

For "Buffalo Soldiers" a US deal with Miramax has been arranged and this will have an important effect for us. We hold all rights for the German speaking market in "Buffalo Soldiers" and we have an interest in the surplus of Rest of World. Very good sales could be realised for our historical comedy "Triumph of Love", among those a US-deal with Paramount.

In our new business field Family Entertainment/Animation we have presented our first trailer at the international cartoon festival in September in Garmisch-Partenkirchen. The response of numerous international prospective buyers was very positive. All in all 52 half-hour animation films as well as several trick movies are planned.

The movie exploitation of "Emil und die Detektive" run by Odeon Film Verleih in cooperation with Constantin Film has attracted a viewing audience of 1.6 million, making it one of the most successful German movies this year. Consequently we go into our november video exploitation in very favourable conditions.

Outlook

In October, Odeon Film Verleih, in cooperation with Concorde Filmverleih, has distributed "Die Klavierspielerin", a big European movie. The film, awarded three Golden Palms in Cannes, with an excellent cast of Isabelle Huppert as leading actor, has attracted more than 200,000 visitors and will continue to run until January, 2002. Furthermore, "Die Klavierspielerin" has been nominated in three categories for the European Film Award, to be held on December 1st in Berlin.

Odeon Film Verleih, again in cooperation with Concorde Filmverleih, will start the exploitation in German movie theatres of our erotic thriller "Mortal Transfer" by cult director Jean-Jacques Beineix ("Diva", "Betty Blue").

In November casting for our German comedy "Eierdiebe" began in Berlin. Directed by Robert Schwentke, the cast is headed by Wotan Wilke Möhring ("Das Experiment", "Lammbock") and Julia Hummer ("Crazy"). German distribution rights belong

to StudioCanal who is, next to ZDF, co-producer of the movie. In December casting for "Das fliegende Klassenzimmer" begins. Our subsidiary, Lunaris Film, is, next to Bavaria, producer of this movie. This will continue our movie-hits "Charlie & Louise" - "Das doppelte Lottchen", "Pünktchen und Anton" and "Emil und die Detektive". Distribution is by Constantin Film. Exploitation of this movie will also start next year.

We also plan several movies for the German market. By preparing "Hannas Töchter", a modern adaption of "Felix Krull" and others, we are still in international business. Furthermore we will be involved in international co-productions next year. Our film section pays close attention to the exploitation of the Kästner animation rights stock. In the field of family entertainment further animation and feature content is on the way or about to be acquired.

Within the fourth quarter our TV production will film further episodes to our criminal stories "SK Kölsch", "Der Ermittler", "Die Kommissarin" and "Ein Fall für zwei".

Important events following the reporting period

Bavaria Film GmbH now owns a 50.01 per cent share of Odeon Film as stated in an ad-hoc announcement of October, 26th. Bavaria thus demonstrates its confidence in the present strategy of Odeon Film and its continued commitment to Odeon Film as a partner.

Odeon Film AG has acquired a 24.4 per cent share in Miracle Productions Verwaltungs GmbH based in Munich. The company is advisor of international film productions.

Geiseltal, November 2001

The Management Board

Balance Sheet

Odeon Film Group

	09/30/2001	12/31/2000
	T €	T €
Assets		
Fixed Assets		
Goodwill	4,699	4,902
Intangible assets	7,903	6,073
Investments	4,008	0
Other fixed assets	588	584
Deferred taxes	10,292	4,947
Current assets		
Inventories	1,906	1,115
Deferred revenues	1,031	1,396
Trade accounts receivable	4,587	7,191
Other assets and prepaid expenses	6,087	6,124
Marketable investments, cash and cash equivalents	5,833	10,105
Total assets	46,934	42,437
Liabilities		
Equity and reserves		
Subscribed capital	5,113	5,113
Capital reserves	22,844	22,844
Accumulated losses	-2,994	-2,068
Non-current liabilities		
Pension accrual	587	546
Other non-current liabilities	0	0
Deferred taxes	9,154	3,928
Current liabilities		
Deferred revenues	1,182	1,637
Trade accounts payable	710	2,438
Other current liabilities and deferred income	10,338	7,999
Total liabilities	46,934	42,437

Income Statement

Odeon Film Group

	QB III/2001 07/01 - 09/30/2001	QB III/2000 [*] 07/01 - 09/30/2000	9-Month Report 01/01 - 09/30/2001	9-Month Report [*] 01/01 - 09/30/2000
	T €	T €	T €	T €
Revenues	10,627	9,828	27,799	28,358
Other operating income	249	12	441	783
Changes in finished inventories and work-in-process	114	9	558	22
Work performed by the enterprise and capitalized	16	122	918	1,781
Total Earnings	11,006	9,971	29,716	30,944
Cost of material	-9,576	-9,117	-24,482	-25,527
Personnel expenses	-598	-672	-2,629	-2,924
Depreciation/amortization	-115	-113	-366	-344
Other operating expenses	-673	-472	-2,580	-3,079
Operating expense	-10,962	-10,374	-30,057	-31,874
Operating profit/loss (EBIT) *	44	-403	-341	-930
Finance result*	47	-465	-376	-860
Profit/loss before tax	91	-868	-717	-1,790
Taxes	-128	45	-209	532
Net loss	-37	-823	-926	-1,258
Earnings per share	-0.02 €	-0.41 €	-0.47 €	-0.63 €

* Figures of the internet business were adapted.

Statement of changes in equity

Odeon Film Group

	Subscribed Capital	Capital- reserves*	Accumulated losses	Total
	T €	T €	T €	T €
01/01/2001	5,113	22,844	-2,068	25,889
9-Month results			-926	-926
09/30/2001	5,113	22,844	-2,994	-24,963

* Own shares (included with acquisition costs) are set against capital reserves.

Cash Flow Statement

Odeon Film Group

	01/01- 09/30/2001	01/01- 09/30/2000
	T €	T €
Net profit (+)/loss (-) before tax	-717	-1,790
Adjustments for:		
Depreciation	503	422
Increase in provisions	41	7
Other non-cash income (-)/expenses (+)	-321	-404
Operating profit (+)/loss (-) before changes in net working capital	-494	-1,745
Changes in net current assets *	2,364	-4,150
Cash flows from operating activities	1,870	-5,895
Expenditure on fixed assets	-6,142	-1,029
Cash flows from investing activities	-6,142	-1,029
Net decrease in cash and cash equivalents	-4,272	-6,924
Cash and cash equivalents at the beginning of the reporting period	10,105	17,373
Cash and cash equivalents at the end of the reporting period	5,833	10,450

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

Segment reporting

Odeon Film Group

	Film- production		TV- production		Other		Group	
	T €		T €		T €		T €	
01/01-09/30/2001 – 01/01-09/30/2000	2001	2000	2001	2000	2001	2000	2001	2000
Revenues	2,915	716	24,884	27,642	0	0	27,799	28,358
Other income	1,255	2,266	593	207	69	113	1,917	2,586
Total revenues and other income	4,170	2,982	25,477	27,849	69	113	29,716	30,944
Segment expenses	-4,842	-4,708	-23,643	-26,262	-213	-60	-28,698	-31,030
Segment result	-672	-1,726	1,834	1,587	-144	53	1,018	-86
Unallocated costs							-1,359	-844
Operating profit (EBIT)							-341	-930
Finance result							-376	-860
Loss before tax							-717	-1,790
Taxes							-209	532
Net loss							-926	-1,258

Disclosures according to IAS 35 (Discontinuing Operations)

Income Statement

Internet

	QB III/2001 07/01- 09/30/2001	QB III/2000 07/01- 09/30/2000	9-Month Report 01/01- 09/30/2001	9-Month Report 01/01- 09/30/2000
	T €	T €	T €	T €
Revenues	24	115	194	154
Other operating income	1	0	2	0
Changes in finished inventories and work-in-process	0	0	-30	0
Work performed by the enterprise and capitalized	0	0	0	0
Total Earnings	25	115	166	154
Cost of material	-15	-68	-236	-109
Personnel expense	-5	-156	-401	-372
Depreciation/amortization	-1	-42	-137	-98
Other operating expense	-4	-355	-89	-839
Operating expense	--25	-621	-863	-1,418
Operating profit/loss (EBIT)	0	-506	-697	-1,264

Balance Sheet

Internet

	09/30/2001	12/31/2000
	T €	T €
Assets		
Fixed Assets		
Intangible assets	32	151
Investments	66	66
Current assets		
Inventories	7	37
Trade accounts receivable	105	46
Other assets and prepaid expenses	10	361
Marketable investments, cash and cash equivalents	1	43
Total assets	221	704
Liabilities		
Equity and reserves		
Subscribed capital	210	210
Capital reserves	193	193
Accumulated losses	-1,279	-566
Current liabilities		
Trade accounts payable	4	142
Other current liabilities and deferred income	1,093	725
Total liabilities	221	704

Cash Flow Statement

Internet

	01/01- 09/30/2001	01/01- 09/30/2000
	T €	T €
Cash flows from operating activities	-27	62
Cash flows from investing activities	-15	-62
Net decrease in cash and cash equivalents	-42	0
Cash and cash equivalents at the beginning of the reporting period	43	0
Cash and cash equivalents at the end of the reporting period	1	0

Following a January 24, 2001 decision by the Management Board, Odeon Film Group terminated its Internet business in 2001. This decision was published in an ad-hoc announcement on February 7, 2001 in a special report. E-commerce activities, which included among others the Janoschshop and the Schloss-Einstein shop were terminated in the first quarter, as was the film and television entertainment portal Filmstadt.de.

There was no corporate tax liability either during the third quarter of this year or in the previous year's period.

Stock ownership by Supervisory and Management Board members at September 30, 2001

Management Board	No. of individual shares
Stephan O. Hansch	500
Reinhard Klooss	24,000
Total	24,500
Supervisory Board	No. of individual shares
Georg Althammer	173,700
Dr. Dieter Frank	13,000
Dr. Claus S. Hass	400
Thilo Kleine	5,200
Reinhard Graetz	500
Total	192,800

As of September 30, 2001, the company owned 29,500 treasury shares, compared with 29,000 on September 30, 2000. The company's treasury share ownership remains the same as reported in the consolidated financial statements for the year ending December 31, 2000.

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