

Interim Report to June 30, 2002

New episodes of „Die Kommissarin“ („Detective Lea Sommer“), a successful prime time series for the ARD starring Hannelore Elsner, are being developed. Shooting will start in January 2003.

In order to extend our product portfolio we are constantly in touch with TV stations. Despite the currently deteriorating market, Odeon Film sees itself in a good position. This derives from our 25 years of experience as well as our production competence which is well known and appreciated by leading TV stations.

The **film segment** is suffering from current market conditions.

As a result of this situation, especially the financing of projects and licensing activities are effected. This could lead to a delay of film productions and of license sales, as it has occurred e.g. with our project „Leo“ that had to be postponed.

Post production of our latest Kästner movie „Das fliegende Klassenzimmer“ (*the flying classroom*) has begun in the second quarter of 2002. The movie will be shown in German movie theaters in winter 2002/2003. Our very successful previous Kästner production „Emil und die Detektive“ (*Emil and the detectives*) won the first prize at the „International Children and Young Adults Festival“ in the Czech Republic, competing with more than 60 films from all over the world.

The theatrical release of our production „Buffalo Soldiers“ will start on October 31, 2002 under the title „Army Go Home“. At the „International Film Festival Munich“ the film was very well received. Starring an international cast such as Anna Paquin, Joaquin Phoenix, Ed Harris, and Scott Glen the film will be distributed by Prokino in cooperation with Odeon Filmverleih.

In the first quarter we finished shooting the comedy „Eierdiebe“ (*those who stole the balls*). The film is now in post production. The theatrical release of „Eierdiebe“ is planned for early next year with Tobis as our distributor.

On April 16, 2002 „Leo und Claire“ (*Leo and Claire*) premiered in Nuremberg. The film was rewarded the attribute „especially valuable“ by the „Filmbewertungsstelle“ and received very good reviews. Reaching only 50.000 people so far the film is running below our expectations. We plan to have final results in the third quarter since the film is still shown in movie theaters.

Our animation activities have been pooled – as planned – in the Odeon Film subsidiary Odeon Animation GmbH. Odeon Animation, in cooperation with Lunaris Film, will realize a series of animated films based on Erich Kästner’s books. In addition, several international animated pictures are planned for the next years.

As of June 30, 2002 the Odeon Film Group has 55 employees.

The same accounting standards and methods, which were applied in the annual financial report in 2001, were applied in this non-audited report.

Geiseltal, August 2002

The Managing Board

Consolidated Balance Sheet

Odeon Film AG

EUR 000	6/30/2002	12/31/2001
ASSETS		
Fixed Assets		
Goodwill	6,900	7,123
Intangible assets	12,013	10,291
Investments	7	8
Other fixed assets	481	555
Deferred taxes	8,926	8,283
Current assets		
Inventories	2,096	1,591
Deferred revenues	875	1,205
Trade account receivables	2,055	6,425
Other assets and prepaid expenses	11,634	9,052
Marketable investments, cash and cash equivalents	10,161	8,586
Total assets	55,148	53,119
LIABILITIES		
Equity and reserves		
Subscribed capital	5,200	5,200
Capital reserves	23,468	23,468
Accumulated losses	-710	-710
Non-current liabilities		
Pension provisions	593	587
Deferred revenues	9,018	9,164
Current liabilities		
Deferred revenues	2,753	147
Trade account payables	868	2,409
Other current liabilities and deferred income	15,110	13,730
Total liabilities	55,148	53,119

Consolidated Income Statement

Odeon Film AG

EUR 000	4/1-6/30/2002	4/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001
Revenues	7,644	9,248	13,793	17,172
Other operating income	408	128	437	192
Changes in finished inventories and work-in-process	-561	289	301	444
Work performed by the enterprise and capitalized	2,104	512	2,198	902
Total earnings	9,595	10,177	16,729	18,710
Cost of material	-6,853	-7,569	-12,797	-14,906
Personnel expenses	-802	-1,044	-1,709	-2,031
Depreciation / amortization	-220	-125	-379	-251
Other operating expenses	-1,353	-1,026	-2,212	-1,907
Operating expense	-9,228	-9,764	-17,097	-19,095
Operating profit / loss (EBIT)	367	413	-368	-385
Finance result	56	-78	105	-423
Net profit (+) / loss (-) before tax	423	335	-263	-808
Taxes	-76	-256	-13	-81
Net profit (+) / loss (-)	347	79	-276	-889
Earnings per share	0.18 €	0.04 €	-0.14 €	-0.45 €

Consolidated Statement of Changes in Equity

Odeon Film AG

	Number of own shares	Number of submitted shares	Subscribed capital EUR 000	Capital reserve EUR 000	Accumulated losses EUR 000	Own shares* EUR 000	Total EUR 000
12/31/2001	29,500	2,000,000	5,200	23,468	-876	-710	27,082
6-month results					-276		-276
6/30/2002	29,500	2,000,000	5,200	23,468	-1,152	-710	26,806
	Number of own shares	Number of submitted shares	Subscribed capital	Capital reserve EUR 000	Accumulated losses	Own shares* EUR 000	Total EUR 000
12/31/2000	29,500	2,000,000	5,113	23,554	-2,068	-710	25,889
6-month results					-889		-889
6/30/2001	29,500	2,000,000	5,113	23,554	-2,957	-710	25,000

* Own shares recognized with acquisition costs

Consolidated Cash Flow Statement

Odeon Film AG

EUR 000	1/1-6/30/2002	1/1-6/30/2001
Net profit (+) / loss (-) before tax	-263	-808
Adjustments for:		
Depreciation	379	251
Increase in provisions	17	20
Other non-cash income (-) / expenses (+)	-105	-274
Operating profit (+) / loss (-) before changes in net working capital	28	-811
Changes in net current assets *	3,351	5,754
Cash flow from operating activities	3,379	4,943
Expenditure on fixed assets	-1,804	-2,948
Cash flow from investing activities	-1,804	-2,948
Net increase in cash and cash equivalents	1,575	1,995
Cash and cash equivalents at the beginning of the reporting period	8,586	10,105
Cash and cash equivalents at the end of the reporting period	10,161	12,100

* Balance from changes in inventories, trade accounts receivable and other receivables, current liabilities, taxes received and paid

Segment Information

EUR 000	Film		TV		Other		Group	
	2002	2001	2002	2001	2002	2001	2002	2001
1/1-6/30								
Revenues	1,274	1,729	12,519	15,443	0	0	13,793	17,172
Other income	2,622	1,350	311	177	-512	-237	2,421	1,290
Total revenues and other income	3,896	3,079	12,830	15,620	-512	-237	16,214	18,462
Segment result	-865	-18	1,312	767	-176	-152	271	597
Unallocated costs							-639	-982
Operating loss (EBIT)							-368	-385
Finance result							105	-423
Net profit (+) / loss (-) before tax							-263	-808
Taxes							-13	-81
Net profit (+) / loss (-)							-276	-889

Shares Owned by Board Members

Supervisory Board	No. of individual shares
Georg Althammer	101,700
Dr. Dieter Frank	13,000
Reinhard Grätz	500
Dr. Claus S. Hass	400
Prof. Thilo Kleine	5,200
Management Board	No. of individual shares
Stephan O. Hansch	500
Reinhard Klooss	9,340

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