2,115,221.30	225
Trade payables		12,610,690.22	22,445
Liabilities to subsidiaries	25	221,341.50	113
Liabilities to equity-affiliated companies		0.00	3
Other liabilities and deferred income	26	4,464,466.75	4,164
		19,588,982.68	**33,771**
		21,381,689.96	**35,092**
		161,193,889.05	**178,330**

INCOME STATEMENT

	Notes (IV)	2001 EUR	2000 EUR 000
Sales	1	60,353,099.24	54,890
Changes in inventories of finished goods and work in progress		-6,298,714.49	5,507
Other capitalized service		6,100,074.51	0
Other operating income	2	10,211,711.10	1,940
		70,366,170.36	**62,337**
Cost of materials/services	3		
a) raw materials and supplies		-17,679.28	-65
b) costs of services		-7,658,252.05	-15,948
Personnel expenses	4		
a) salaries		-4,290,248.82	-3,600
b) non-wage benefits		-518,395.36	-377
c) retirement benefits		-126,871.92	9
Depreciation of tangible and intangible fixed assets	5	-40,819,491.43	34,953
Other operating expenses	6	-14,157,299.67	16,710
Earnings Before Interest and Tax (EBIT)		**2,777,931.83**	**-9,325**
Other interest and similar income	7	32,107.40	124
Depreciation of financial assets	8	–1,598,954.39	0
Interest and similar expenses	9	-3,448,763.05	2,235
		-5,015,610.04	-2,110
Income (loss) from ordinary operations (EBT)		**-2,237,678.21**	**-11,435**
Corporate tax	10	-161,004.14	-512
Deferred taxes	10	-1,301,177.61	-3,991
Net loss before minority interests		**-3,699,859.96**	**-6,932**
Minority interests	11	-1,018,353.92	335
Net loss, group share		**-2,681,506.04**	**-7,267**
Loss carried forward/profit		-7,261,748.58	5
Loss carried forward, group share		**-9,943,254.62**	**-7,262**

EQUITY STATEMENT

	Capital Stock EUR 000	Paid-in earnings EUR 000	Retained earnings EUR 000	Other equity EUR 000	Profit (loss) carried forward, group share EUR 000	Equity, group share EUR 000
12/31/1999-1/1/2000	10,375	20,988	0	0	825	32,188
Cash capital increase from approved capital (April 11, 2000)	1,037	51,875	0	0	0	52,912
In-kind capital increase (I) from approved capital I (May 22, 2000)	440	20,012	0	0	0	20,452
In-kind capital increase (II) from approved capital II (May 22, 2000)	85	3,713	0	0	0	3,798
Capital increase from paid-in capital (May 23, 2000)	11,938	-11,938	0	0	0	0
Offsetting cost of capital increase	0	-1,767	0	0	0	-1,767
Allocation of profit carried forward from previous year	0	0	820	0	-820	0
Offsetting minority interests	0	0	0	-19	0	-19
Foreign currency translation	0	0	0	-134	0	-134
Unrealized gains or losses on financial instruments	0	0	0	-556	0	-556
Net income (loss), group share	0	0	0	0	-7,267	-7,267
12/31/2000-1/1/2001	**23,875**	**82,883**	**820**	**-709**	**-7,262**	**99,607**
In-kind capital increase (I) from approved capital I (April 27, 2001)	555	4,769	0	0	0	5,324
In-kind capital increase (I) from approved capital II (April 27, 2001)	41	830	0	0	0	871
Offsetting minority interests	0	0	0	19	0	19
Foreign currency translation	0	0	0	2	0	2
Unrealized gains or losses on financial instruments	0	0	0	-151	0	-151
Net income (loss), group share	0	0	0	0	-2,682	-2,682
12/31/2001	**24,471**	**88,482**	**820**	**-839**	**-9,944**	**102,990**

CASH FLOW STATEMENT

for January 1 through December 31, 2001

	2001 EUR 000	2000 EUR 000
Net income (loss), group share	-2,682	-7,267
Extraordinary items	0	14,943
Interim result before extraordinary items	-2,682	7,676
Depreciation of film portfolio and other rights (without extraordinary items)	37,381	17,166
Depreciation of other fixed assets	500	537
Depreciation of Goodwill	2,938	2,271
Depreciation of financial assets	1,599	0
Changes in long-term reserves	1,052	27
Other expenses/income invalid payment	-9,267	0
CASH FLOW (CALCULATED ON DVFA/SG BASIS)	**31,521**	**27,713**
Capital loss on disposal of fixed assets	192	175
Increase/decrease in inventory	6,603	-5,505
Increase/decrease in trade receivables	17,538	-20,822
Increase/decrease in receivables from related companies	8,753	-8,703
Increase/decrease in other assets	5,374	-7,385
Increase/decrease in trade payables	-9,958	9,172
Increase/decrease in other liabilities	919	-189
CASH FLOW FROM OPERATIONS	**60,942**	**-5,544**
Payments for acquisitions	-1,277	-20,475
Proceeds from disposal of fixed assets	156	7
Payments for investments in tangible fixed assets	-210	-994
Proceeds from disposal of film portfolio	6,409	0
Payments for film portfolio and other rights (including prepayments)	-59,510	-70,583
Payments for investments in other intangible assets	-19	-200
Payments for investments in financial assets	-728	0
CASH FLOW FROM INVESTING ACTIVITIES	**-55,179**	**-92,245**

	2001 EUR 000	2000 EUR 000
Proceeds from capital increase (only capital increase in cash)	0	51,145
Proceeds from issuance of long-term liabilities	10,842	40,903
Proceeds from issuance of short-term liabilities	0	5,905
Loan redemption payments	-16,066	-5,596
CASH FLOW FROM FINANCING ACTIVITIES	**-5,224**	**92,357**
Net cash flow	539	-5,432
Net cash at beginning of period	30	5,462
NET CASH AT END OF PERIOD	**569**	**30**

CHANGES IN FIXED ASSETS

	Acquisition and manufactoring cost			
	1/1/2001 EUR	Foreign currency translation EUR	Changes in consolidated group EUR	Addition EUR
Intangible assets				
Software	532,453.55	-13,704.67	0.00	19,162.55
Filmportfolio and other rights	130,805,939.42	-49,392.43	400,622.00	55,545,537.50
Goodwill	22,712,752.11	0.00	6,645,274.08	0.00
Prepayments	2,036,860.78	0.00	1,748,379.00	3,964,719.96
	156,088,005.86	-63,097.10	8,794,275.08	59,529,420.01
Fixed assets				
Other investments, office equipment and machinery	2,727,939.81	-62,576.56	83,007.00	209,917.75
Financial assets				
Shares in affiliated companies	0.00	0.00	0.00	1,598,954.39
Equity interests	43,889.29	-100.77	0.00	0.00
	43,889.29	-100.77	0.00	1,598,954.39
	158,859,834.96	**-125,774.43**	**8,877,282.08**	**61,338,292.15**

			Accumulated Depreciation	Book Value	Depreciation for the year
Reclassifications	Disposals	12/31/2001		12/31/2001	
EUR	EUR	EUR	EUR	EUR	EUR
0.00	22,626.80	515,284.63	367,037.31	148,247.32	90,128.36
4,049,148.05	20,429,543.68	170,322,310.86	58,420,113.14	111,902,197.72	37,381,496.57
0.00	0.00	29,358,026.19	5,208,877.48	24,149,148.71	2,937,602.29
-4,049,148.05	190,594.46	3,510,217.23	15,338.76	3,494,878.47	0.00
0.00	20,642,764.94	203,705,838.91	64,011,366.69	139,694,472.22	40,409,227.22
0.00	1,133,148.99	1,825,139.01	1,031,626.41	793,512.60	410,264.21
-40,903.35	0.00	1,639,857.74	1,598,954.39	40,903.35	1,598,954.39
-40,903.35	0.00	2,885.17	0.00	2,885.17	0.00
0.00	0.00	1,642,742.91	1,598,954.39	43,788.52	1,598,954.39
0.00	**21,775,913.93**	**207,173,720.83**	**66,641,947.49**	**140,531,773.34**	**42,418,445.82**

Notes to the Financial Statements

I. GENERELL REMARKS

1. General information about the group

The parent company, RTV Family Entertainment AG, is based in Ravensburg, Germany and is registered under HRB 2027 in the Ravensburg corporate registry. The company's business activities include television film production, the buying and selling of film and licensing rights and the marketing of inhouse and third-party ancillary rights. The company restructured its business lines in 2001 as part of its new strategic focus. The new business lines comprise the fiction/non-fiction and merchandising segments. Adjustments were made to the previous year's data to reflect this reclassification.

2. Accounting principles

a) IAS accounting principles

RTV Family Entertainment AG's consolidated financial statements for the fiscal year January 1 through December 31, 2001 were prepared in accordance with international accounting principles based on International Accounting Standards (IAS) as well as the findings of the Standing Interpretations Committee (SIC) of the International Accounting Standards Board (IASB). As authorized under §292 of the German Commercial Code (HGB), consolidated financial statements were not prepared under the accounting principles of the German Commercial Code (HGB) and German Stock Corporation Law (AktG). The Managing Board report was prepared in accordance with the stipulations of §§290 et seq. of the German Commercial Code (HGB). This report was combined with that of the parent company.

The income statement was prepared using the full-cost method.

Amounts listed are generally in thousands of euro unless otherwise indicated.

b) Industry specific considerations

Since neither the German Commercial Code (HGB) nor IAS provide specific guidelines for the film and media industry, the valuation and accounting of film assets and other rights was made by applying portions of U.S. GAAP SOP 00-2 (Accounting by Producers or Distributors of Films), which is used by the U.S. film industry companies whose fiscal year begins after December 15, 2000. The application of U.S. GAAP in this respect was made only insofar as it did not conflict with IAS provisions.

c) Notes on the differences between IAS consolidated financial statements and German accounting principles (§ 292 a, para. 2, No. 4 b, German Commercial Code (HGB)

Intangible assets produced in-house, in particular film and merchandising rights, were capitalized in the attached IAS consolidated financial statements at their manufacturing cost. The German Commercial Code (HGB) does not allow these assets to be capitalized.

Under IAS principles, expenses related to advisory services and appraisals for acquisitions of companies and licensing rights may be capitalized at their acquisition cost. Under the German Commercial Code, these expenses are expensed on the income statement.

Under IAS 17, financial lease assets may be capitalized under certain conditions. The capitalized lease asset is depreciated using the shorter of useful life and lease term. Future lease payment obligations are entered as liabilities under IAS. Under the German Commercial Code, lease assets are seldom capitalized because the Code relies on regulations governing taxable lease terms.

Under IAS principles, consolidated balance sheet assets and liabilities are valued as of the fiscal year-end. In the IAS consolidated financial statements, assets and liabilities denominated in foreign currencies are valued using the year-end exchange rate. Under the German Commercial Code, a higher of cost or market valuation is used for liabilities, while a lower of cost or market valuation is used for assets. The application of IAS foreign currency translation principles also affected the reporting of revenues and expenses at the income statement level.

Pension reserves were valued using the projected unit credit method under IAS 19. Under the German Commercial Code, pension reserves are valued using the partial value method.

Under IAS principles, non-interest-bearing reserves and liabilities are entered at their present value, whereas under the German Commercial Code they are entered at face or redemption value.

Under IAS, development costs may be capitalized under certain conditions, whereas under the German Commercial Code they are expensed on the income statement.

Costs directly related to the capital increase less their corresponding tax liability were offset against paid-in capital. Under the German Commercial Code, costs related to the capital increase are included under extraordinary expenses.

In the consolidated income statement, sales revenues were reduced by a corresponding amount of discounted trade receivables. Under the German Commercial Code, these expenses are entered under other operating expenses. In addition, IAS 8.11 et seq. defines extraordinary income and expenses far more narrowly than does the German Commercial Code.

Pursuant to IAS 12, deferred taxes were entered for all temporary differentials between the consolidated balance sheet and the tax balance sheet, with the exception of goodwill. Tax-loss carryforwards were also accrued. A write-down is to be taken if it does not appear that the amount can be realized.

Under the German Commercial Code, securities and equity interests are entered as current or fixed assets at the lower of acquisition or market cost. Under IAS 39, financial instruments classified in the categories "held for trading," "held-to-maturity," "loans and receivables originated by the enterprise," and "available for sale" may be marked to market, even if the market value exceeds the acquisition cost. The differential amount is then either entered on the income statement or offset directly against equity with no effect on income.

Balance-sheet valuations of derivative financial instruments were made in accordance with internationally accepted principles.

Under IAS 22.44, goodwill arising from business combinations is depreciated regularly over the useful life and expensed on the income statement. The depreciation period is the best possible estimate of the time period during which the company expects to receive the benefits, and may not exceed 20 years. Under § 309 para. 1 of the German Commercial Code, however, goodwill may be offset against retained earnings with no effect on income.

Under IAS principles, minority interests are clearly not considered equity. Under the German Commercial Code, minority interests are broken out separately within equity.

To enhance corporate reporting and transparency, the more extensive IAS reporting criteria were applied in the Notes to the Consolidated Financial Statements, including information regarding earnings per share, relations to affiliated individuals and detailed information on bank debt.

In accordance with IAS principles, an equity statement and cash flow statement were prepared, and the notes to the financial statements included a statement of results broken down by business line and geographical area.

Balance sheet items were ordered according to their term periods in accordance with IAS 1.

d) Previous year amounts

To enhance the transparency and comparability of 2001 figures, licensing expenses in the amount of EUR 2.812 million were reclassified from "Expenses for related services" to "Other operating income" in the 2000 income statement.

3. Information regarding the consolidated group

a) Consolidation scope

In the financial statements for the year ending December 31, 2001, the following companies, in which RTV Family Entertainment AG directly or indirectly owns a controlling stake through a majority of the voting rights or other rights, were fully consolidated in the RTV Family Entertainment AG Group:

Subsidiary	Equity interest, as a %	Consolidation period	First consolidated as of
Waterfront Medien Produktion GmbH i.L., Hamburg	95.00	1/1 – 12/31/2001	3/27/2000
CJGT Investments Pty. Limited, Sydney/Australia	100.00	1/1 – 12/31/2001	1/1/2000
Energee Entertainment Pty. Limited, Sydney/Australia	68.00	1/1 – 12/31/2001	1/1/2000
Energee Licensing Pty. Limited, Sydney/Australia	68.00	1/1 – 12/31/2001	1/1/2000
Energee Distribution Pty. Limited, Sydney/Australia	68.00	1/1 – 12/31/2001	1/1/2000
Ekidz Pty. Limited, Sydney/Australia	68.00	1/1 – 12/31/2001	1/1/2000
Off the Fence Holding B.V., Amsterdam/the Netherlands	100.00	1/1 – 12/31/2001	1/1/2001
Off the Fence B.V., Amsterdam/the Netherlands	100.00	1/1 – 12/31/2001	1/1/2001
RTV Family Entertainment Produktions GmbH, Munich	100.00	9/26 – 12/31/2001	9/26/2001

With their financial statements prepared under IAS, Off the Fence Holding B.V. (Amsterdam, the Netherlands), Off the Fence B.V. (Amsterdam, the Netherlands) and RTV Family Entertainment Produktions GmbH (Munich) were included in the consolidated financial statements for the first time.

b) Subsidiaries

Waterfront Medien Produktion GmbH i. L., Hamburg

RTV owns a 95 % equity interest in this subsidiary, which was founded in March 2000. The company's business purpose is the conception, development, writing, production and marketing of films and audiovisual content for cinema, television, multimedia and the Internet; the acquisition of licensing rights and equity interests in broadcast companies; the buying and selling of films and audiovisual content, merchandising goods, foreign and German rights; events marketing; all related businesses with the exception of regulated business activities. Pursuant to a decision taken May 22, 2001, the company was discontinued effective June 30, 2001. In the period January 1 through June 30, 2001, the company posted a net loss of EUR 1.083 million. Through a disclaimer notice dated December 31, 2001, RTV waived all claims against Waterfront Medien Produktion GmbH, with the exception of an amount of EUR 31,000. For the period July 1 through December 31, 2001, the company therefore recorded net income of EUR 983,000. For the period January 1 through December 31, 2001 the net loss was EUR 100,000. The book value of the company's equity on December 31, 2001 totaled EUR 75.56.

CJGT Investments Pty. Limited, Sydney/Australia

In February 2000, RTV acquired a 100 % equity interest in the company. The total acquisition cost was AUS $31.032 million, of which AUS $26.132 million (EUR 16.634 million) was paid in cash and the balance of AUS $4.9 million through 69,414 new bearer shares issued in exchange for in-kind contributions. This led to additional acquisition costs of EUR 3.102 million. Capitalized acquisition-related costs totaled EUR 199,000. CJGT is a holding company whose only asset is its 55.5 % stake in Energee Entertainment Pty Limited, Sydney, Australia. The financial statements for the year ended December 31, 2001 show a net income of AUS $1,000 (EUR 1,000) and negative equity of AUS $41,000 (EUR 24,000).

Energee Entertainment Pty. Limited, Sydney/Australia

Through acquisition agreements dated March and May 2000, RTV acquired a 12.5 % equity interest in Energee. Of the total acquisition price of AUS $6.968 million, AUS $5.868 million (EUR 3.850 million) was paid in cash, and the balance of AUS $1.1 million through the issue of 15,586 new bearer shares in exchange for an in-kind contribution. This led to additional acquisition costs of EUR 696,000. The company's primary business activities include the acquisition, production and marketing of licensed and copyrighted rights in the area of children's entertainment. The financial statements for the year ended December 31, 2001 show net loss of AUS $5.748 million (EUR 3.320 million) and equity of AUS $311,000 (EUR 179,000).

The company owns 100 % stakes in Energee Licensing Pty Limited (net loss: AUS $128,000 (EUR 74,000); equity: AUS $6,000 (EUR 3,000)); Energee Distribution Pty Limited (net income: AUS $265,000 (EUR 153,000); equity: AUS $955,000 (EUR 551,000)); Ekidz Pty Limited (net income: AUS $0; equity: AUS $0). All three companies are based in Sydney, Australia. These figures reflect amounts in the financial statements for the year ended December 31, 2001.

Energee Licensing Pty Limited owns a 50 % equity interest in Sir Katherine Pty. Limited, Sydney/Australia (net income: AUS $ 0; equity: AUS $ 0).

Off the Fence Holding B.V., Amsterdam/Netherlands

Through an acquisition agreement dated September 14, 2000 and rider dated January 9, 2001, RTV acquired a 100 % equity interest in the company. Of the total acquisition price of EUR 6.653 million, EUR 1.329 million was paid in cash and the balance of EUR 5.324 million through the issue of 555,090 new bearer shares in exchange for in-kind contributions. Capitalized acquisition-related costs totaled EUR 96,000. As of December 31, 2000, the agreement was still pending, since several deferred terms, in particular the cessation of the post-formation requirement, had not yet been met. In January 2001, all the terms had been met and the agreement became binding.

The company is a holding company whose primary asset is a 97.5 % equity interest in Off the Fence B.V. (Amsterdam, the Netherlands).

The financial statements for the year ended December 31, 2001 show net income of EUR 1,000 and equity of EUR 608,000.

Off the Fence B.V., Amsterdam/Netherlands

Through an acquisition agreement dated September 14, 2000 and rider dated January 9, 2001, RTV acquired a 2.5 % equity interest in the company. RTV thus acquired directly and indirectly a 100 % equity interest in Off the Fence B.V. The acquisition price totaled EUR 171,000 and was paid in cash. The circumstances under which the agreement became binding are explained above for Off the Fence Holding B.V.

The company’s business purpose is the acquisition, production and marketing of licensed and copyrighted rights in the non-fiction segment.

The financial statements for the year ended December 31, 2001 show net income of EUR 260,000 and equity of EUR 563,000.

RTV Family Entertainment Produktions GmbH, Munich

Through an acquisition agreement dated September 26, 2001, RTV acquired a 100 % equity interest in the company. The acquisition price was EUR 27,000.

The company’s business purpose is the development, production, coproduction, use, marketing, distribution, licensing and sublicensing of feature film and television productions and other audio-visual productions in all forms and under any name. The company had no business activities in 2001.

The financial statements for the year ended December 31, 2001 show a net loss of EUR 2,000 and equity of EUR 24,000.

c) Unconsolidated subsidiaries

Through an acquisition agreement dated October 26, 2000, RTV acquired a 50.2 % equity interest in Golbach Productions GmbH, Düsseldorf. Of the total acquisition price of EUR 1.740 million, EUR 869,000 was to be paid in cash and the balance of EUR 871,000 through the issue of 40,500 new bearer shares in exchange for in-kind contributions. The seller guaranteed to have a minimum of EUR 100,000 in equity as of the acquisition date of January 1, 2001. If equity was less than this guaranteed amount, the cash price amount would be adjusted by an equivalent amount. The January 1, 2001 balance sheet showed negative equity of EUR 41,000, such that a repayment of EUR 141,000 was due from the seller. The final purchase price was therefore EUR 1.599 million. The company's business purpose is the production of film, video and audio productions. In 2001, shortly after it acquired the equity interest, RTV decided to restructure its own business operations and to resell the equity interest in the company. No definitive sales agreement was reached by the end of 2001. The financial statements for the year ended December 31, 2001 show a net loss of EUR 193,000 and negative equity of EUR 234,000. In light of the company's situation, RTV wrote down its equity interest to EUR 0.00.

The 50 % equity interest in Sir Katherine Pty Limited (Sydney, Australia), which is held by Energee Licensing Pty Limited, as well as the 40 % equity interest in RTV Film + TV GmbH, Ravensburg, were immaterial and therefore not included in the consolidated financial statements.

d) Consolidation principles

The financial statements of all the consolidated companies were prepared using the consolidated group's fiscal year. The same accounting and valuation methods were used throughout.

The equity of the fully consolidated companies was consolidated using the purchase method, with acquisition costs offset against the book value of the equity as of the acquisition date. The differential amount is entered as goodwill, which is depreciated using the straight-line method over 10 years.

Assets and liabilities held by fully consolidated companies are netted out against one another. Intragroup sales and earnings are netted out against their respective costs. No elimination of unrealized results within the consolidated group was required.

Equity interests held by third parties and their share of the group's earnings are reported under minority interests. Negative equity interests held by third parties and their share of negative earnings are offset against the remaining equity, in accordance with IAS standard 27.27.

e) Foreign currency translation

Foreign currency amounts are translated based on the functional currency principle under IAS 21. Balance sheet entries of foreign companies use the year-end, mean currency rate. Income statement entries use the average annual exchange rate. Equity is translated at historical cost. Foreign currency translation differentials, as well as differentials from the translation of previous year's totals, are reported under changes in equity and on the income statement.

The translation of goodwill amounts is made using the exchange rate at the time of the acquisition.

In the financial statements of consolidated companies, assets and liabilities denominated in foreign currencies are valued using the year-end exchange rate.

The first-time consolidation of the Australian subsidiaries used an exchange rate of AUS $1.540. The year-end, mean exchange rate was AUS $1.733 and the average exchange rate in 2001 was AUS $1.7312.

II. ACCOUNTING AND VALUATION PRINCIPLES

1. Balance sheet

The film portfolio and other rights were entered at their acquisition cost less depreciation. Depreciation is calculated based on the commercial use of film rights. This periodic, use-related depreciation is taken based on the proportion of sales realized during the year relative to the total expected use of the film rights, including sales realized during the year.

This depreciation method, which has been used since 2000, is borrowed from the U.S. accounting principle SOP 00-2 (Accounting by Producers or Distributors of Films), which applies to all U.S. companies whose fiscal year begins after December 15, 2000. IAS accounting standards do not specifically cover film rights.

Furthermore, the film assets are subjected to an impairment test at the end of each year.

Goodwill is depreciated over 10 years using the straight-line method.

Software and fixed assets are entered at their acquisition cost less scheduled depreciation. The depreciation periods correspond to the average useful life of the goods in each asset category. Motor vehicles are depreciated over three to four years, while other office equipment and machinery is depreciated over a period of between two and 10 years.

Immaterial assets whose acquisition cost is less than EUR 410 are fully expensed and entered as disposals by the consolidated companies based in Germany.

Equity interests in subsidiaries and affiliated companies are entered at their market value.

Unfinished goods and services apply to uncompleted film productions. Their valuation is based on the lower of acquisition or manufacturing cost or expected net sales proceeds less anticipated future costs. The acquisition and manufacturing costs include all costs that can be allocated directly and indirectly as well as itemized costs that are contractually attributable to the client.

Deferred taxes are established at year-end for differentials between the asset and liability valuations for tax purposes and the valuations used in the consolidated financial statements, in particular for Fixed asset differentials, Other assets, Other reserves and Trade payables. Deferred taxes arising from unrealized tax loss carryforwards are capitalized to the extent that future taxable income is sufficiently certain. Deferred taxes are established in accordance with IAS 12.47 on the basis of the tax provisions in the respective countries applicable at the time the deferred taxes are established or in the future.

Receivables and other assets are entered at their acquisition cost. Individual reserve allowances are established for all balance sheet items that entail risk. An overall reserve allowance is established for general credit risk (1 % of net assets not subject to individual reserve allowances). Non-interest-bearing receivables with a term period of more than one year are discounted at an annual rate of 6 %.

Pension reserves are calculated using actuarial principles with a minimum discount rate of 6 % under the projected unit credit method. The reserve amounts are based on the 1998 actuarial tables established by Dr. Klaus Heubeck.

Other reserves are established to cover all recognizable risks from contingent liabilities. These reserves are established based on a best estimate of the amount necessary to cover the liabilities.

Liabilities are entered at their amounts repayable.

Currently, IAS standards do not specifically cover how to account for and value stock option plans, and no special adjustments are required for the balance sheet and income statement. Nor does there appear to be any international consensus on this matter. There is no obligation to enter a corresponding cost under personnel costs on the income statement, as there is under U.S. GAAP. In light of these factors, RTV Family Entertainment AG has presented a detailed description of its stock option plan in the notes to the consolidated financial statements (see information on conditional capital).

2. Income statement

Sales of television rights are booked at the time they are delivered to the licensee, insofar as the obligation is substantially fulfilled, i.e. the series or television programs are at the licensee's disposal or are available upon demand. The fact that a licensee uses the rights at a later date is irrelevant for the purpose of booking the sales. Sales from coproductions are booked upon the film's completion. For commissioned productions, sales are booked when production is completed.

In the merchandising business, guaranteed proceeds are booked when the payments are due, either at the time the contract is signed or the beginning of the respective licensing period. Revenues that depend on merchandising sales are booked at the time of the sale by the licensee.

In accordance with IAS 18, the discount amounts on trade receivables during the fiscal year are offset against consolidated sales revenues in order to reflect the cost of receivables financing.

III. NOTES TO BALANCE SHEET

Changes in individual asset entries are detailed in the "Changes in Fixed Assets" table.

1. Goodwill

Goodwill breaks down as follows:

		Equity of each subsidiary			
	Acquisition price	Capital stock/ paid-in capital	Net income (loss) carried foreward	Total	Goodwill
CJGT Investments Pty. Limited (excluding equity interest in Energee Entertainment Pty. Limited)	19,935	6	-180	-174	20,110
Energee Entertainment Pty. Limited	4,546	1,659	284	1,943	2,603
Off the Fence Holding B.V. (consolidated)	6,920	277	0	277	6,643
RTV Family Entertainment Produktions GmbH	27	25	0	25	2
	24,481	**1,665**	**104**	**1,769**	**29,358**
Less					
Accumulated depreciation					-2,271
2001 depreciation					
CJGT Investments Pty. Limited					-2,011
Energee Entertainment Pty.Limited					-261
Off the Fence Holding B.V.					-664
RTV Family Entertainment Produktions GmbH					-2
Goodwill as of 12/31/2001					**24,149**

Goodwill is normally depreciated over 10 years. Goodwill for RTV Family Entertainment Produktions GmbH was fully depreciated in 2001.

The final amounts totaled:

	12/31/2001 TEUR	12/31/2000 TEUR
CJGT Investments Pty. Limited	16,088	18,099
Energee Entertainment Pty. Limited	2,082	2,342
Off the Fence Holding B.V.	5,979	0
	24,149	**20,441**

2. Other investments, office equipment and machinery

The entry for other investments, office equipment and machinery includes capitalized lease assets totaling EUR 249,000 (in 2000: EUR 412,000).

3. Equity interests in affiliated companies

This entry includes the 50.2 % equity interest in Golbach Productions GmbH, Düsseldorf, and the 40 % equity interest in RTV Film + TV GmbH, Ravensburg. For the year ended December 31, 2001, the latter company recorded net income of EUR 4,000 and equity of EUR 107,000.

4. Equity interests

This entry pertains to the 50 % equity interest in Sir Katherine Pty. Limited (Sydney, Australia). For the year ended December 31, 2001, Sir Katherine Pty. Limited had net income of AUS $0 and equity of AUS $0.

5. Deferred taxes

Deferred taxes were accrued as follows:

	12/31/2001 EUR 000	12/31/2000 EUR 000
Temporary differences between company financial statements	1,195	397
Accruals based on SIC 17 (see Paid-in capital)	1,203	1,203
Net loss carried forward	2,569	4,620
	4,967	**6,220**

6. Other long-term receivables

Long-term receivables are those with a term period of more than one year. The amount discounted as of December 31, 2001 totaled EUR 245,000, compared with EUR 1.9 million in 2000. These receivables originated primarily through licensing sales.

7. Unfinished goods and services

Unfinished goods and services comprise mainly uncompleted film productions.

8. Receivables from affiliated companies

These receivables were contracted primarily with subsidiaries of Ravensburger AG, the majority shareholder in RTV Family Entertainment AG.

9. Other assets and prepayments

Other assets and prepayments comprises mainly receivables from forward currency contracts, the seller of the equity interest in Golbach Productions GmbH and employees. The tax receivables consisted of value added taxes in the amount of EUR 77,000 in 2001, compared with EUR 720,000 in 2000. The previous year's tax receivables included the corporate tax, solidarity contributions and the trade tax in the amount of EUR 1.533 million.

In 2001, the receivables from forward currency contracts in the amount of EUR 217,000 (compared with EUR 785,000 in 2000) comprised the following transactions, which at year-end had no underlying transactions:

Contract type (RTVs perspective)	Expiration date	Currency	Amount in AUS$ 000	Guaranteed exchange rate	Equivalent value in EUR 000	Year-end exchange rate	Equivalent value in EUR 000	Marke valuet in EUR 000
Sale	4/2/2002	AUS$	6,000	1.6485	3,640	1.758	3,413	227
Purchase	4/2/2002	AUS$	6,000	1.75285	3,423	1.758	3,413	-10
								217

All data used to calculate the market value were provided by the financial institutions issuing the forward currency contracts. All transactions were recorded in 2001. Income is reported under other operating income in the consolidated income statement.

10. Cash and bank deposits

The 2001 reported amount of EUR 569,000 (EUR 30,000 in 2000) comprises cash totaling EUR 2,000 (EUR 1,000 the previous year) as well as current deposits with financial institutions totaling EUR 567,000 (EUR 29,000 the previous year).

11. Equity

Changes in equity are listed separately in the Equity Statement. The dates listed in this statement represent the moment the transaction was entered in the corporate register.

12. Capital stock

At year-end, RTV Family Entertainment AG's capital stock consisted of 24,470,590, fully paid-up bearer shares with a par value of EUR1 each. As of December 31, 2001, Ravensburger AG owned 56.9 % of the capital stock, which totaled EUR 24,470,590.

Changes in capital stock last year were as follows:

On January 1, 2001, the company's capital stock totaled EUR 23,875,000.

The capital stock was increased to EUR 24,470,590 through two in-kind capital increases of, respectively, EUR 555,090 (portion of the acquisition price for the equity interest in Off the Fence Holding B.V.) and EUR 40,500 (portion of the acquisition price for an equity interest in Golbach Productions GmbH) in exchange for the issue of new bearer shares with a par value of EUR 1 per new share and minimum issue price of EUR 1 per share. This capital increase was made using approved capital pursuant to the authorization granted at the extraordinary shareholders' meeting of May 6, 1999. The preemptive rights of existing shareholders were waived. The shares were purchased by the contributors of the in-kind capital. The capital increase was entered in the corporate register on April 27, 2001.

13. Paid-in capital

Paid-in capital comprises only proceeds from share offerings above the par value of the shares. Paid-in capital increased in 2001 through two capital increases from approved capital I (in-kind contributions I and II). The previous year, paid-in capital decreased, as it was used to finance the capital increase approved by the General Shareholders' Meeting of May 4, 2000 and costs incurred as part of the 2000 cash capital increase. Pursuant to SIC 17, the EUR 2.970 million in costs less deferred taxes of EUR 1.203 million were offset against paid-in capital.

14. Approved capital I

Pursuant to the Extraordinary Shareholders' Meeting of May 6, 1999, the Managing Board was authorized, subject to the approval of the Supervisory Board, to increase the company's capital stock through a share offering in exchange for cash or in-kind contributions on one or more occasions in an amount not to exceed EUR 5,000,000. This authorization remains valid through April 30, 2004. The Managing Board was also authorized, subject to the approval of the Supervisory Board, to waive the preemptive rights of existing shareholders. The approved capital was registered on June 4, 1999.

In 2000, the company made use of this authorization in the amount of EUR 1,562,500, leaving a year-end balance of EUR 3,437,500 in approved capital I.

In 2001, the company made use of this authorization on two occasions to increase the capital stock by, respectively, EUR 555,090 and EUR 40,500. The year-end balance of approved capital I totaled EUR 2,841,910.

15. Approved capital II

The General Shareholders' Meeting of May 4, 2000 authorized additional approved capital (approved capital II). The Managing Board was authorized, subject to the approval of the Supervisory Board, to increase the company's capital stock through a share offering in exchange for cash on one or more occasions in an amount not to exceed EUR 2,387,500. This authorization remains valid through May 3, 2005. Subject to the approval of the Supervisory Board, the Managing Board was also authorized to waive the preemptive rights of existing shareholders, provided the offering price of the new shares is not significantly below the stock market price.

16. Approved capital III

The General Shareholders' Meeting of May 23, 2001 authorized additional approved capital (approved capital III). The Managing Board was authorized, subject to the approval of the Supervisory Board, to increase the company's capital stock by up to EUR 7,005,885. This authorization is valid through May 22, 2006. Subject to the approval of the Supervisory Board, the Managing Board may waive the preemptive rights of existing shareholders, if and to the extent that the new shares are issued in exchange for in-kind contributions.

In addition, the Managing Board may, subject to the approval of the Supervisory Board, waive the preemptive rights of existing shareholders based on the subscription ratio of accrued residual amounts.

17. Conditional capital I

The May 6, 1999 Extraordinary Shareholders' Meeting authorized a conditional capital increase of up to EUR 400,000 through the issue of up to 400,000 new shares. Dividends are payable on the new shares beginning in the year in which they are issued. The conditional capital increase is for the purpose of granting stock option rights to members of the Managing Board and employees. The option rights may neither be transferred nor sold. They may be exercised as long as the holder remains an employee of the company in good standing.

Option holders include the members of the Managing Board (not more than 45 % of the option rights) and employees (not more than 55 % of the option rights).

The options are to be issued in annual tranches over a period of three years:

First tranche:	200,000 option rights	until June 30, 1999
Second tranche:	100,000 option rights	until June 30, 2000
Third tranche:	100,000 option rights	until June 30, 2001

On June 30, 1999, a total of 199,500 option rights were issued as part of the first tranche. The strike price was set at EUR 51.12.

Option holders may receive one new share for each option right. The option rights may be exercised only two years after they have been granted, and no later than five years after the scheduled issue date.

In lieu of new shares, option holders may be granted a cash settlement. The Managing Board makes this determination for options held by employees, while the Supervisory Board makes it for options held by Managing Board members.

The May 4, 2000 Shareholders' General Meeting voted to implement only the first tranche of the stock option plan for 200,000 option rights, of which 199,500 have been granted, and to cancel the second tranche of 200,000 rights. In effect, the stock option plan only applies to the 199,500 option rights already granted. The deadline for exercising these options was extended to June 30, 2004.

Following the capital increase financed through paid-in capital and registered on May 23, 2000, the number of option rights was doubled and the issue price halved. The plan thus consists of 400,000 option rights, of which 399,000 have been granted. The issue price was EUR 25.56.

The May 23, 2001 Shareholder's General Meeting voted that the conditional capital increase would only be implemented to the extent that the holders of option rights would exercise them. Dividends are payable on the new shares from the start of the year in which the options are exercised. The deadline for exercising the options was extended to June 30, 2009. As an exception to the rule whereby the options may only be exercised while the holder is still employed by the company, the options for which the waiting period has already ended by the time of the start of the termination notice may be exercised by the bearer according to the terms of the exercise period and within a follow-up period of six months from the day the termination notice begins.

18. Conditional capital II

The May 4, 2000 Shareholders' General Meeting approved a conditional capital increase of up to EUR 800,000 (conditional capital II) through the issuance of up to 800,000 new shares. Dividends are payable on the new shares beginning in the year in which they are issued. The conditional capital increase is for the purpose of granting stock option rights to members of the Managing Board and employees, as well as to managers and employees of subsidiaries. The option rights may neither be transferred nor sold. They may be exercised as long as the holder remains an employee of the company in good standing.

Option holders include the members of the Managing Board (not more than 25 % of the option rights) as well as employees of the company and managers and employees of subsidiaries (not more than 75 % of the option rights).

The options are to be issued in annual tranches over a period of three years:

First tranche:	400,000 option rights	for the period from July 1 through November 15, 2000
Second tranche:	200,000 option rights	for the period from July 1 through November 15, 2001
Third tranche:	200,000 option rights	for the period from July 1 through November 15, 2002

Option holders may receive one new share for each option right. Varying waiting periods were established for holders to exercise their option rights. On 40 % of the option rights, the waiting period was two years. On another 30 %, the period was three years. On the remaining 30 %, the period was four years. At the earliest, the option rights from the first tranche may be exercised on November 15, 2002, those from the second tranche on November 15, 2003 and those from the third tranche on November 15, 2004. At the latest, the option rights from the first tranche may be exercised on November 15, 2005, those from the second tranche on November 15, 2006 and those from the third tranche on November 15, 2007.

In lieu of new shares, option holders may be granted a cash settlement. The Managing Board makes this determination for options held by employees, while the Supervisory Board makes it for options held by Managing Board members.

Following the capital increase financed through paid-in capital and registered on May 23, 2000, the number of option rights and respective tranches were doubled. The plan thus consists of 1,600,000 option rights.

On August 4 and November 15, 2000, some 711,500 option rights were granted as part of the first tranche. The average strike price for the exercise of the options was set at EUR 22.56.

The May 23, 2001 Shareholders' General Meeting resolved that the conditional capital increase would be implemented only in as much as the option holders would exercise their options. Dividends are payable on the new shares beginning in the year in which they are created through the exercise of the options. The deadline for exercising the options was extended to November 15, 2010 for the first tranche, November 2011 for the second tranche and November 15, 2012 for the third tranche. In the event that a option holder's employment is terminated, the options for which the waiting period has expired may be exercised within a follow-up period of six months as of the beginning of the termination notice.

On July 30, 2001, a total of 369,500 options with a strike price of EUR 1.27 were granted as part of the second tranche.

The stock option program (conditional capital I and II) breaks down as follows:

	Number of options granted 2001	Average subscription price in EUR per option 2001	Number of options granted 2000	Average strike price in EUR per option 2000
Total at the beginning of the year	973,000	23.50	372,000	25.56
Granted	369,500	1.27	711,500	22.56
Exercised	0	0.00	0	0.00
Lapsed	274,000	22.47	110,500	24.35
Total at the end of the year	1,068,500	16.08	973,000	23.50
of which, exercisable	279,000		0	

19. Minority interests

	12/31/2001 000	12/31/2000 000
Energee Entertainment Pty. Limited, Sydney/Australia	105	1,181
Waterfront Medien Produktion GmbH, Hamburg	-	0
	105	1,181

The minority interests in Waterfront Medien Produktion GmbH were accounted for pursuant to IAS 27.27. In 2000, the net loss attributable to minority interests was offset against consolidated equity in as much as the net loss exceeded the minority equity interests, or a total of EUR 19,000. Last year, the company posted net income, and the EUR 19,000 share of net income attributable to minority interests was fully allocated to consolidated equity.

The result was as follows:

	Net income or loss EUR 000	Equity excl. net income or loss carried foreward EUR 000	Total minority interests %	Share of total equity EUR 000
Energee Entertainment Pty. Limited, Sydney/Australia [1)]	-3,241	3,569	32.0	105
Waterfront Medien Produktion GmbH, Hamburg	375	-375	5.0	-

[1)] Subgroup

20. Pension reserves

Two types of pension obligations exist: individual commitments and a pension fund. Two of the individual commitments are for Managing Board members and three pertain to bonus compensation conversions (two for Managing Board members). The pension obligations are carried exclusively by RTV Family Entertainment AG.

The pension fund obligations are valued actuarially using the projected unit credit method in accordance with IAS 19. The actuarial parameters used were as follows:

	2001	2000
	%	%
Discount rate	6.0	6.0
Compensation increases	0.0	0.0
Pension adjustments	2.0	2.0
Personnel		
- Individual commitments	0.0	0.0
- Pension fund	8.0	5.0

The 1998 actuarial tables prepared by Dr. Klaus Heubeck were used.

The present value of the pension obligations totaled EUR 274,000 and was entered as a balance sheet liability. The total expenses are included under social security expenses.

Changes in pension reserves were as follows:

	2001	2000
	EUR 000	EUR 000
January 1	263	247
Transfer to Ravensburg Group	-	-11
Bonus compensation conversions	0	18
Current expenses	11	9
December 31	**274**	**263**

21. Other reserves

Changes in Other reserves were as follows:

	1/1/2001 EUR 000	Foreign currency translation EUR 000	Use EUR 000	Write-backs EUR 000	Additions EUR 000	12/31/2001 EUR 000
Long-term reserves						
Income adjustment bond	0	0	0	0	633	633
Guaranteed value clause	0	0	0	0	383	383
Personnel expenses	72	0	0	1	26	97
	72	**0**	**0**	**1**	**1,042**	**1,113**
Short-term reserves						
Personnel expenses	401	-6	342	53	568	568
Audit and acquisition costs	56	0	56	0	82	82
Outstanding bills	500	.	123	0	50	427
Guaranted value clause	0	0	0	0	532	532
Legal risks	186	0	143	43	0	0
	1,143	**-6**	**664**	**96**	**1,232**	**1,609**
	1,215	**-6**	**664**	**97**	**2,274**	**2,722**

A reserve was established for the income adjustment bond of Bayerische Hypo- und Vereinsbank AG, Munich (HBV). As part of the agreement under which HBV agreed to waive a claim against RTV, RTV agreed to compensate HBV on April 1, 2003 based on the amount by which RTV's average daily closing stock price on the Frankfurt Stock Exchange exceeds EUR 1 during the period October 1, 2002 through March 31, 2003. The payment amount, which is determined according to a fixed formula, cannot exceed EUR 2.045 million. The EUR 633,000 reserve for this exotic option was calculated using the Levy actuarial table. A discount rate of 3.53 % was applied for the purpose.

The guaranteed value clause reserve reflects the fact that RTV's acquisition of shares in Off the Fence Holding B.V. included a guaranteed value clause to the seller for the RTV shares used in the transaction. Under IAS 22.70, such expenses do not represent subsequent acquisition costs.

22. Deferred taxes

The deferred tax liabilities in the amount of EUR 629,000 (previous year EUR 647,000) pertain to differential amounts from the financial statements of the consolidated companies.

23. Liabilities

	Remaining Term period			
	less than 1 year TEUR	1 to 5 years TEUR	more than 5 years TEUR	Total TEUR
Bank debt	177	28,206	0	28,383
Advances on orders	2,115	0	0	2,115
Trade payables	12,611	191	0	12,802
Liabilities to affiliated companies	221	5,113	0	5,334
Liabilities to companies in which RTV owns equity interests	0	3	0	3
Other liabilities	4,465	1,188	0	5,653
	19,589	**34,701**	**0**	**54,290**
(12/31/2000	33,771	41,468	0	75,239)

The previous year's liabilities with a remaining term of 1 to 5 years included EUR 41.166 million in bank debt and EUR 302,000 in trade payables.

24. Bank debt

Credit lines and their use broke down as follows as of December 31, 2001:

	Maturity	Credit line EUR 000	Use EUR 000
RTV Family Entertainment AG			
Deutsche Bank AG, Ravensburg			
Syndicated loan A 53.3 %	December 30, 2005	12,259	12,267
Syndicated loan B 65.0 %	December 30, 2005	4,985	2,756
Baden-Württembergische Bank AG, Ravensburg			
Syndicated loan A 46.7 %	December 30, 2005	10,741	10,741
Syndicated loan B 35.0 %	December 30, 2005	2,685	2,428
Syndicated loan front-end fee		43	43
		30,713	28,235
Energee Entertainment Pty. Limited			
National Australia Bank, Sydney/Australia			
Loan (Interest rate 12.35 % p.a.)	January 31, 2003	156	148
		30,869	**28,383**

Syndicated loan/Guarantees:

Pursuant to a September 6, 2000 agreement, RTV borrowed EUR 40.903 million through a syndicated loan managed by Deutsche Bank AG, Ravensburg branch. The loan was also underwritten by Bayerische Hypo- und Vereinsbank AG, Munich branch, and Baden-Württembergische Bank AG, Ravensburg branch.

In light of the loan restructuring, Bayerische Hypo- und Vereinsbank AG withdrew from the consortium and agreed to waive EUR 9.267 million of its claim. This claim waiver agreement was dated November 9, 2001.

Pursuant to a November 7, 2001 agreement, RTV received a credit facility in the amount of EUR 33.230 million from a bank consortium led by Deutsche Bank AG, Ravensburg branch. This agreement replaces the former syndicated loan agreement dated September 6, 2000. A portion of this new facility, EUR 23.000 million (Loan A), is earmarked to pay off the previous EUR 40.903 million syndicated loan, taking into account the claim waiver by Bayerische Hypo- und Vereinsbank AG. The balance of the new facility in the amount of EUR 10.230 million (Loan B) is intended to provide working capital. A portion of Loan B in the amount of EUR 2.560 million may only be used after certain additional terms have been met. These terms were met in February 2002.

The syndicated loan was made available by the following banks in the following relative amounts:

Loan A	
Deutsche Bank AG, Ravensburg branch	53.3 %
Baden-Württembergische Bank AG, Ravensburg branch	46.7 %
Loan B	
Deutsche Bank AG, Ravensburg branch	65.0 %
Baden-Württembergische Bank AG, Ravensburg branch	35.0 %

RTV agreed to provide the following guarantees:

- Assignment of all existing and future claims and rights from purchase contracts of copyrighted usage rights for films, performance property rights and other rights

- Assignment of all existing and future claims and rights from sales contracts of commercialization and usage rights to films, brokerage or commission agreements and sublicensing agreements for the sale of usage rights to other film distribution companies or other third parties

- Assignment of all existing and future claims and rights from cooperation, production and coproduction agreements

- Assignment of all claims from existing and future insurance agreements

- Assignment of all ownership and property rights and delivery claims for the respective film material

- Assignment of all existing and future loan claims by RTV against all debtors

- Upon the request of the syndicated loan manager, RTV agrees to pledge its entire equity interests with the understanding that the banks may only receive subordinated attachment rights in cases where outstanding liens by third parties already exist

- Assignment of all future proceeds from the disposal of all equity interests

RTV also pledged to apply all below-listed proceeds received by any member of the consolidated group toward the early, proportional repayment of the loan:
- 70 % of the proceeds from the disposal of RTV consolidated assets that fall outside the scope of ordinary business operations.

- Sale of equity interests by RTV or any member of the consolidated group

- Raising of funds in the capital markets by any member of the consolidated group

- Conclusion of sale-and-lease-back transactions exceeding a total of EUR 2.5 million with the exemption of productions that were started but had not been completed at the time of signature (e. g. "Albert fragt", "Malo Korrigan","RoboRoach")

- Raising of funds through alternative forms of financing

- Additional free cash flow, to the extent that the actual free cash flow in a given year exceeds the expected free cash flow under the RTV Group's five-year plan by at least EUR 1.0 million.

To hedge against interest rate risk arising from the syndicated loan, RTV entered into an interest rate swap agreement on September 22, 2000 with Deutsche Bank AG, Frankfurt, for a loan amount of EUR 25.565 million. The term period for this interest rate swap runs from March 30, 2001 through September 30, 2003.

National Australia Bank/Guarantees:
Energee Entertainment Pty. Limited provided attachment rights to all its assets as a loan guarantee.

25. Liabilities to affiliated companies

Liabilities to affiliated companies consisted of liabilities to Ravensburger AG (EUR 5.294 million; previous year EUR 113,000) and Ravensburger Spieleverlag GmbH (EUR 40,000).

Pursuant to a loan agreement from February 28 to March 19, 2001, RTV received a loan in the amount of EUR 5.113 million on April 1, 2001 from Ravensburger AG. The original term was through June 30, 2001. The interest rate was 6.3 %. Through an extension agreement dated November 9, 2001, the term of the loan was extended to December 31, 2005 and the repayment date was set for January 1, 2006. In addition, the loan's interest rate is now based on the 12-month Eurebor rate (calculated each June 30 of the year of interest payment) plus a spread of 2.5 %. For the period April 1 through December 31, 2001, Ravensburger AG has remitted this interest to the extent it exceeded the amount of EUR 51,000.

26. Other liabilities and deferred income

Other liabilities and deferred income include for the most part the portion of the acquisition price due in 2002 for the acquisition of shares in Off the Fence Holding B.V., the negative market value of the interest rate swap transaction in connection with the syndicated loan, a short-term, interest-free loan, deferred income, tax and social security liabilities and accrued interest.

27. Contingent liabilities

At year-end, there were no contingent liabilities.

28. Other financial liabilities

Other financial liabilities from production agreements totaled EUR 13.208 million, of which EUR 12.322 million is due in 2002 and the balance of EUR 886,000 is due in 2003.

On April 1, 2000, the company relocated its headquarters to Munich. The company entered into a five-year, fixed rental agreement beginning March 2000. This rental agreement has given rise to an annual liability of EUR 348,000. Four other rental agreements have given rise to liabilities of EUR 281,000 in 2002 and EUR 133,000 in 2003.

Liabilities from operating lease agreements totaled EUR 173,000 for the years 2002 through 2005, of which EUR 71,000 in 2002.

29. Breakdown of lease financing

	12/31/2001 EUR 000	12/31/2000 EUR 000
Minimum lease payments		
Up to 1 year	149	194
Between 1 and 5 years	206	332
More than 5 years	0	0
	355	526
less future financing costs	42	65
Present value of minimum lease payments	**313**	**461**
Up to 1 year	122	159
Between 1 and 5 years	191	302
More than 5 years	0	0

The effective annual interest rate was 10.77 % (previous year 10.39 %).

IV. NOTES TO INCOME STATEMENT

1. Sales revenues

The breakdown of sales revenues by business line and geographic region is provided in section VI.

Sales revenues were reduced by EUR 33,000 in 2001 to reflect the discounting of trade receivables, compared with EUR 1.668 million in 2000.

2. Other operating income

This item comprises mainly the claim waiver by Bayerische Hypo- und Vereinsbank AG (see Bank debt), exchange rate gains, write-backs on assets and reserves.

3. Cost of materials

Materials for film production are included in the cost of raw materials and supplies. Costs for related services include mainly licenses, filming and other film production costs.

4. Personnel expenses

The company averaged 70 employees and 3 Managing Board members in 2001, compared with 69 and 4, respectively, the previous year.

5. Depreciation

In 2001, EUR 11.812 million of unscheduled depreciation on the film portfolio was taken following impairment tests, compared with EUR 387,000 the previous year.

6. Other operating expenses

Other operating expenses break down as follows:

	2001 EUR 000	2000 EUR 000
Distribution costs	7,545	10,173
Overhead costs	2,706	3,434
Rental and leasing expenses	836	672
Maintenance and repairs	55	73
Other expenses	3,012	2,355
Other taxes	3	3
	14,157	**16,710**

Other expenses include for the most part expenses related to the guaranteed value clause in the acquisition agreement for Off the Fence Holding B.V., losses on receivables, exchange rate losses and write-downs.

7. Interest and similar income

Interest and similar income from affiliated companies totaled EUR 0 in 2001, compared with EUR 51,000 in 2000.

8. Financial asset depreciation

The depreciation covers extraordinary depreciation on the equity interest in Golbach Productions GmbH.

9. Interest and similar expenses

Interest expense to affiliated companies totaled EUR 51,000 in 2001, compared with EUR 0 in 2000.

10. Corporate taxes and deferred taxes

The corporate taxes include the tax expenses of the companies in the Netherlands and foreign withholding taxes.

Tax breakdown:

	2001 EUR 000	2000 EUR 000
Pretax income or loss	**-2,238**	**-11,435**
Tax liability at reported 40.5 % rate (previous year's rate 53.3 %)	906	6,095
Changes in tax liability because of:		
- variations in tax liabilities at foreign subsidiaries	-316	250
- non-deductible expenses	-55	-128
- goodwill depreciation	-1,190	-1,211
- application of a 40.5 % tax rate for valuation of deferred taxes	0	-1,223
- Uncapitalized deferred tax claims	-959	-192
- Tax loss carryforward	152	912
Effective corporate tax	**-1,462**	**4,503**
Effective corporate tax rate, as a %	-65.3	39.4

The 40.5 % reported tax rate (previous year 53.3 %) was calculated using a multiplier tax of 475 (previous year 475), a corporate income tax rate of 25 % (previous year 40 %) as well as the solidarity contributions (5.5 % of the corporate tax rate). This tax rate was also used to calculate the deferred tax rate.

The deferred tax expense of EUR 1.301 million in 2001 (previous year: minus EUR 3.991 million) broke down as follows:

	2001 EUR 000	2000 EUR 000
Income-affecting change in capitalized deferred taxes	1,355	-4,638
Income-affecting change in deferred taxes carried as liabilities	-54	647
	1,301	**-3,991**

In 2001, EUR 66,000 was offset against equity with no effect on net income, compared with EUR 1.582 million in 2000.

11. Minority interests

	2001 EUR 000	2000 EUR 000
Energee Entertainment Pty. Limited, Sydney/Australia	-1,037	358
Waterfront Medien Produktion GmbH, Hamburg	19	-24
	-1,018	**335**

12. Earnings per share

Pursuant to IAS 33, earnings per share are calculated by dividing the group share of net income by the weighted average number of shares.

	2001	2000
Net income, group share, in EUR 000	-2,682	-7,267
Weighted average number of shares	24,272,060	23,006,250
Earnings per share, in EUR	-0.11	-0.32

To calculate the weighted average number of shares in 2001, allowances were made for additions through the in-kind capital increases.

To calculate the weighted average number of shares in 2000, allowances were made for additions through the cash and in-kind capital increases and the free share distribution (1:1 stock split).

V. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

The net cash position consisted exclusively of cash.

Cash used for interest payments totaled EUR 3.756 million in 2001, compared with EUR 1.593 million in 2000. Cash provided by interest totaled EUR 32,000 in 2001, compared with EUR 124,000 in 2000. The portion of reported interest income and expense not involving cash flows was entered under Changes in Other Liabilities/Assets.

Cash used for tax payments totaled EUR 0 in 2001, compared with EUR 1.262 million in 2000. Whereas Cash inflows totaled EUR 1,533 million in 2001 compared with EUR 0 in 2000.

Cash used to acquire companies broke down as follows:

	EUR 000	EUR 000
Cash	346	
Film portfolio	143	
Other intangible and fixed assets	1,779	
Trade receivables	534	
Other assets	102	
Assets		**2,904**
Prepayments received	1,181	
Trade payables	728	
Other liabilities and deferred income	693	
Liabilities		**2,602**
Net assets	302	
Goodwill	6,645	
Acquisition price		6,947
less cash	346	
less in-kind capital increase amount included in acquisition price	5,324	
		-5,670
		1,277

Cash used for financial investments does not include the acquisition price from the in-kind capital increase of EUR 871,000.

VI. RESULTS BY BUSINESS LINE AND REGION

As part of the company's strategic refocusing, the business lines were redefined in 2001. As of last year, the group's business activities comprise the fiction/non-fiction and merchandising segments. The previous year's data was adjusted to reflect this new classification. The business lines are the primary reporting format. In accordance with IAS 14.50 et seq., information is provided for the following business lines: fiction/non-fiction and merchandising.

1. Segment data 2001

Results by business line (primary reporting format)

	Fiction/ Non-Fiction EUR 000	Merchan-dising EUR 000	Group EUR 000
Sales revenues	54,988	5,365	60,353
Changes in inventory/capitalized own production	-199	0	-199
Other operating income	9,326	886	10,212
Total revenues	64,115	6,251	70,366
Expenses by business line	62,290	5,298	67,588
Income by business line (= operating income)	1,825	953	2,778
Assets by business line [1]	153,994	2,233	156,227
Liabilities by business line [2]	55,650	1,820	57,470
Investments [3]	59,985	1,031	61,016
Depreciation [3]	39,981	838	40,819

[1] Assets by business line = Balance sheet assets minus deferred taxes

[2] Liabilities by business line = Liabilities and reserves less deferred taxes carried as liabilities

[3] Excluding financial asset investments and depreciation

Results by geographic region (secondary reporting format)

Sales are broken down geographically according to the headquarters location of the client, while assets and investments are broken down according to the headquarters location of the consolidated company:

	Germany	Europe	Rest of world	Group
	EUR 000	EUR 000	EUR 000	EUR 000
Sales revenues	23,060	9,735	27,558	60,353
Assets by geographic region	145,154	3438	7,635	156,227
Investments	52,535	1,382	7,099	61,016

2. Segment data 2000

Results by business line (primary reporting format)

	Fiction/ Non Fiction	Merchan-dising	Group
	EUR 000	EUR 000	EUR 000
Sales revenues	48,830	6,060	54,890
Changes in inventory/capitalized own production	5,507	0	5,507
Other operating income	1,940	0	1,940
Total revenues	56,227	6,060	62,337
Expenses by business line	-63,135	-8,527	-71,662
Income by business line(= operating income)	-6,858	-2,467	-9,325
Assets by business line 1)	167,124	4,986	172,110
Liabilities by business line 2)	73,258	3,637	76,895
Investments	90,790	1,462	92,252
Depreciation	33,229	1,724	34,953

1) Assets by business line = Balance sheet assets minus deferred taxes

2) Liabilities by business line = Liabilities and reserves less deferred taxes carried as liabilities

Results by geographic region (secondary reporting format)

Sales are broken down geographically according to the headquarters location of the client, while assets and investments are broken down according to the headquarters location of the consolidated company:

	Germany	Europe	Rest of the World	Group
	EUR 000	EUR 000	EUR 000	EUR 000
Sales	31,564	2,193	21,133	54,890
Assets by geographic region	160,185	0	11,925	172,110
Investments	91,682	0	570	92,252

SIGNIFICANT EVENTS SINCE DECEMBER 31, 2001

Under the terms of the syndicated loan (see Notes to Bank debt), a portion of the loan, EUR 2.560 million, was only available after certain conditions had been met. These terms were met in February 2002.
In February 2002, RTV opened an additional credit line with Österreichische Volksbanken-Aktiengesellschaft, Vienna, in the amount of EUR 5.000 million, with a term period through April 30, 2003.

VIII. RELATIONS TO AFFILIATED COMPANIES AND INDIVIDUALS

Ravensburger AG and its affiliated companies

In 2001, RTV paid Ravensburger AG EUR 16,000 for the use of office space and EUR 9,000 to sub-license a homepage editing system. RTV also paid Ravensburger AG EUR 96,000 for the 2001 guarantee license to use the "Ravensburger" brand name and "Ravensburger im Dreieck" logo for the "Audio & Video" division acquired January 1, 2001. This license is based on an agreement concluded in December 2000 and revised in December 2001.

For more information about the loan with Ravensburger AG, see the Notes to Liabilities to Affiliated Companies (III Nr. 25).

In 2001, Ravensburger AG participated in the financing of several film series through cofinancing agreements. The total financing amounted to EUR 6.455 million, of which EUR 3.871 million was paid in 2001. An amount of EUR 2.584 million was transferred in January 2002. In 2001, RTV performed a commissioned production on behalf of Ravensburger AG valued at EUR 435,000.

Pursuant to a November 9, 2001 agreement, RTV sold receivables from CLT-Ufa Germany and Ufa Film und Fernsehen GmbH valued at EUR 9.958 million and commercial use and joint ownership rights to certain films and series valued at EUR 6.409 million to Ravensburger AG. The purchase price for the receivables was made at book value, i.e. the net asset value less a discounted amount. The purchase price for the commercial use and joint ownership rights was established by an independent appraiser commissioned for that purpose. In connection with the sale of the commercial use and joint ownership rights, Ravensburger AG commissioned RTV to act as the exclusive sales agent for the rights. RTV receives a sales fee of 15 %.

In 2000, RTV had business relations with Ravensburger Spieleverlag GmbH, Ravensburger Buchverlag Otto Maier GmbH, Ravensburger Interactive Media GmbH, Ravensburger Spieleland AG, Ravensburger Freizeit- und Promotion-Service GmbH and Ravensburger Film + TV GmbH. RTV generated proceeds of EUR 2.062 million from the sale of licensing rights. RTV also generated proceeds of EUR 17,000 from the subleasing of office space in Munich to Ravensburger Interactive Media GmbH.

RTV was billed EUR 47,000 for services (data processing, etc.) and EUR 12.507 million for various productions. These expenses were capitalized in RTV's film portfolio.

Pursuant to a December 20, 2000 agreement, modified by an agreement dated December 12, 2001, RTV acquired the "Audio & Video" business from Ravensburger Interactive Media GmbH effective January 1, 2001. The acquisition price was EUR 1.023 million. In 2001, Ravensburger Interactive Media GmbH provided all the services for this division. In all, the amount of EUR 573,000 was paid to RTV by Ravensburger Interactive Media GmbH.

The respective prices paid corresponded to market prices.

Assets and liabilities with the above-mentioned companies are listed separately in the financial statements.

2. Relations to affiliated individuals

In 2001, the Managing Board's compensation totaled EUR 833,000. As of December 31, 2001, a total of 310,000 options had been granted to the Managing Board. Last year, 100,000 options were granted to the Managing Board.

As of December 31, 2001, members of the Managing Board held 41,750 shares, while members of the Supervisory Board owned 4,465 shares.

Compensation for former Managing Board members totaled EUR 205,000.

At year-end, there were no compensation liabilities to Managing Board members.

The Supervisory Board's compensation totaled EUR 45,000 in 2001.

VIII. COMPANY BOARDS

Last year, the Supervisory Board consisted of the following members:

Dr. Detlev Lux, Ravensburg – Chairman -
Managing Board Speaker (CEO) of Ravensburger AG, Ravensburg
Dr. Johannes Kreile, Munich - Deputy Chairman -
Attorney
Dorothee Hess-Maier, Ravensburg
Former Managing Board member of Ravensburger AG, Ravensburg
Dr. Wolfram Freudenberg, Stuttgart
Managing Board member of Württembergische Versicherungsgruppe, Stuttgart
Dr. Hans-Christoph Maulbetsch, Stuttgart
Attorney
Jochen Kröhne, Munich
General Manager of Get-On-Air GmbH, Munich

The Supervisory Board members were also members of the following other boards and advisory panels in the context of §125 para. 1, line 3 of the German Stock Corporation Law (AktG):

Dr. Detlev Lux:
- Supervisory Board Chairman, Ravensburger Spieleland AG, Ravensburg

Dr. Johannes Kreile:
- Supervisory Board Chairman, Euroarts Entertainment AG, Stuttgart
- Administrative Board Member, Bayerische Landeszentrale für neue Medien, Munich

Dorothee Hess-Maier:
- Supervisory Board Member, Ravensburger AG, Ravensburg
- Supervisory Board Member, Ravensburger Spieleland AG, Ravensburg

Dr. Wolfram Freudenberg:
- Supervisory Board Chairman, Stuttgarter Baugesellschaft von 1872 AG, Stuttgart
- Chairman of the Board of Directors, WTC Windsor Treasury Center, Dublin/Ireland
- Chairman of the Board of Directors, WPMC Württembergische Portfolio Management Company Ireland Ltd., Dublin/Ireland
- Chairman of the Board of Directors, W&W Asset Management Dublin Ltd., Dublin/Ireland

- Also a Supervisory Board Member of:
    - Börse Stuttgart AG, Stuttgart
    - IBB Internationales Bankhaus Bodensee AG, Friedrichshafen
    - Ravensburger AG, Ravensburg
    - Württembergische Hypothekenbank AG, Stuttgart
    - BWK GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart
    - LEG Landesentwicklungsgesellschaft Baden-Württemberg mbH, Stuttgart
    - W&W Asset Management GmbH, Ludwigsburg
    - Baden-Württembergische Kapitalanlagegesellschaft mbH, Stuttgart
    - Pensions-Sicherungs-Verein VvaG, Köln
    - Freudenberg & Co., Weinheim, (Member of shareholder committee)

Dr. Hans-Christoph Maulbetsch:
- Administrative Board Chairman, Ferdinand Gröber GmbH & Co. KG Textilwerke, Tübingen

Jochen Kröhne:
- Supervisory Board Chairman, Camgaroo AG

Managing Board:

Dr. Peter Duval, Munich – as of May 1, 2001; Speaker (CEO) as of July 27, 2001 -
Corporate Finance, Equity Interests, Investor Relations and Merchandising
Peter Hille, Ravensburg
TV-Sales (as of May 4, 2001), International Business Affairs, Human Resources, Legal
Wolfgang Heidrich, Georgenborn
Program Development, Program Acquisitions and Production
Dr. Arno Haselhorst, Munich – through March 31, 2001 -
Corporate Finance, Equity Interests, Investor Relations and Merchandising
John Travers, London - through May 4, 2001 -
TV-Sales

The consolidated financial statements were prepared by the Managing Board, agreed upon on March 15, 2002 and subsequently passed on to the Supervisory Board for approval.

Ravensburg, March 2002

The Managing Board

Audit Opinion

We have audited the consolidated financial statements, comprising the balance sheet, the income statement and the statements of changes in shareholders' equity and cash flows as well as the notes to the financial statements, prepared by the RTV Family Entertainment AG for the business year from January 1 to December 31, 2001. The preparation and the content of the consolidated financial statements are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion whether the consolidated financial statements are in accordance with International Accounting Standards (IAS) based on our audit.

We conducted our audit of the consolidated financial statements in accordance with German auditing regulations and generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that it can be assessed with reasonable assurance whether the consolidated financial statements are free of material misstatements. The evidence supporting the amounts and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows of the Group for the business year in accordance with IAS.

Our audit, which also extends to the group management report prepared by the executive board for the business year January 1 to December 31, 2001, has not led to any reservations. In our opinion, on the whole the group management report together with the other disclosures in the consolidated financial statements provides a suitable understanding of the Group's position and suitably presents the risks of future development. In addition, we confirm that the consolidated financial statements and the group management report for the business year 1 January to December 31, 2001 satisfy the conditions required for the Company's exemption from its obligation to prepare consolidated financial statements and the group management report in accordance with German law.

Ravensburg, March 15, 2002

Ernst & Young

Deutsche Allgemeine Treuhand AG
Auditors

Dr. Oechsle	Nover
Auditor	Auditor

Glossar

Commissioned production Production realized on behalf of a network or another company.

Coproduction A film jointly produced by more than one producer in order to share costs and limit financial risk.

DVFA The German Association for Financial Analysis and Asset Management (Deutsche Vereinigung für Finanzanalyse und Asset Management).

DVFA/SG-Earnings After-tax earnings, net of extraordinary items in accordance with the com mon accounting reference model developed by the DVFA/Schmalenbach-Company.

Earnings per share (EPS) A company's net income divided by the number of shares outstanding.

EBIT Earnings Before Interest and Taxes.
An often-used measure of operating income.

EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization
Similar to EBIT, but this measure also nets out depreciation and amortization. This indicator is very revealing for media companies, since depreciation methods vary widely from one company to another. EBIT and EBITDA are also frequently used to compare the performance of companies in different countries, since these measures are less susceptible to distortions from contrasting accounting methods.

Fiction Genre for television productions in which the characters and events are made up.

Genre Films based upon common themes or subject matter are said to be part of the same genre. For example: westerns, dramas, etc.

Goodwill The difference between the acquisition price of a company and the book value of its assets.

IAS International Accounting Standards.

KontraG Law pertaining to corporate control and transparency.

Non-Fiction Television productions in this category include documentaries, wildlife, travel shows, etc.

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