



Declaration of Compliance with the Corporate Governance Code as revised on June 18th 2009:

Joint declaration of the Board of Management and Supervisory Board of Your Family Entertainment AG (hereafter referred to as "the Company") concerning the recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with § 161 of the German Companies Act (§161 AktG):

The Company's Board of Management and Supervisory Board welcome the German Corporate Governance Code and issue the following declaration:

§ 161 of the German Companies Act requires the Board of Management and Supervisory Board of a company listed on the stock exchange to declare every year that the recommendations of the "Government Commission on the German Corporate Governance Code", published in the official section of the electronic Federal Gazette ("Bundesanzeiger") and issued by the federal ministry of justice, have been and are still complied with or to state which recommendations have not been or will not be complied with.

As regards the past, the following declaration refers to the version of the Code issued on June 6th 2008. As regards the company's present and future corporate governance practice, the declaration refers to the present version of the Code as revised on June 18th 2009. The last annual declaration was submitted in December 2008.

The Board of Management and Supervisory Board of Your Family Entertainment AG declare that the recommendations of the "Government Commission on the German Corporate Governance Code", issued by the federal ministry of justice and published in the official section of the electronic Federal Gazette ("Bundesanzeiger") have, with the following exceptions, been complied with since the submission of the last annual declaration in December 2008 and will be complied with:

- Due to timing considerations, it is not possible to ensure that the published company report will be available by the time the invitation to the annual general shareholders' meeting is issued (section 2.3.1 of the Code), that the group financial statements will be accessible to the public within 90 days of the end of the financial year and that the half-yearly report will be accessible to the public within 45 days of the end of the reporting period (section 7.1.2 of the Code).
- The annual general shareholders' meeting will not be transmitted by way of modern communications media (section 2.3.4. of the Code). The



financial expenditure and human resources that this involves is disproportionate to the Company's shareholding structure and size of the business.

- The D&O insurance policy for the members of the Supervisory Board is not subject to an excess. This is in line with general practice in the business. Moreover the Company remains of the opinion that this is not necessary, given the responsibility and motivation of the members of the Supervisory Board (section 3.8 of the Code).
- Due to the size of the business and the scope of its activities, the Board of Management has only had a single member since the conclusion of the restructuring measures in January 2003 (section 4.2.1 of the Code). As a consequence, the Supervisory Board is unable to take account of diversity in the composition of the Board of Management (section 5.1,2).
- The CEO's total remuneration is not itemised in a remuneration report as part of the Corporate Governance Report. The Company is not therefore in compliance with the recommendations of section 4.2.5. The Company sees the necessity to protect the CEO's privacy as a higher priority in this matter.
- Due to the small size of the company and the limited membership of the Supervisory Board, no committees have been established (section 5.3 of the Code).
- The Supervisory Board receives a fee that is laid down in § 16 of the articles of association. For historic reasons, this fee has not so far included performance-related elements (section 5.4.6 of the Code). The Company reserves the right to amend § 16 of the articles of association in the future.
- In accordance with the rules of the regulated market and due to the regulations established in the Securities Trading Law, a half-yearly report and interim announcements are published in addition to the company report; these are not prepared in accordance with international accounting standards (section 7.1.1 of the Code) but, for reasons of economy, in accordance with the provisions of the German Commercial Code (HGB).

Munich, December 2009

Dr. Hans-Sebastian Graf von Wallwitz
(Chairman of the Supervisory Board)

Dr. Stefan Piëch
CEO