Your Family Entertainment AG

Annual Business and Financial Report 2012

yourfamily entertainment

At a glance
Key Data

Key data		2012	2011
Sales	€ k	2,501	3,146
EBITDA	€ k	-10	523
EBIT	€ k	883	769
Net Income	€ k	776	690
Total balance sheet amount	€ k	18,293	16,997
Value of film assets	€ k	16,906	15,762
Shareholders' equity	€ k	13,747	12,137
Interest-bearing liabilities	€ k	2,975	3,126

„George Shrinks"

Table of Contents

Table of Contents	pages
1. CEO's opening comments	4
2. About us	6
3. Report of the Supervisory Board	8
4. The share	12
4.1 Overview	12
4.2 Development of the price of the share in 2012	12
4.3 Shareholding structure as of December 31st 2012	12
5. Corporate Governance Report	13
6. Annual Financial Statements and Management Report December 31st 2012	16
6.1 Balance sheet as of December 31st, 2012	16
6.1.1 ASSETS	16
6.1.2 LIABILITIES	17
6.2 Income Statement for 2012	18
6.3 Cash Flow Statement for 2012	19
6.4 Statement of Shareholders' Equity 2012	20
6.5 Notes for 2012	21
I. General Information	21
II. Accounting and valuation methods	21
III. Explanations of the balance sheet	23
IV. Explanations of the income statement	29
V. Information on the company's statutory bodies	30
VI. Audit and consultancy fees	30
VII. Declaration in accordance with § 161 AktG [German Companies Act] relating to the Corporate Governance Code	30
VIII. Development of the fixed assets 2012	31
6.6 Management report for 2012	32
A. General	32
B. Financial Statements	32
C. Risks and Opportunities	38
D. Internal control and risk management system with respect to the accounting system	42
E. Declaration of the company's management in accordance with § 289a HGB [German Commercial Code]	43
F. Events of particular significance occurring after the end of the financial year	46
G. Forecast	46
H. Principles of the company's remuneration system in accordance with § 285 sentence 1 no. 9 HGB [German Commercial Code]	47
I. Reporting in accordance with § 289 para. 4 HGB [German Commercial Code]	47
J. Dependent company report	50
7. Auditor's Certificate Ernst & Young GmbH	51
8. Assurance given by the company's legal representative	52
9. Financial calendar	52
10. Imprint / How to contact us	52

Dear Shareholders,

2012 was a year of new departures for Your Family Entertainment AG. First of all, I would like to express my sincerest thanks, on behalf of the company, to our employees and the team of Your Family Entertainment. 2012 was very challenging because we sustainably enhanced the foundations of our business, i.e. the film assets, and the strategically important broadcasting segment with our existing team and without any significant increase of our human resources.

We were able to lay good new foundations in 2012, in particular thanks to the establishment of the fourth German-speaking free-TV children's channel RiC and the expansion of our existing film assets and thanks to acquisitions.

Here is our detailed report.

At the beginning of the Christmas holidays, at the turn of the year 2011/2012, we permanently occupied a time slot on the most important satellite Astra 19.2 East with the announcement of a new family channel called RiC. A record number of satellite receivers have been sold and newly installed during that time, as analogue satellite broadcasting was switched off in the German-speaking part of Europe. Optimum use was made of this unique and historic chance to already show RiC during the installation and stations scan and to enable a faster distribution even before the start of the channel.

The over-subscribed, successful capital increase in the first half-year ensured sufficient liquid funds for the establishment of this new business.

The excellent cooperation between Your Family Entertainment AG and Hutchison 3G was also further extended in 2012. In the middle of the year, we expanded the range to 18 mobile TV channels in Austria. This makes Your Family Entertainment to Europe's biggest leading programme provider in the field of mobile TV and the biggest partner of Hutchison 3G for family and children entertainment.

YFE and Hutchison 3G Austria are thus jointly taking a big step toward a responsible, non-violent, educational and family-friendly entertainment for children. The noticeable increased use of mobile devices by children and the associated opportunities put providers of additional services under a special responsibility. Your Family Entertainment has recognised such responsibility jointly with Hutchison 3G Austria and provides children and parents on their mobile devices with access to a programme with high-quality offers that impart values.

In July, we prominently placed an oversized image of the cult character "Das Moorhuhn" (crazy chicken) on a façade, in a cooperation between Your Family Entertainment and the Bielefelder Gemeinnützige Wohnungsgesellschaft mbH. The entire façade was dedicated to the probably most beloved German computer game character of all times. The Moorhuhn is thus given its very special place, embedded in the ranks of cult subjects of German contemporary history.

On the operating side, the business of classic license sales was put under heavy pressure by the economic development in the European markets. While a large number of license agreements were concluded, the number of large-volume agreements was low. In addition, the preparation of the broadcasting start and the expansion and integration of the new film assets had a negative effect on the small team in the operating business in the financial year under review.

After long and intensive negotiations, Your Family Entertainment AG acquired the perpetual rights to the well-known and popular series ‚Jasper der Pinguin', ‚Die Hydronauten', ‚Die faule Paula' as well as ‚Jasper - Der Film' at the beginning of August. So, more top-class programmes and popular characters jointed the YFE family in 2012.

In addition to such success formats as "Mittelland - Die Legende der Elfen" (Middle Land – The Legend of the Elves) or world

premiers such as "Die magischen Zahnfeen" (Magical Tooth Fairies), the award-winning pay TV channel "yourfamily" started on 20 August 2012, the continuous – i.e. without any commercial breaks – broadcast of "Fairly Odd Parents", one of the most popular children programmes in German-speaking TV for the under 6 to 13 year olds. The "Fairly Odd Parents" series had been very popular on Disney's pay TV channel.

Then, the free-TV channel RiC started broadcasting on 10 September 2012, as the fourth German-speaking station for families and children. RiC is broadcast via Astra 19.2° and streamed simultaneously over the Internet. Right from the beginning, we pursued a fast expansion of the distribution through the cable channels.

Well-known and popular formats are dedicated primarily to children from the age of 3 to 13, but also to young people as well as persons managing the household who live outside of the big conurbation areas, which is true for almost 70 percent of the German-speaking population. The youngest children channel thus holds a unique position in the German-speaking TV landscape. Most of the broadcast programmes were produced in Europe, are educational, do not glorify violence and are provided in the usual Your Family Entertainment quality. In order to really offer something new, we even took another step and are broadcasting a black screen on RiC between 7:00 and 7:30 pm to tell our children a good-night story through yourfamilyradio.

The distinctive red curtain surrounding the screen on RiC minimises the perceptual overload and creates a real theatre atmosphere.

At the MIPJunior in October, Your Family Entertainment proudly presented the completed 1st series of the brand new 3-D animated TV series "Heroes of the City", which shows the exciting adventures of Pauline police car and Fiona fire engine who help the citizens of the city to catch thieves, extinguish fires and solve many other mysteries.

Shortly before Christmas, RiC expanded its digital offer on the iPad by another exciting function, the app under the name of "Faltkino" or "Fold Flip" was expanded by the menu item "RiC" – that was done in cooperation with the Munich-based company Cribster whose foldable flip app was awarded the Pädi 2011 for being pedagogically valuable. From now on, small (and even big) fans may give free reign to their creativity and create coloured animations by painting and putting several images together and are thus able to quickly make their own video – and finally send their proud result to RiC. The channel plans to broadcast the best videos and thus award and motivate the little "future authors".

Our activities still focus on the responsible further development of our company through growth in existing and new business fields under the premise to increase the value of our company in order to create sustainable values for you, our shareholders.

I would like to take this opportunity to thank you, dear Shareholders, for your trust in our company. Likewise, I express my thanks to the members of the Supervisory Board who permanently support Your Family Entertainment AG with guidance and resources.

Moreover, I would, once again, like to say thank you to all our employees. It was your performance and your commitment that enabled the achievements mentioned above and I know that such achievements require a lot of personal efforts. I am, therefore, all the more happy to work in a team that takes on and successfully masters challenges every day with creativity and initiative.

Munich, April 2013

Stefan Piech
CEO

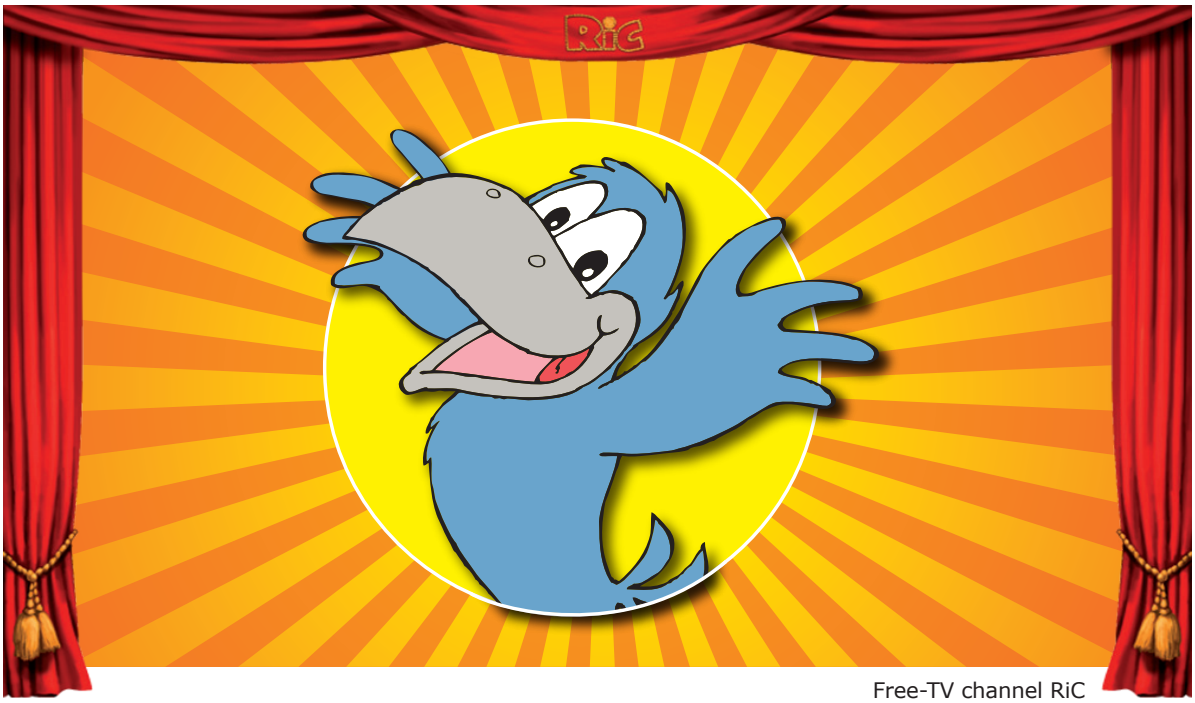
2. About us

The name Your Family Entertainment AG (YFE) symbolises innovation and tradition in one: we have been licensing and producing high-quality and educational TV series for children, young adults and families for more than 30 years. In the meantime, we have a programme inventory of about 3,500 half-hour programmes – that is one of the biggest in Europe! At the same time, we have been operating the pay TV channel "your-family" since 2007 which has already been given the renowned HOT BIRD TV Award. This is where we show high-value animation series for children and entertainment programmes for the entire family. Your Family Entertainment AG is backed by a young and dynamic team of highly motivated employees who jointly strive for one objective: we wish to pass on our excitement and our passion for high-value children TV programmes – to children, families and our customers all over the world.

Our Family is Excited about a New Member: the Free TV Channel RiC

We celebrated a fresh start with our innovative Free TV children's channel RiC which started in September 2012. Our small but nice channel is THE new station with quality standards for children at the age of 3 to 13: we broadcast sophisticated, educational series of European origin that have been developed jointly with teachers in long years of cooperation and are free from any violence. At the same time, we attach importance to a realisation that is suitable for children: the decelerated contents, the picture format that is tailored to the special needs of children and our programme design are unique in Europe. And we offer another speciality: our channel is, as a live stream, simultaneously available on the Internet, as well as on the mobile platforms iOS and Android.

We cooperate with numerous partners to market our channel and continuously work on an increase of our popularity.



Free-TV channel RiC

RiC's Unique Selling Propositions at one Glance

RiC - The channel with the red curtain: the red curtain frames the entire programme of RiC – just like the stage in a theatre. It reduces the perceptual overload, underlines the fictional element and thus creates a completely new TV experience for children.

World première: we switch off the TV for one half hour each day: each night, we broadcast a black screen for one half hour and tell a good-night story: this way, children will calm down after an exciting day.

RiC is the channel to touch and experience: RiC, the raven, is the likeable mascot of the channel: it creates a sense of closeness to the small audience and experiences funny stories in its own small animated films. A life-sized version of the mascot is present during important events and embodies the face of our children's channel toward the outside.

New, Top-Class Programmes in the Product Portfolio

Jasper, the Penguin / Jasper – Journey to the End of the World (the "Film")
Jasper, a curious and adventurous penguin, is often wondering about everyday objects and human customs. He regularly informs his family at the South Pole about all his new impressions by sending them messages in a bottle. The small penguin takes a look at seemingly normal things in everyday life and takes on the role of the wonderer. That makes him similar to younger children who start to discover the world. He is supported by a girl called Emma who is a lovable friend. Jasper, the penguin, is a hero just as the young TV audience between ages of three and seven like him to be. When Jasper looks at totally average things such as a comb, a bus or a flashlight from his very special point of view, children are not only enabled to learn, but to laugh, as well.

Die Hydronauten (The Hydronauts)
In an effort to help her home planet which is threatened by a decreasing water level, the young alien spacewoman Neptuna is one day sent on the long trip to the "Water Planet" earth. Once there, she learns to know the seal Balty and the seagull Ponto. Together, they travel the seas as hydronauts and experience many adventures. They fight against polluted sewage water, global warming and other threats for the environment. This German/French co-production was realised with the support of the Deutsche Bundesstiftung Umwelt [German Federal Foundation for the Environment] and provides children with a unique combination of exciting animation and background information on the subject of the environment. The series received the "Goldener Graslöwe" Award for its commitment.

Lazy Lucy
Lucy lives the normal life of an eight-year old. Including its tasks and duties: she gets up every morning, brushes her teeth, goes to school, does her homework, helps to clean the dishes, takes the garbage out, brushes Flinki, the dog, or watches her little brother, Paul. In short: Lucy makes and does and does and makes.

No wonder that she becomes inventive in view of so much activity. Why unbutton the coat every time, if one needs to button it up again soon? How could one comfortably reach the shed in winter without needing to shovel snow? Or what could be used to water the plants on the balcony without needing to carry the heavy watering can? Lucy is able to do that lazier! This funny animated series is for pre-schoolers and invites them to use their fantasy and creativity in everyday life.

3. Report of the Supervisory Board

Dear Shareholders,

The Supervisory Board regularly monitored, controlled and advised on the work of the Board of Management during the 2012 financial year. The Board of Management kept the Supervisory Board comprehensively and punctually informed by means of both verbal and written reports. The Supervisory Board and the Board of Management were also in constant contact between the meetings. Telephone conferences and e-mail correspondence took place. Thus, the Supervisory Board was informed at all times of the intended business policy, the company's planning, including financial, investment and human resources, as well as the development of the business and the company's current situation.

A total of four meetings of the Supervisory Board were held in the financial year 2012. All members were in attendance for each meeting. All members of the Supervisory Board therefore participated in at least half of its meetings during their period of office in the 2012 financial year. During these meetings, all major matters of business policy, especially those relating to the company's commercial and financial development, its strategy and planning, important business events and matters requiring the consent of the Supervisory Board were subjected to detailed and empirical analysis, deliberated upon and discussed with the Board of Management on the basis of comprehensive and complete reports prepared by the Board of Management. In addition, the Supervisory Board also held discussions by means of telephone conferences. Also during the 2012 financial year, the Supervisory Board repeatedly made use of its right to inspect the books and records as well as the company's assets. The Board of Management was available at all times to answer questions and to give explanations.

Key subjects discussed by the Supervisory Board

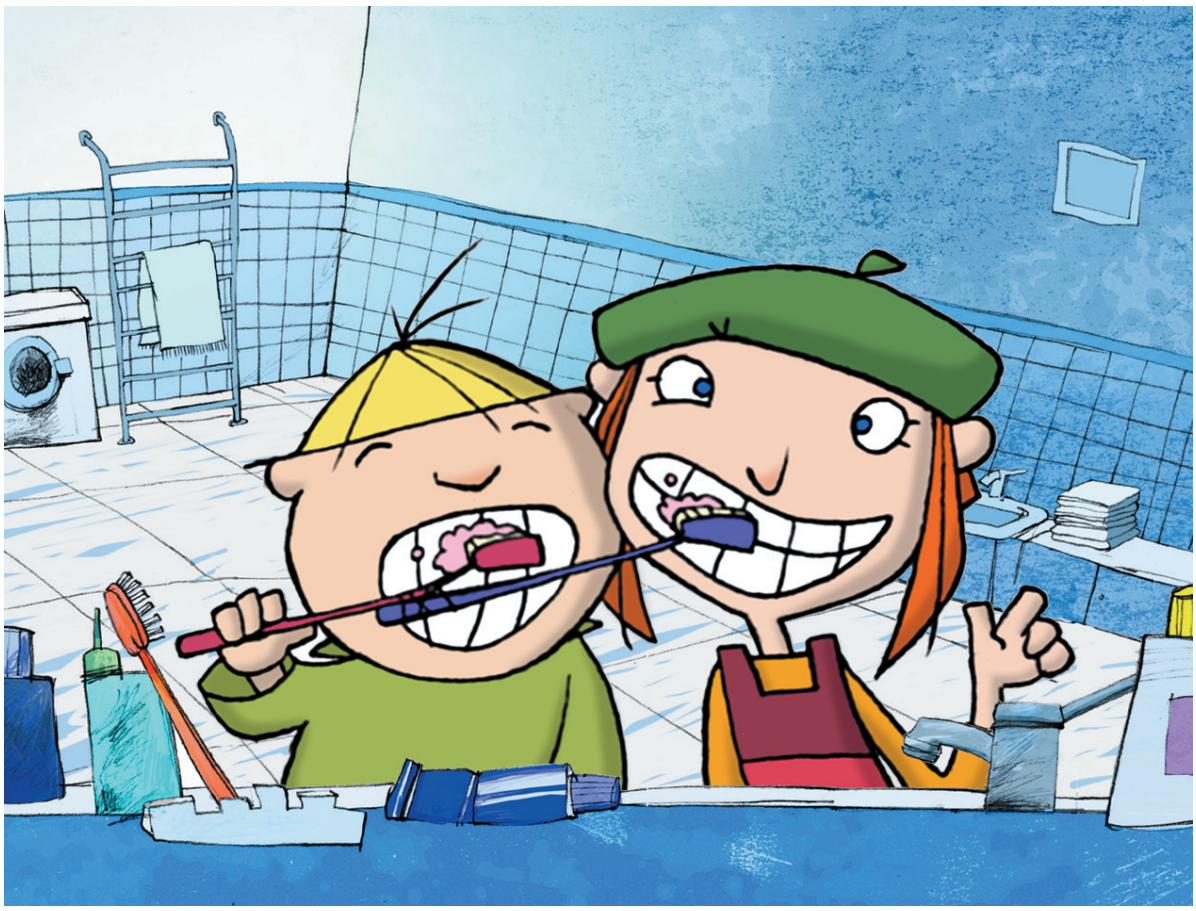
As in the previous years, the Supervisory Board's deliberations and control activities in the 2012 financial year again were dominated by the sales development in the company's core business on the one hand and, on the other hand, the monitoring of the development and the extension of the business segments by the company. In addition, there were several capital market measures which were presented to the Supervisory Board by the Board of Management and which were discussed and decided by the Supervisory Board.

The sales development achieved in the 2012 financial year reflects the pricing pressure identified in the market. The further increase of the sales achieved by the own channel "yourfamily", is considered as being pleasant by the Supervisory Board.

The significant incidents in the financial year included the payment of a dividend amounting to € 0.02/share.

Furthermore, the Supervisory Board dealt with the increase in the capital in kind and its conditions in detail.

One event worth of special mention for the Supervisory Board is the start of RIC, the children's channel. RIC is only the third freely receivable children channel in Germany. Part of the proceeds from the capital increase were used particularly for the start of this project. The company is breaking ground here insofar as the channel is financed by advertising. The Supervisory Board will intensively supervise the development of the channel and, in particular, its profitability in the upcoming years.



„Lazy Lucy"

As in previous years, the ongoing monitoring of the company's liquidity situation remained a main focus of the Supervisory Board. The Board of Management reported regularly on the subject.

Human Resources

In a resolution passed on December 13th, 2012, the Supervisory Board appointed Dr. Stefan Piëch as CEO of the company for five additional years, namely until December 31st, 2017.

The Supervisory Board passed a resolution on an extension of the agreement by five years to ensure a long-term continuity in the management of the company.

Committees of the Supervisory Board

The Supervisory Board has not established any committees.

Report on the audit of the annual financial statements

The annual financial statements and the management report of Your Family Entertainment AG were prepared in accordance with the provisions of the German Commercial Code (HGB).

In accordance with the Supervisory Board's instructions, Ernst & Young GmbH, auditors in Stuttgart, audited the company's accounting system and its financial statements and management report for the 2012 financial year. The auditor issued an unqualified audit in each case based on the audit. The company's annual financial statements and management report, as well as the audit reports of the auditor, were submitted to the Supervisory Board and examined by it. The Supervisory Board discussed these documents in

detail at its balance sheet meeting held on March 20th, 2013 in the presence of the auditor who reported on the principle findings of the audit. All questions of the Supervisory Board were answered in detail. The Supervisory Board took note of and approved the findings of the audit. Following its own conclusive examination, the Supervisory Board established no grounds for objecting to the company's financial statements and management report for the 2012 financial year. In its meeting of April 18th, 2012, the Supervisory Board approved Your Family Entertainment AG's financial statements submitted by the Board of Management. Accordingly, the financial statements of Your Family Entertainment AG are adopted. The Board of Management has prepared its report on the company's relationships with affiliated companies and submitted this report, together with the audit report on this subject, to the Supervisory Board. The auditor issued the following unqualified opinion:

"We confirm, following our obligatory examination and assessment, that

1. the factual details contained in the report are correct,
2. the consideration of the company in the course of the transactions listed in the report was not unreasonably high,

The auditor took part in the Supervisory Board's deliberations on the report dealing with relations with affiliated companies and reported on the principle findings of the audit. The Supervisory Board's examination of the Board of Management's report and the audit report gave no cause for objections; the Supervisory Board agrees with the findings of the audit of the auditor. The Supervisory Board, having examined the matter, raised no objections to the declaration made by the Board of Management at the end of the report on the relations of your Family Entertainment AG with affiliated companies.

The auditor also carried out an examination in accordance with § 317 para. 4 HGB [German Commercial Code] and concluded that the Board of Management had installed a monitoring system, that the legal requirements for the early recognition of risks threatening the existence of the company are fulfilled, and that the Board of Management has taken appropriate measures to recognize developments at an early stage to counter risks.

The auditor submitted the independence declaration required by the Corporate Governance Code to the Supervisory Board and disclosed the audit and consultancy fees occurring in the respective year to the Supervisory Board.

Corporate Governance and the declaration of conformity

The subject of Corporate Governance has a high priority for the Supervisory Board. The Supervisory Board dealt with the refinement of the Corporate Government principles in the company. The declaration given by the Board of Management and the Supervisory Board pursuant to § 161 AktG [German Companies Act] is reproduced in the chapter Corporate Governance of the Annual Business and Financial Report 2011 and additionally available on the company's website (www.yf-e.com) under Investor Relations.

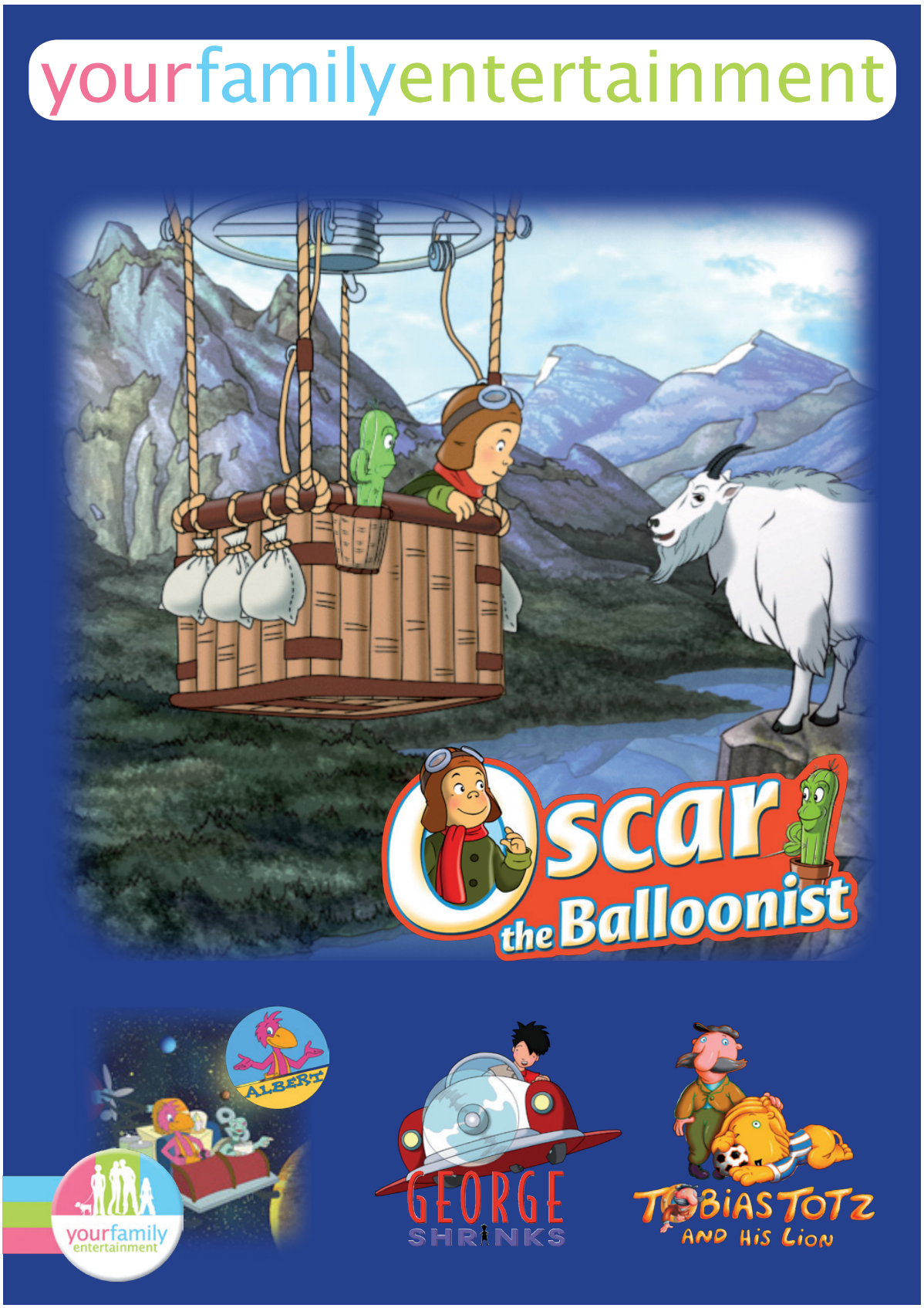
For more information on the subject of Corporate Governance, see the Annual Accounts on pages 13 to 15 (Corporate Governance report).

The Supervisory Board thanks the Board of Management and all employees for their commitment during the 2012 financial year.

Munich, April 2013

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

Chairman of the Supervisory Board



Poster at the tradeshow and event MIPTV in Cannes

4. The share

4.1 Overview

Your Family Entertainment AG is quoted under the security identification number WKN 540891/ISIN: DE0005408918 and the ticker symbol "RTV" on the regulated market of the Frankfurt Stock Exchange (General Standard).

Share of Your Family Entertainment AG	
Number of shares:	9,662,999 units
Subscribed capital:	€ 9,662,999
Initial notice:	June 8th, 1999
Industry:	Media & Entertainment

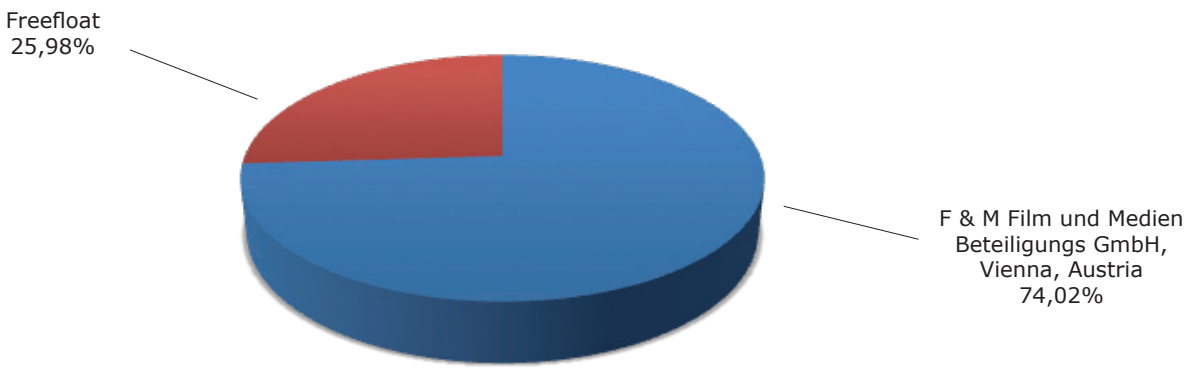
4.2 Development of the price of the share in 2012

During the period from January to December 2012, the price of the share of Your Family Entertainment AG on the Frankfurt Stock Exchange developed as follows:

Share of Your Family Entertainment AG

Source: www.ariva.de

4.3 Shareholding structure (as of December 31st, 2012)



5. Corporate Governance Report

Your Family Entertainment AG continued to develop further its Corporate Governance also in 2012 and mainly follows the recommendations and suggestions of the German Corporate Governance Code in the version of May 15th, 2012.

The Supervisory Board of Your Family Entertainment AG does not form committees as it consists of only three members, but has at its disposal an independent financial expert who meets the required criteria. This financial expert is independent and was no member of the Management (suggestions in section 5.3.2). In its current composition, the Supervisory Board of Your Family Entertainment AG has a very broad expert knowledge which also accommodates the international orientation of the company (section 5.4.1). YFE will go by this target also when making suggestions for new elections in the Supervisory Board. If Your Family Entertainment AG makes use of the exception regulations in section 5.4.4 of the Code when a member of the Board of Management becomes a Supervisory Board member, it will explain this in the shareholders' meeting.

The remuneration for Board of Management and Supervisory Board is shown in the notes to the annual financial report 2012. In 2012, conflicts of interest did neither occur in the Board of Management nor in the Supervisory Board. A possible conflict of interest in connection with the Supervisory Board member Dr. Sebastian Graf von Wallwitz was avoided in that a resolution sought by the company on cooperation with the legal firm of Schwarz Kelwing Wicke Westphal, in which Graf von Wallwitz is a partner, was submitted to the 2007 shareholders' meeting for adoption of a resolution and that an appropriate approval was given.

It is still the case that the members of the Board of Management do not hold any Supervisory Board or comparable office. The Supervisory Board monitors the efficiency of its own activities every year. It is the Supervisory Board's opinion that it has a sufficient number of independent members.

A comparison of the previous declaration of conformity with the Corporate Governance Code, which was actually implemented in the 2012 financial year, did not reveal any discrepancies. Your Family Entertainment AG to a large extent complies with the recommendations of the government commission German Corporate Governance Code, departing from the Code only in areas where this appears justified due to the company's size, the usefulness of such measures and also the financial parameters of a medium-sized company.

The rules of business procedure under which the Board of Management and the Supervisory Board operate remained unchanged in 2012. Approximately 30 shareholders and guests, representing 78.52% of the voting share capital, took part in the 2012 shareholders' meeting. All items proposed for resolution were accepted.

Munich, April 2013

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

Dr. Stefan Piëch (CEO)

Declaration of conformity of the Board of Management and Supervisory Board of Your Family Entertainment AG regarding the German Corporate Governance Code pursuant to § 161 AktG [German Companies Act]

§ 161 AktG [German Companies Act] requires that Board of Management and Supervisory Board of a listed company declare annually that the recommendations made by the "Government Commission on the German Corporate Governance Code", published by the Federal Ministry of Justice in the official part of the electronic Federal Gazette, have been and will be complied with or which recommendations were not and will not be applied, stating the reasons.

The company's Board of Management and Supervisory Board welcome the German Corporate Governance Code and declare the following:

1. Your Family Entertainment AG will comply with the recommendations of the German Corporate Governance Code in the version of May 15th, 2012, with the following exceptions:

D&O insurance for the Supervisory Board (section 3.8, para. 3)

For the members of the Supervisory Board, there is a D&O insurance which does not provide for an excess. The company does not consider the agreement of an excess to be suitable for improving the work ethic and sense of responsibility with which Supervisory Board members carry out the tasks and functions assigned to them. The legal requirements are met for the Board of Management.

Composition of the Management Board (section 4.2.1 sentence 1)

Owing to the scope of business operations and the size of the company, the Board of Management currently only consists of one individual.

Diversity in the Board of Management (section 5.1.2 para 1 sentence 2)

As the company has but one sole director, the Supervisory Board cannot be mindful of diversity within the Board of Management. Furthermore, as the Board of Management comprises but one member, which is currently deemed adequate for the company and whose position is filled for the foreseeable future, it appears also to be impossible to follow Code recommendations to consider women for the position.

Formation of committees (sections 5.3.1, 5.3.2, 5.3.3.)

Due to the limited size of the Supervisory Board (three members), the formation of committees is not deemed necessary.

Establishment of specific goals for the composition of the Supervisory Board (section 5.4.1 para. 2 and para. 3)

The Supervisory Board of Your Family Entertainment AG does not state any specific goals for its composition. In its proposal of exclusively suitable Supervisory Board election candidates, the Supervisory Board has always aimed to put together a Supervisory Board made up of members who possess the proper qualifications - the knowledge, abilities and industry experience to work effectively. In the opinion of the Supervisory Board, this approach has proven itself. Therefore, no necessity is seen to change this practice. Consequently, the recommendations based on that pursuant to section 5.4.1 para. 3 cannot be followed.

Date of financial reporting (section 7.1.2 sentence 4)

The annual financial statements will not be made publicly available within 90 days after the end of the financial year; interim reports will not be made publicly available within 45 days after the end of the reporting period. The associated workload for a timely release of said information would

involve unjustifiably high costs. In the opinion of the Board of Management and the Supervisory Board, the legal requirements for promptly providing information to shareholders and the capital market are sufficient.

2. Since the last declaration of conformity of December 2011, Your Family Entertainment AG basically complied with the recommendations of the German Corporate Governance Code in the version of May 15th, 2012. The recommendations from sections 3.8 para. 3, 4.2.1 sentence 1, 5.1.2 para. 1 sentence 2, 5.3.1, 5.3.2, 5.3.3, 5.4.1 para. 2 with the exception of parts of sentence 2, 5.4.1 para. 3 and 7.1.2 sentence 4 were not applied.

For the reasons of deviating from the above-mentioned sections, see explanations under no. 1.

Munich, December 2012

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

Dr. Stefan Piëch
(CEO)

„The Fairly Odd Parents"

6. Annual Financial Statements and Management Report

6.1 Balance sheet as of December 31st, 2012

	6.1.1 ASSETS	Dec. 31st, 2012 in €	Dec. 31st, 2011 in €
A.	**Fixed assets**		
I.	**Intangible Assets**		
1.	Franchises and similar rights acquired for a consideration	18,257.89	1,167.65
2.	IT software	1,324.00	991.00
3.	Film assets and other rights	16,906,148.67	15,762,465.22
4.	Deposits paid	14,732.50	0.00
		16,940,463.06	**15,764,623.87**
II.	**Tangible Assets**		
	Other equipment, Operational and office equipment	44,205.00	48,608.00
	Total Fixed Assets	**16,984,668.06**	**15,813,231.87**
B.	**Current assets**		
I.	**Inventories**		
	Finished goods	0.00	3,978.38
II.	**Accounts receivable and other assets**		
1.	Accounts receivable trade	922,273.17	1,015,702.31
2.	Other assets	38,814.25	36,721.40
		961,087.42	**1,052,423.71**
III.	**Cash on hand and balances with banks**	227,321.01	117,994.18
	Total Current Assets	**1,188,408.43**	**1,174,396.27**
C.	**Deferred charges and prepaid expenses**	119,824.31	9,061.89
		18,292,900.80	**16,996,690.03**

6.1 Balance sheet as of December 31st, 2012

	6.1.2 LIABILITIES	Dec. 31st, 2012 in €	Dec. 31st, 2011 in €
A.	**Shareholders' equity**		
I.	**Capital subscribed** **Conditional capital** € 48,267.00 (previous year € K48) **minus nominal amount own shares**	9,662,999.00 -51,400.00	8,793,000.00 -16,000.00
	Issued capital	9,611,599.00	8,777,000.00
II.	**Capital reserve**	2,507,232.56	2,332,638.01
III.	**Accumulated earnings**	1,628,410.67	1,027,381.79
	Total Shareholders' Equity	**13,747,242.23**	**12,137,019.80**
B.	**Provisions & Accrued Liabilities**		
1.	Pension provision	296,258.00	295,442.00
2.	Other provisions and accrued liabilities	561,177.07	354,627.21
	Total Provisions & Accrued Liabilities	**857,435.07**	**650,069.21**
C.	**Liabilities**		
1.	Loans	2,975,000.00	3,125,799.48
2.	Advance payments received on account of orders	13,312.18	486,366.57
3.	Accounts payable, trade	584,783.90	555,404.37
4.	Accounts due to other group companies	2,139.21	2,139.21
5.	Other liabilities	39,686.84	39,891.39
	Total Current Assets	**3,614,922.13**	**4,209,601.02**
D.	**Accruals and deferrals**	73,301.37	0.00
		18,292,900.80	**16,996,690.03**

6.2 Income Statement for 2012

	Income Statement	Dec. 31st, 2012 in €	Dec. 31st, 2011 in €
1.	**Sales**	2,501,155.29	3,146,073.29
2.	**Other operating income**	3,251,856.54	1,357,243.00
		5,753,011.83	**4,503,316.29**
3.	**Cost of materials**		
	a) Cost of licenses, commissions and materials	229,388.96	216,724.95
	b) Cost of purchased services	322,508.87	269,689.11
		551,897.83	**486,414.06**
		5,201,114.00	**4,016,902.23**
4.	**Personnel expenses**		
	a) Salaries	919,341.95	820,742.04
	b) Social security expenses	140,328.95	112,880.58
	c) Expenses of pension schemes	3,540.52	3,070.41
		1,063,211.42	**936,693.03**
5.	**Depreciation on intangible assets and property, plant and equipment**	1,810,681.20	957,889.57
6.	**Other operating expenses**	1,443,946.57	1,352,640.73
		4,317,839.19	**3,247,223.33**
		883,274.81	**769,678.90**
7.	**Other interest and similar income**	2,524.90	2,697.58
8.	**Interest and similar expenses**	101,171.13	67,821.40
		-98,646.23	**-65,123.82**
9.	**Result from ordinary operations**	**784,628.58**	**704,555.08**
10.	**Taxes on income**	7,710.70	13,244.25
11.	**Other taxes**	519.00	828.00
		8,229.70	**14,072.25**
12.	**Net income**	**776,398.88**	**690,482.83**
13.	**Profit brought forward from previous year**	852,011.79	336,898.96
14.	**Accumulated earnings**	**1,628,410.67**	**1,027,381.79**

6.3 Cash Flow Statement for 2012

	Cash Flow Statement 2012	2012 € k	2011 € k
1.	**Cash flows from operating activities**		
	Net income	776	690
	Depreciation of film assets and other rights	1,781	932
	Depreciation of other fixed assets	30	26
	Write-ups of film assets and other rights	-2,704	-1,204
	Change in long-term provisions and accrued liabilities	0	-16
	Other non-cash expenses (previous year income)	71	107
	Interest income	-3	-3
	Interest payable	101	68
	Tax expenses	8	13
	Increase in trade receivables	-34	-519
	Decrease in other assets	-113	3
	Increase (previous year decrease) in trade payables	75	135
	Increase in other liabilities	-190	158
	Cash from ongoing business activities before interest and taxes	**-202**	**390**
	Interest payments	-84	-53
	Tax expenses	-8	-13
	Cash flows from operating activities	**-294**	**324**
2.	**Cash flows from investing activities**		
	Payments for investments in property, plant and equipment	-25	-24
	Payments for other investments in other intangible assets Payments for investments in other intangible assets	-34	-1
	Payments for investments in the film assets and the other rights (including advance payments)	-221	-468
	Cash flow from investment activities	**-280**	**-493**
3.	**Cash flows from financing activities**		
	Dividends paid to shareholders	-175	-1,653
	Payments for the purchase of own shares	-35	-17
	Proceeds from capital increase	1,044	0
	Proceeds from issuing bonds/loans	0	3.126
	Payments for the repayments of bonds/loans	-151	-1,350
	Cash flow from financing activities	**683**	**106**
4.	**Cash funds at the end of the period**		
	Change in cash funds from cash-relevant transactions	109	-63
	Cash funds at the beginning of the period	118	181
	Cash funds at the end of the period	**227**	**118**
5.	**Composition of cash funds**		
	Liquid funds	**227**	**118**

6.4 Statement of Shareholders' Equity 2012

	Subscribed capital	Minus nominal amount of own shares	Issued capital	Capital reserve	Accumulated earnings	Shareholders' equity
	€	€	€	€	€	€
Jan. 1st, 2011	8,700,000.00	0.00	8,700,000.00	2,287,456.00	1,989,888.89	12,977,344.89
Acquisition of own shares	0.00	-16,000.00	-16,000.00	-1,317.99	0.00	-17,317.99
Dividend	0.00	0.00	0.00	0.00	-1,652,989.93	-1,652,989.93
Capital Increase	93,000.00	0.00	93,000.00	46,500.00	0.00	139,500.00
Net income	0.00	0.00	0.00	0.00	690,482.83	690,482.83
Dec. 31st, 2011	8,793,000.00	-16,000.00	8,777,000.00	2,332,638.01	1,027,381.79	12,137,019.80
Jan. 1st, 2012	8,793,000.00	-16,000.00	8,777,000.00	2,332,638.01	1,027,381.79	12,137,019.80
Acquisition of own shares	0.00	-35,400.00	-35,400.00	594.75	0.00	-34,805.25
Dividend	0.00	0.00	0.00	0.00	-175,370.00	-175,370.00
Increase in capital in kind	869,999.00	0.00	869,999.00	173,999.80	0.00	1,043,998.80
Net income	0.00	0.00	0.00	0.00	776,398.88	776,398.88
Dec. 31st, 2012	9,662,999.00	-51,400.00	9,611,599.00	2,507,232.56	1,628,410.67	13,747,242.23

„The magical Toothfairies and their adventures"

6.5 Notes for 2012

I. General Information

The annual financial statements of Your Family Entertainment AG (YFE), Munich, for the 2012 financial year were prepared in accordance with § 242 et seqq., § 264 et seqq. German Commercial Code (HGB) as well as the relevant provisions of the German Companies Act (AktG). The rules for large companies limited by shares apply.

Your Family Entertainment AG has its offices in Munich, Nordendstraße 64, Germany.

Object of the company:

The creation, editing and production of films, video and sound carriers and merchandising products, the purchase and sale of rights, investment in broadcasting companies, trade with films, image/sound carriers, merchandising products and national and international rights as well as event marketing. The company is also a full-service provider in the sense of an agency for the marketing of its own and third-party merchandising rights at home and abroad. The company's object also includes music publishing and all related transactions or transactions promoting the purpose of the company, including the production of music, especially film music, either in its own capacity or through third parties.

The company's business activities are split into the business segments "Production" and "License Sales".

II. Accounting and valuation methods

The accounting and valuation takes place pursuant to the following principles:

Balance sheet

Film assets and other rights are shown at their amortized costs. Scheduled amortization takes place depending on the exploitation of the film rights. Corresponding to the proportionate sales recognized in the financial year in relation to the overall exploitation of the film rights planned, including the sales realized in the financial year, the periodic proportionate amortization resulting from the exploitation takes place.

The approach chosen is based on the industry-specific US standard FASB ASC 926 (Entertainment - Films).

In addition, an impairment test is carried out at each balance sheet cut-off date.

A write-up is made when an impairment no longer exists or has been reduced. The write-up is recorded as income in the income statement. However, the increase in value and/or the reduction of the impairment of an asset only is recorded to the extent in which it does not exceed the book value which might have resulted taking into account the depreciation and amortization effects if no impairment had been recorded in the previous years.

The IT software acquired for a consideration as well as the property, plant and equipment are valued at costs of acquisition minus scheduled depreciation. The amortization of IT software takes place pursuant to the straight-line method pro rata temporis. The movable assets are depreciated using the straight-line method pro rata temporis. The period of amortization and depreciation corresponds to the useful lives of the assets customary in the industry. For IT software, it amounts to three years and for the other operational and office equipment, it amounts to two to ten years.

The inventories are valued at the average costs of acquisition. Recognizable inventory asset risks that result from above-average warehouse storage time, reduced usability and lower replacement costs are taken into account in the form of appropriate devaluations.

Receivables and other assets are shown at their nominal value. All items fraught with

risks are accounted for by forming reasonable specific provisions. In addition, a general provision amounting to 1% exists for the general credit risk.

Receivables in foreign currency are valued using the average spot exchange rate at the balance sheet cut-off date. In the case of a residual maturity of more than one year, the realization and historical cost principle is observed.

The pension provisions are calculated in accordance with the Project Unit Credit Method, using Dr. Klaus Heubeck's "2005 G Tables". For discounting, a fixed rate, based on the average market interest rate and 15 years remaining to maturity, of 5.04% was used, in accordance with the German Regulation on the Discounting of Provisions of November 18th, 2009. Expected salary and pension increases were not to be taken into account.

The other provisions cover all recognizable risks and contingent liabilities. They are valued amounting to the settlement value (i.e. future cost and price increases). Other provisions with a remaining time to maturity of more than one year have been discounted with an adequate interest rate for the remaining time to maturity pursuant to the German Regulation on the Discounting of Provisions.

The liabilities are valued at the settlement value.

Amounts in foreign currency are valued at the spot exchange rate at the balance sheet cut-off date. In the case of a duration of more than one year, the realization and historical cost principle is observed.

Economic hedging relationships are reflected in the balance sheet by recognizing hedging relationships. Balancing value changes from the risk hedged are not included in the balance sheet, applying the "net hedge presentation method". The balancing positive and negative value changes both of the underlying transaction as well as the hedging instrument are recorded without affecting the income statement.

For the determination of deferred tax due to temporary or quasi-permanent differences between the valuation of assets under the commercial code, debts and accruals and deferrals and the fiscal valuations or due to fiscal losses brought forward, the amounts of the resulting tax burden and relief will be valued at the company-specific tax rates (32.98%) at the time of reducing the differences and not discounted.

Deferred tax differences on the assets side as of the balance sheet cut-off date mainly result from for pension provisions, other provisions and foreign currency gains.

The option for capitalization of deferred taxes is not exercised.

Income Statement

The Income Statement is structured pursuant to the total expenditure format.

The recognition of sales takes place depending on the respective license agreement, in particular pursuant to the following:

- a license contract signed by both parties is available;
- the contractual obligations regarding the delivery/supply of the material have been met;
- the licensing period has begun;
- the contractual fee can be determined, e.g. also by means of periodic reports of the video on demand (VoD) platforms.

Whether the licensee uses the rights only at a later point in time is not relevant for the time of recognition of the sale.

As regards merchandising sales (business segment „License Sales"), the guaranteed income is shown at the time of conclusion of the contract and/or at the start of the respective license period. In the case of income that is solely dependent on sales, the reco-

gnition of the income takes place when the sales are given for the licensee.

Sales in the business segment "Production" are recognized after completion and acceptance of the individual episodes.

III. Explanations of the balance sheet

Fixed assets

The development of the individual items of the fixed assets is illustrated in the separate summary of fixed assets, stating the depreciation and amortization of the financial year.

Accounts receivable and other assets

Items with a remaining time to maturity of more than one year exist in the receivables from trading amounting to € 0k (previous year € 35k) and in the other assets amounting to € 11k (previous year € 11k).

Shareholders' equity

Share capital

The share capital of Your Family Entertainment AG as of the balance sheet cut-off date is divided into 9,662,999 no-par shares, each with a pro-rata amount in the share capital of € 1.00. As of December 31st, 2012, the share capital thus amounts to € 9,662,999.00. The shares are bearer-shares. They are fully paid up.

On November 3rd, 2005, the Board of Management of the company, then trading under the name of RTV Family Entertainment AG, issued the following two announcements in the stock exchange newspaper (Börsenzeitung) in accordance with § 25 para. 1 WpHG [German Securities Trading Act]:

"Dr. Stefan Piëch (Vienna, Austria) has informed us, in accordance with § 21 para. 1, § 22 para. 1 sentence 1 no. 1 WpHG [German Securities Trading Act] that the share of voting rights held by F&M Film und Medien Beteiligungs GmbH (Vienna, Austria) in RTV Family Entertainment AG (WKN 540891, WKN 540893) attributed to him in accordance with § 22 para. 1 sentence 1 no. 1 German Securities Trading Act had, on October 26th, 2005, exceeded the thresholds of 5%, 10%, 25%, 50% and 75% of the voting rights and is now 89.27%."

"F&M Film und Medien Beteiligungs GmbH (Vienna, Austria) has informed us, in accordance with § 21 para. 1 German Securities Trading Act that its share of the voting rights in RTV Family Entertainment AG (WKN 540891, WKN 540893) on October 26th, 2005, exceeded the thresholds of 5%, 10%, 25%, 50% and 75% of the voting rights and now amounts to 89.27%."

As of December 31st, 2012, F&M Film und Medien Beteiligungs GmbH, Vienna, Austria, is in possession of 74.02% of the share capital.

On March 20th, 2012 the company executed successfully a capital increase, making use of the authorized capital 2010. All 869,999 offered shares were subscribed and taken over within the framework of a private placement. The share capital of the company increased by up to € 869,999.00 from € 8,793,000.00 to up to € 9,662,999.00, divided into 9,662,999 bearer shares with a pro rata amount in the share capital of € 1.00 per share.

Capital reserve

The amount of € 173,999.80, that was achieved by the issue of shares above the nominal amount was allocated to the capital reserve.

For settling the purchase price for own shares below the nominal amount, € 594.75 were allocated to the capital reserve in 2011.

Authorized capital 2012

The shareholders' meeting of June 27th, 2012 approved new authorized capital (authorized capital 2012).

In this respect, the following resolution was adopted:

a) The authorization for the Board of Management to increase the company's share capital by June 8th, 2015, on one or more occasions, by up to a total of € 3,387,001.00 (authorized capital 2010), is herewith nullified, effective at the time when the new authorized capital, in accordance with subsequent paragraphs b) and c), is entered in the commercial register.

b) With the approval of the Supervisory Board, the Board of Management is authorized to increase the company's share capital by June 26th, 2017, on one or more occasions, by up to a total of € 4,831,499.00, through the issue of up to 4,831,499 new zero-par bearer share certificates in return for cash and/or contributions in kind (authorized capital 2012). As a matter of principle, shareholders will be thereby granted a subscription right. The legal subscription right can also be granted in such a way that the new shares can be underwritten by a bank or similar institution according to § 186 para. 5 sentence 1 AktG (German Companies Act) with the obligation to offer these to shareholders of Your Family Entertainment AG for subscription. With the approval of the Supervisory Board, the Board of Management is authorized to exclude the legal subscription right:

- if a capital increase against cash contribution does not exceed 10 % of the capital stock and the issue price of the new shares does not vastly fall below the stock market price (§ 186 para. 3 sentence 4 German Companies Act); when making use of this authorization to exclude the subscription right under § 186 para. 3 sentence 4 German Companies Act, the exclusion of the subscription right due to other authorizations listed under § 186 para. 3 sentence 4 German Companies Act is to be taken into account.
- if the shares are issued against a contribution in kind made for the purpose of purchasing companies or interests in companies or parts of companies or for the purpose of purchasing receivables from the company;
- to the extent that it is necessary for offsetting fractional amounts;

c) With the approval of the Supervisory Board, the Board of Management is authorized to determine further details of the capital increase and its implementation. The Supervisory Board is authorized to update the wording of the articles of association in accordance with the utilization of the authorized capital. § 4 para. 3 of the articles of association will be rewritten in accordance with the aforementioned resolutions.

Conditional capital II

The May 4th, 2000 meeting of the shareholders authorized a conditional increase in capital of up to € 800,000.00 through the issue of up to 800,000 new shares (Conditional Capital II). The new shares are entitled to participate in profits from the beginning of the financial year in which the issue is made. The purpose of the conditional capital increase is to grant (share) option rights to members of the Board of Management, employees of the company, members of the company's management bodies and employees of subordinated affiliated companies. The option rights are not transferable and may not be sold. They may be exercised only as long as the beneficiary is not under notice of termination.

Those entitled to benefit include the members of the Board of Management (a maximum of 25% of the option rights) and the employees of the company, members of the company's management bodies and employees of subordinated affiliated companies (a maximum of 75% of the option rights).

The issue of the option rights should take place in annual tranches over a period of three years:

- first tranche:
  400,000 option rights from July 1st to November 15th, 2000

- second tranche:
  200,000 option rights from July 1st to November 15th, 2001
- third tranche:
  200,000 option rights from July 1st to November 15th, 2002

Those entitled to purchase receive the right to subscribe to one new share of the company for each option right. Several waiting periods were established for the exercise of the option rights. The waiting period is two years for 40% of the total amount of option rights issued to individual beneficiaries, three years for a further 30% and four years for the remaining 30%. The option rights under the first tranche may not be exercised before November 15th, 2002, those under the second tranche not before November 15th, 2003 and those under the third tranche not before November 15th, 2004. The dates November 15th, 2005, 2006 and 2007 were established as the last dates on which rights may be exercised.

The beneficiary may be paid a cash amount instead of the subscription to new shares. The Board of Management decides on the exercising of this choice; if members of the Board of Management are personally involved, the Supervisory Board shall decide.

Following the capital increase from the company's own resources (officially registered on May 23rd, 2000), the number of option rights and the individual tranches had to be doubled. The share option plan thus contains 1,600,000 option rights.

As part of the first tranche, 711,500 option rights were issued on August 4th and November 15th, 2000. The average price for exercising the option was fixed at € 22.56.

The May 23rd, 2001 shareholders' meeting resolved that the conditional increase in capital should only be carried out to the extent that the holders of option rights make use of their rights. The new shares participate in profits from the beginning of the financial year in which they came into existence as a result of the exercise of share options. The date by which the option rights must be exercised was extended for the option rights under the first tranche to November 15th, 2010, for the option rights under the second tranche to November 15th, 2011, and for the option rights under the third tranche to November 15th, 2012. In the event of a termination of the contract of employment, the option rights, for which the waiting period had already expired at the time the letter of termination was received, may be exercised within a further grace period of six months from the time the letter of termination is received.

As part of the second tranche, 369,500 option rights were issued on July 30th, 2001 at an issue price of € 1.27.

The extraordinary August 12th, 2002 shareholders' meeting resolved that the Conditional Capital II should now be € 724,005.00 instead of € 1,600,000.00.

The conditional capital increase will only be carried out provided that the holders of the option rights make use of their option right issued under a share option plan in accordance with the resolutions passed by the extraordinary May 4th, 2000 shareholders' meeting, amended and extended by resolutions passed by the May 23rd, 2001 regular shareholders' meeting and the extraordinary August 12th, 2002 shareholders' meeting. The new shares participate in profits from the beginning of the financial year in which they came into existence as a result of the exercise of share options.

Following the simplified capital reduction (registered on October 9th, 2002), the number of option rights had to be divided by 15 and the issue price multiplied by a factor of 15, so that thereafter the share option plan contained 48,267 option rights at an issue price of € 19.05.

As already in 2011, no share option rights were granted in 2012.

Share repurchase

In 2012, the authorization to purchase own shares, which was passed at the June 27th, 2011 shareholders' meeting, was made use of and a total of 35,400 own shares with an arithmetical portion of the share capital of a total of € 35.4k at an overall price of € 34.8k were purchased on the stock exchange. Thus, the own shares as of the balance sheet cut-off date amount to 0.53% of the share capital.

„Heroes of the City"

Provisions & Accrued Liabilities

The other provisions mainly relate to human resources costs, provisions for outstanding invoices as well as the provisions for the annual financial statements and the audit.

Furthermore, a provision for contingent loss from derivative financial instruments amounting to € 100k (previous year € 76k) was formed.

Liabilities

Liabilities as of Dec. 31st, 2012 in € k	Up to 1 year	2-5 years	> 5 years	Total
Loans	1,892	1,083	0	2,975
Advance payments received on account of orders	13	0	0	13
Accounts payable, trade	558	27	0	585
Accounts due to other group companies	2	0	0	2
Other liabilities - thereof for taxes - thereof for social security	40 (14) (6)	0 (0) (0)	0 (0) (0)	40 (14) (6)
Total liabilities	**2,505**	**1.110**	**0**	**3,615**

Liabilities as of Dec. 31st, 2011 in € k	Up to 1 year	2-5 years	> 5 years	Total
Loans	1,826	1,300	0	3,126
Advance payments received on account of orders	487	0	0	487
Accounts payable, trade	554	1	0	555
Accounts due to other group companies	2	0	0	2
Other liabilities - thereof for taxes - thereof for social security	40 (17) (4)	0 (0) (0)	0 (0) (0)	40 (17) (4)
Total liabilities	**2,909**	**1,301**	**0**	**4,210**

In order to secure loans, collaterals in the form of rights and claims under film license contracts have been granted. In addition, loans are supported by bill designations and blank bills.

Other financial commitments

Other financial commitments due within one year amount to € 539k and are primarily divided into rental (€ 75k), lease (€ 13k), consultancy and service commitments (€ 451k).

Within a period of 2 to 5 years, a total of € 320k will become due, primarily for service commitments.

Derivative financial instruments

For hedging interest risks, the company concluded interest rate hedging instruments. These financial instruments are effective as of June 1st, 2012.

Type / category	Nominal amount (€ k)	Fair value (€ k)	Book value (€ k)
Interest swap	500	-94	n/a
Interest swap	300	-56	n/a
Cap	700	-58	-58
Cap	500	-42	-42
Total	**2,000**	**-250**	**-100**

To the extent that the underlying transactions are closed items, no need for provisions resulted.

For the caps, other provisions amounting to € 100k (previous year € 76k) were formed.

The following valuation methods were applied:
The values stated are cash values (present value). Possible past cash flows (e.g. interest or premium payments) are not taken into account. Future cash flows from variable payments as well as discount rates are determined based on generally accepted actuarial models. For the valuation, average interbank rates are used.

Hedging relationships

The following hedging relationships were recognized:

Underlying transaction/ hedging instrument	Risk/type of hedging relationship	Amount involved	Amount of the risk hedged
Floating interest rate loan payables / interest swap	Interest rate risk/microhedge	€ 800k	€ 800k

The underlying transaction is a floating interest credit line which will be drawn on with high probability during the hedging period (June 1st, 2012 to June 3rd, 2019) permanently at least amounting to the hedging volume. The opposed cash flows of underlying and hedging transactions presumably will be balanced in the hedging period nearly to the full extent because the payments from interest swaps are opposed by an underlying transaction to the same amount. The effectiveness of the hedging relations is determined based on the "hypothetic derivative method". As of the accounting date, no need for provisions resulted from this.

IV. Explanations of the income statement

Sales

Sales of € 961k (previous year € 1,165k) were achieved in Germany and € 1,540k (previous year € 1,981k) abroad.

The sales of € 2,501k were achieved completely in the „License Sales" segment (previous year € 3,146k).

Other operating income

This item primarily includes income from write-ups to intangible assets amounting to € 2,704k (previous year € 1,204k).

In addition, a contractor's advances amounting to € 392k which were paid but not passed to account were collected due to the termination of the cooperation as per contract.

Furthermore, income from currency conversion amounting to € 6k (previous year € 28k) was shown.

Cost of materialsl

This position relates to sales-related costs for licenses, commission, materials and purchased services. Above all, these are the expenses for purchased services amounting to € 323k (previous year € 270k), for licenses (authors' shares) with € 152k (previous year € 143k) and commissions € 77k (previous year € 73k),

Personnel expenses

On average throughout the year, 17 employees were employed, including apprentices and interns but excluding the Board of Management.

Depreciation & amortization

Unscheduled amortization of film assets amounting to € 1,603k (previous year € 476k) was to be made as a result of the so-called impairment test. In addition, amortization of € 178k (previous year € 456k) were made on film assets as a result of the use made of the assets.

Other operating expenses

This collective item mainly includes the costs of repairs and administration (especially investor relations, legal, court, audit and consultancy costs), rental and leasing costs as well as press, advertising and trade show costs.

Furthermore, currency conversion accounted for € 9k (previous year € 18k) in expenses.

Other interest and similar income

The income from the addition of accrued interest amounts to € 2k (previous year € 3k).

Interest and similar expenses

Interest expenses from provisions and accrued liabilities was € 17k (previous year € 15k).

Taxes on income

This item amounting to € 7k exclusively relates to foreign withholding tax.

Significant transactions with affiliated persons and/or companies

Within the framework of a credit agreement with UniCredit Bank Austria AG, Vienna, a letter of guarantee for € 1.3 million plus interest and ancillary costs was issued by F&M Film und Medien Beteiligungs GmbH, Vienna, for Your Family Entertainment AG. As a result F&M Film und Medien Beteiligungs GmbH committed its continued stake in the company and ensured that Your Family Entertainment AG is lead and equipped with financial resources in such a scope that it is at all times in a position to meet its current und future liabilities towards its creditors in time as long as the credit with UniCredit Bank Austria AG (including all interests and additional costs) is not fully repaid.

Further transactions not made at arms-length conditions were not given.

V. Information on the company's statutory bodies

Supervisory Board

The members of the Supervisory Board during the 2012 financial year were:

- Dr. Hans-Sebastian Graf von Wallwitz
  Munich, Germany
  Lawyer
  (Chairman)
- Mag. Johannes Thun-Hohenstein,
  Vienna, Austria
  Media consultant
  (Deputy Chairman)
- Dr. Andreas Aufschnaiter,
  Munich, Germany
  Business consultant,
  Executive Board GCI Industrie AG

The total remuneration (without expenses) of the Supervisory Board in the 2012 financial year amounted to € 45k. Pursuant to § 16 of the company's articles of association, € 20k of this amount are due to the Chairman, € 15k to the Deputy Chairman and € 10k to the other members. The members of the Supervisory Board owned 100 shares on December 31st, 2012.

The members of the Supervisory Board hold the following positions on other supervisory boards and control bodies within the definition of § 125 para. 1 sentence 5 German Companies Act:

- Mag. Johannes Thun-Hohenstein:
  Member of the Supervisory Board of
  Ronald McDonald Kinderhilfe Austria
- Dr. Andreas Aufschnaiter:
  Full member of the Supervisory Board of
- MEA AG, Aichach
- STEMAS AG, Munich
- ACB Vorsorge KGaA, Eggenfelden

Board of Management

The sole Management Board member of Your Family Entertainment AG is:

Dr. Stefan Piëch
Vienna, Austria
Film Distributor

The Board of Management's total remuneration during the 2012 financial year amounted to € 208k and includes fixed remuneration, payments in kind (car) and insurance contributions. Because of being less than the agreed objectives no variable remuneration was paid.

As of the balance sheet cut-off date, the Board of Management held 59,881 shares.

The total remuneration for former members of the Board of Management amounted to € 18k. The pension provisions for former members of the Board of Management and their surviving dependants are fully formed and as of December 31st, 2012 amount to € 272k.

VI. Audit and consultancy fees

The auditors' total fee invoiced for the audit of the financial statements for the year ending December 31st, 2012 (annual financial statements in accordance with the German Commercial Code and the audit of the Dependency Report) amounts to a total of € 36k.

VII. Declaration in accordance with § 161 AktG [German Companies Act] relating to the Corporate Governance Code

Your Family Entertainment AG, Munich, has submitted the declaration for 2012 required under § 161 AktG [German Companies Act] and made it available to the shareholders in December 2012 on the website of the company (www.yf-e.com) under the heading „Investor Relations".

Munich, April 5th, 2013

The Board of Management

VIII. Development of the fixed assets 2012

	Jan 1st, 2012	Acquisition costs Acquisitions	Acquisition costs Disposals	Dec. 31st, 2012	Accumulated preciation	Book value Dec. 31st, 2012	Depreciation for the year	Write-ups 2012
	€	€	€	€	€	€	€	€
I. Intangible assets								
1. Franchises and rights acquired for a consideration	1,167.65	17,466.00	0.00	18,633.65	375,76	18.257,89	375,76	0.00
2.IT software acquired for a consideration	55,818.90	1,200.00	0.00	57,018.90	55.694,90	1.324,00	867,00	0.00
3. Film assets and other rights acquired for a consideration	126,312,762.81	220,597.87	0.00	126,533,360.68	112.331.339,31	16.906.148,67	1.781.041,71[1])	2.704.127,30
4. Down payments	**0.00**	**14,732.50**	**0.00**	**14,732.50**	**0.00**	**14.732,50**	**0.00**	**0.00**
	126,369,749.36	**253.996,37**	**0.00**	**126.623.745,73**	**112.387.409,97**	**16.940.463,06**	**1.782.284,47**	**2.704.127,30**
II. Tangible assets								
Other equipment, operational and office equipment	251.516,48	24.791,73	9.777,95	266.530,26	222.325,26	44.205,00	28.396,73	0.00
	126.621.265,84	278.788,100	9.777,95	126.890.275,99	112.609.735,23	16.940.463,06	1.810.681,20	2.704.127,30

1) Thereof unscheduled amortization totalling € 1.603.336,56

6.6 Management Report for 2012

A. General

Your Family Entertainment AG (YFE), Munich, is one of Germany's longest-established companies engaged in the production of entertainment programs for children, teens and the whole family and trade in licenses regarding these products.

YFE, which previously traded as RTV Family Entertainment AG (RTV) and which has its origins in Ravensburger AG, focuses its activities on educational, non-violent programs for the whole family.

The company's high-quality library of programs currently comprises about 3,500 half-hour programs and is therefore one of the largest of its kind in Europe. This library of rights is marketed by YFE in free-TV, pay-TV, via DVD, Video on Demand (VoD) and in merchandising. The library had been built by Ravensburger Group over a period of almost 30 years and is being continued by YFE with the same traditional values.

At present, the company's business segments are divided into "License Sales" and "Productions".

The License Sale business division includes the trade in licenses for free-TV, pay-TV, home entertainment as well as Video on Demand (VoD) as well as the entire value creation chain of ancillary rights marketing.

This division also is responsible for the co-production of individual film titles.

The License Sales business division also includes the manufacture and the distribution by the company itself or third parties of DVD and audio products in the field of home entertainment. The company's own distribution takes place under the DVD label "yourfamilyentertainment".

Since the end of 2007, YFE has also been successfully operating in the market with its pay-TV station "yourfamily". The German-language channel broadcasts YFE programs 24 hours a day via satellite, cable and DSL (IPTV). In 2010, "yourfamily" won a Hot BirdTM TV Award in the category "Children's".

The segment "Productions" is divided into the two sub-divisions productions-to-order and the so-called repertoire productions. Its range extends from the pure development of programs through to full-service productions. This spectrum includes both animation and live-action programs on the one hand and game and quiz shows as well as infotainment on the other hand. As a co-producer, this company division also develops and creates TV series in cooperation with international partners.

B. Financial Statements

1. Economic conditions

1.1 Economic climate

The ongoing difficulties in the international environment, particularly within Europe, slowed growth in the German economy throughout this year. This growth is likely to weaken further still in the final quarter.

Signs from the global economic environment are mixed. Countries in southern Europe are continuing to experience what are in some cases strong recessions. In view of the necessary adjustment processes, a period of further weakening in the eurozone is expected in the final quarter of 2012, with no recovery forecast until later on next year.

(Source: Federal Ministry of Economics and Technology, press release 2012-12-11 Berlin)

1.2 Entertainment and Media Industry

Recent studies(1) confirm that media consumption is increasing in Germany: in the past 10 years, the average daily use rose to approx. 585 minutes that is an increase by about one sixth. TV accounts for the highest share with 205 minutes per day. Main cause for the increasing use of media is the rising interaction, in particular the interplay between TV and the Internet.

According to a recent study, TV is benefiting mainly from a parallel use, based on its capacity as a central range medium. Viewing times remain at a high level. TV is apparently not negatively affected by the birth of new media. It rather experienced an increase in the past ten years.

"Media use among Germans is currently undergoing a radical change where no end is foreseeable yet. While print media are subject to a high substitution pressure and the usage period of radio, books as well as DVD and video is still going down, recent results say that the Internet, video games and TV belong to the growing media", said Guido Modenbach, managing director of Seven One Media. "This strong increase of the overall times of use is strongly pushed by the subject of the Second Screen".

"The Second Screen is more and more becoming a matter of course. Viewers use the Internet, at least from time to time, in addition to the TV as a communication platform or to retrieve information. This development was accelerated by the increasing use of mobile devices such as laptops, netbooks, tablets and smartphones. TV and Internet supplement each other intensively. The study shows that more than two third of the parallel users deal, at least occasionally, with TV-related contents. That makes TV the initial trigger to deal with additional contents, advertising messages, products or services online".

(1) "Navigator Mediennutzung" Seven One Media Source: Infosat „Digitalmagazin" (http://www.infosat.de/Meldungen/?msgID=70567) 14 Jan. 2013

"In the next years, the income will increase particularly quickly in digital media. The growth is additionally promoted by a downright media boom in emerging nations such as Brazil and China. These are the results of PwC's "Global Entertainment and Media Outlook 2011 - 2015". The study, which is published annually, examines the trends for 13 segments of the entertainment and media industry and derives sales forecasts for the coming five years.

The Global Entertainment and Media Outlook forecasts that the global sales in the entertainment and media industry will increase in the next five years by an average of 5.7 percent per year. In 2015, the overall volume of the industry will be just under 1.9 trillion US dollars.

The online media have a great part in the positive growth outlook. The shift to the digital channels continued consistently. In particular the extension of the broadband internet connection in the emerging nations and the triumph of smart phones and tablet computers are responsible for the rapid growth of the digital media.

In total, the advertising income will increase by 2015 by an average 5.5 percent. TV will remain the most important advertising media also in the next five years and grow by 6.5 percent per year on average. However, the segment of online advertising grows significantly stronger with 13 percent.

(Source: http://www.pwc.de/de/technologie-medien-und-telekommunikation/global-outlook-2011.jhtml)

2. Key events during the 2012 financial year

Cash capital increase from authorized capital

On March 12th, 2012, the Board of Management of Your Family Entertainment AG decided with the consent of the Superviso-

ry Board to increase the share capital of the company by up to € 869,999.00 from € 8,793,000.00 to up to € 9,662,999.00 against cash contributions, partly making use of the authorized capital 2010.

869,999 new bearer shares with a pro rata amount in the share capital of € 1.00 per share were issued. Thus, the capital increase covered about 9.89% of the share capital of the company. The issue amount of the new shares was € 1.20 per share. The legal subscription rights of the shareholders were excluded. The new shares were subscribed by WGZ BANK AG Westdeutsche Genossenschafts-Zentralbank, taken over and offered to investors for purchase within the framework of a private placement.

It was possible to place all new shares with institutional investors. Thus, the entire placement framework of 869,999 new shares was exhausted. The interest exceeded the issue volume; therefore, it was not possible to meet all subscription requests.

The execution of the capital increase was entered in the commercial register of the company on March 20th, 2012. The new shares are to be admitted to trade on the regulated market (General Standard) at the Frankfurt Stock Exchange immediately after registration of the execution of the capital increase in the commercial register of the company.

From the execution of the capital increase, the company achieved gross issue revenues amounting to about € 1.04 million. They are to be used for the further expansion of the operations.

Dividend payment

With the resolution of the 2012 shareholders' meeting, a tax-free – within the meaning of § 20 para 1 No. 1 sentence 3 Körperschaftssteuergesetz (KStG), - dividend amounting to € 0.02 per share was distributed to the shareholders of Your Family Entertainment AG for the 2011 financial year.

"Toons 'N' Tales"

With effect from January 1st, 2012, Your Family Entertainment AG acquired the fully rights of the productions "Jasper der Pinguin", "Die Hydronauten", "Die faule Paula", "Jasper – Der Film" and "Ghetto Dreams/ Lascars (Round da Way)" from Toons 'N' Tales GmbH in liquidation. Furthermore the utilization rights of "Der Sängerkrieg der Heidehasen" bought off Toons 'N' Tales GmbH were subject of the concession rights.

"Videal"

In the past VIDEAL TV und Film Coproduktions GmbH, their subsidiaries and sister companies ("Videal") made several co-production agreements, 49 productions on the whole.

With effect from 1st July, 2012, Videal and YFE entered into an agreement, that judges Videal to transmit back all rights of the 49 productions hold by Videal and their subsidiaries and sister companies to YFE, with exception of music rights and music copyrights as well as the rights and claims on GWFF (Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH). In accordance with this YFE has no more payment duties towards Videal since 1st July, 2012.

Broadcasting Start of RiC

RiC started broadcasting on 10 September 2012. RiC is the third private free-TV children's channel. It is broadcast via satellite (Astra) and has a technical range of approx. 22 million households.

The special and innovative feature of RiC, a channel that broadcasts film material from the film stock of Your Family Entertainment AG, is the special child-oriented presentation, in addition to its high-quality contents: all films are shown within a red curtain, just like in a puppet theatre. Here are the benefits:

- It underlines that the programme is

fictional. It enables, in particular, small children to recognise that it is not real what they are seeing.

- The frame decreases the size of the moving image. It compensates for the fact that TV sets are getting larger and larger, but children still tend to sit close to the screen. The perspective would, without such measure, be too large, in particular for children, who would experience a "first-row-in-the-cinema-effect" which is a burden for children
- In addition to the already slow, child-oriented contents, this reduction of the screen size further decreases the speed of the movements.

The channel will contribute to the result of Your Family Entertainment AG based on its advertising proceeds. But it will also make the film material in its own library more attractive and promote it.

Preliminary payments had to be made for the start of the channel in the year 2012 which had an impact on the annual result.

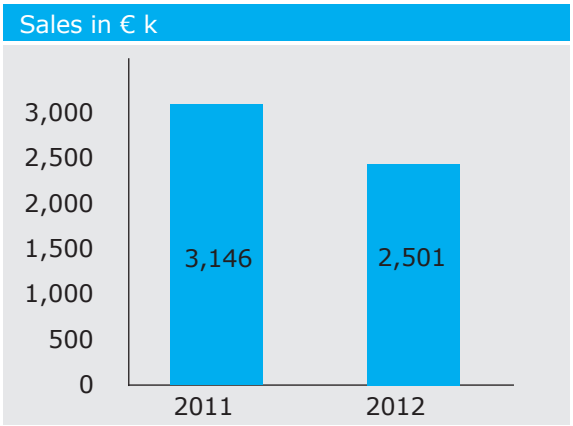
3. Business performance

The Board of Management manages the YFE, among other means, based on monthly reporting. Key figures used in the management of the business relate particularly to the sales, EBITDA and liquidity status.

3.1 Development of the business

Sales revenue fell after a very good year 2011. They are by € 645k below the previous year's figures, main reason is the fundamental problem with the project business in pay-TV and free TV license sales described below. In the financial year 2012, the company reported an unplanned low number of project and package deals regarding film rights with TV channels that are active in pay TV / free TV in South and Western Europe as this region is sustainably affected by the economic crisis.

Revenue in the field of channel business continued to develop positively.



The sales of € 2,501k were achieved completely in the „License Sales" segment (previous year € 3,146k).

On principle, fluctuations of the sales development may be caused by project transactions and/or so-called "package" deals.

3.2 Sales by region

YFE's sales by region during the reporting period were:

Region	2012		2011	
	in € k	in %	in € k	in %
Domestic	961	38	1,165	37
Foreign	1,540	62	1,981	63
Total	**2,501**	**100**	**3,146**	**100**

4. Earnings situation

The result before depreciation and amortization, write-ups, interest, taxes and extraordinary result (EBITDA) amounts to € -10k (previous year € 522k).

The result of ordinary operations amounts to € 785k compared to € 705k in the previous year.

The annual surplus 2011 amounts to € 776k compared to € 690k in the previous year.The other operating income in the reporting year amounts to a total of

€ 3,252k (previous year € 1,357k). They mainly include the write-ups to film assets amounting to € 2,704k (previous year € 1,204k). In addition to this the other operating income includes a non-incurring yield amounting to € 392k due to the termination of a contractual relationship with a distribution partner.

These write-ups to film assets are the result of, among other factors, licenses that have become available once more and updated sales expectations.

Compared with the previous year, the depreciation increased from € 958k to € 1,811k. In addition to scheduled depreciation of € 178k (previous year € 456k), this item includes unscheduled amortization of film rights to an amount of € 1,603k (previous year € 476k), largely owing to the impairment tests carried out on the balance sheet cut-off date.

Costs of material relate to licenses, commissions and material. They are directly connected with realised sales revenues. These are mainly royalties depending on sales that are to be paid to the licensors of YFE. The increase results from advance payments made for the new channel.

5. Asset and financial situation

The balance sheet total increased by € 1,296k to € 18,293k (previous year € 16,997k).

The film assets rose significantly by € 1,144k. This increase mainly results from investments in the film assets, an improvement of the contractual situation and rights that have become available. The receivables and other assets decreased – also caused by individual value adjustments – by 9 % to € 961k.

Equity increased mainly based on the capital increase by € 1,610k from € 12,137k to € 13,747k. The equity ratio as of 31 December 2012 is therefore approx. 75 % (prev. year 71 %).

As of December 31st, 2012, the company thus records subscribed capital amounting to € 9,663k, a capital reserve of € 2,507k and accumulated earnings amounting to € 1,628k.

The other provisions increased to € 561k (previous year € 355k). The main reason for this is the increase of the provision for outstanding supplier invoices to the amount of € 154k (previous year € 56k).

Cash and cash equivalents, consisting of balances at banks, increased from € 118k in the previous year to € 227k as of the balance sheet cut-off date.

A credit line in the amount of € 2,500,000.00 as well as another loan in the amount of € 1,300,000.00 were granted by UniCredit Bank Austria AG, Vienna, Austria. The credit line was granted for an unlimited period of time. Repayment of the loan must start from the middle of 2013 on a quarterly basis at a rate of € 108k each.

In an agreement of 11 July 2012, UniCredit Bank Austria AG, Vienna, granted the company a separate line for sureties / guarantees up to an amount of € 140k. That line will be available until further notice. Two blank bills, including bill designation, were submitted as security.

As of the balance sheet cut-off date, the company records loans amounting to € 2,975k (previous year € 3,126k). From today‘s point of view, an extension of the debt financing is not planned in the next two years.

The company’s liquidity has been sufficient at all times. The negative cash flow from ordinary business activities, from investment activities and from the repayment of credits was compensated by the capital increase performed in the financial year 2012.

YFE’s liquidity requirements are monitored using rolling financial planning. The main instruments besides the global credit line are amortizable loans and short-term mo-

ney investments. Further aims of the financial management include the optimization of interest payable and interest income as well as securing of the required foreign currency. The company has a USD account.

The risk of increasing loan interest is counteracted with the derivative financial instruments.

6. Investments

In the reporting period, investmentsamounting to € 279k were made (previous year € 493k).

These were largely made in film assets, among others in purchasing the animated movie „Jasper", „Hydronauten", „Faule Paula" und „Ghetto Dreams" three further seasons/series as well as several language versions for existing film material.

7. Key data in € k		2012	2011
Sales	€ k	2,501	3,146
EBITDA	€ k	-10	523
EBIT	€ k	883	769
Net income	€ k	776	690
Total balance sheet amount	€ k	18,293	16,997
Value of film assets	€ k	16,906	15,762
Shareholders' equity	€ k	13,747	12,137
Interest-bearing liabilities	€ k	2,975	3,126

8. Employees

Personnel expenses for the 2012 financial year amounting to € 1,063k were higher than the previous year's personnel expenses amounting to € 937k.

This increase results from the build-up of personnel capacities.

On average throughout the year, 18 employees were employed, including apprentices and interns.

As of the balance sheet cut-off date, a total of 16 persons were employed by YFE, including one member of the Board of Management, two apprentices and three part-time employees/interns.

9. Summary

The business segments of Your Family Entertainment AG were and still are project-driven business segments and thus subject to strong fluctuations. As already in the previous years, measures were taken in 2012 in order to establish an even broader basis for Your Family Entertainment AG.

The year 2012 was characterised by an inconsistent development of the company as a whole. On the operating side, the business in classic license sales was impacted by the economic trend in the European markets. While the company concluded a great number of license agreements, the number of large agreements was low. In addition, the broadcasting start of RiC bound capacities, but the channel has not yet made a contribution to sales which had a major impact on earnings. However, we were able to sustainably expand the foundations of our company in the form film assets and the strategically important field of Broadcasting in the year 2012. And we were able to do that thanks to the enormous efforts of our existing energetic team and without a high increase of our human resources capacities. It was, in particular, the establishment of the German-speaking free-TV offer RiC and the expansion of the existing film assets that ensured that our company is based on sound and new foundations. The successful capital increase in the first half year provided us with a sufficient number of liquid funds for this business establishment. The company is able to further develop on an international level thanks to its solid foundation and its strategically favourable position.

The Board of Management considers the revenue trend in the past financial year 2012 as satisfactory – in view of the conditions described above – and the earnings development as acceptable.

C. Risks and Opportunities

1. General business risk

Fluctuations of future business results

During a financial year and from year to year, fluctuations of the sales and the operating profit of YFE may occur - as generally for any company of the Film and TV production. These fluctuations have a variety of causes, such as for example the degree and timing of completion of new productions, the degree and timing of the sales of films and television rights, as well as market and competitive influences on the demand for products and consequently on sales prices.

2. External risks / market risk

Competition-related risks

Even though the first signs of an increase in demand are discernible, the film and television market on which YFE operates is still characterized by a process of consolidation and concentration, among both producers and customers. These developments can have implications on the demand for productions. TV stations and groups of stations in particular look far more thoroughly at the profit contributions of the programs they broadcast than they did in the past. This, together with the increasing number of repeats of individual programs in the industry, leads to a more efficient use of companies' own program resources and accordingly to reduced investment in new projects. This process is particularly marked in the field of children's programs. Moreover, external factors such as current consumer and leisure behavior and basic shifts in the advertising market influence the stations' program planning and purchasing policy.

3. Business performance risks/litigation risk

a) Risks in the production of programs

The production of programs - both produced by the company itself and co-productions - involves a range of operational risks. On principle, the development and production of formats and/or TV shows usually involves high costs and accordingly entails a high financial risk. If, for example, delays in completion occur despite the careful selection of co-production partners and/or service providers, this may give rise to postponements of the sales and profit planned by the company to a later accounting period. It can also not be excluded that YFE will not have sufficient financial

resources available for the development of programs and their production, which is a basic condition for the economic activity of the company.

Co-production

YFE ensures the completion of its co-productions by the careful selection of established and reliable co-production partners and service-providers as well as by means of hedging instruments, such as insurance policies or completion bonds. YFE also carries out regular checks on both finances and content during the production. Nevertheless, delays in completion may occur on individual projects which may lead to the postponement of sales and profit from one accounting period to the next.

Production-to-order

If the company, being the producer of a made-to-order production, is responsible for carrying out the production according to the contract, the company usually will receive a fixed price for this from the client. The producer therefore carries the risk of possible budget overruns should he have wrongly estimated the costs of the production or should unplanned costs arise. In the case of a license production, the producer carries the full financing risk right through to the delivery of the completed product. The costs of production and, where applicable, profit are covered by the license fee if the production is delivered in accordance with the contract. Should, however, the budget not be covered or not fully covered by license sales, then the producer carries the risk of the resulting loss.

b) Risks in the purchasing and marketing of programs

YFE tries to recognize trends in the fields of programs and TV stations' requirements as early as possible and to design its own product range accordingly. In doing so, the company has to take account of TV stations‘ currently restrictive purchasing policy and its own limitations as regards investment possibilities and the provision of security for its productions. The company has concluded a variety of contracts with licensors for the licensing of programs. On the one hand, the company carries the general contractual risks, such as the risk of (non)-fulfillment. Moreover, a variety of copyrights and ancillary copyrights have to be transferred to the relevant customers as part of the contracts. The company must therefore ensure, within the framework of its contracts with those involved in the production of the particular program, that the necessary copyrights and ancillary copyrights are transferred to the company in order to avoid infringements of industrial property rights (e.g. copyrights, license rights and personal rights). Even though the company uses internal and external legal advice, the possibility cannot be ruled out that third parties will assert claims regarding the above-mentioned rights, which might have significant negative implications for the company's asset, financial and earnings situation.

The amortization of film assets (that is the rights of use and exploitation referred to above) and the other rights are governed by the exploitation of the film rights. The amortization resulting from the exploitation takes place in accordance with the relation of the sales realized in the financial year to the total planned future sales from the exploitation of the film rights including the sales realized in the financial year. Moreover, a so-called impairment test is made at each balance sheet cut-off date. It cannot be completely ruled out that impairment tests carried out in the future will considerably change the value of the film library. Two thirds of the company's catalogue of film rights, which currently comprises approximately 170 titles, derive from licenses from third parties, whilst only one third of the titles were own productions or coproductions. The licenses from third parties in YFE‘s possession have not been granted indefinitely but generally for a limited period

of time. YFE may no longer use these licenses should it not be possible to renew a large part of them on expiry. Consequently, an essential part of the library and thus the basis of the company would cease to exist. This may have negative implications for the company's asset, financial and earnings situation.

On principle, there is the risk that receivables from the exploitation of programs remain unpaid. The Board of Management assumes that the default risks are sufficiently covered all in all.

c) Risks arising from ongoing proceedings

"Robinson Sucroe"
An appeal judgement was issued on 9 December 2011 in the action of Mr. Claude Robinson and Les Productions Nilem Inc. which has been pending since 1996. In such judgement, YFE has, in its capacity as legal successor of Ravensburger Film + TV GmbH/RTV Family Entertainment AG and as joint and several debtor, been sentenced by the court of second instance to damages in the amount of Can$ 3.2 million. Both parties have, in the meantime, filed an appeal before the Canadian Supreme Court. However, a decision of this appeal court cannot be expected before the end of 2013. But as the company will, in its internal relationship, be indemnified against any liabilities by France Animation, or any legal successor of that company, YFE does not anticipate any significant financial liabilities to arise from these proceedings. That is true even if the Supreme Court decides to grant the appeal made by the plaintiff.

"Mysterious Cities of Gold"
The court of first instance issued a judgement on 12 December 2012 in the dispute regarding the utilisation of the "Mysterious Cities of Gold" series, where the court found, inter alia, that Your Family Entertainment AG will have no rights to the production "Mysterious Cities of Gold" and/or to remakes and/or subsequent productions from 29 December 2011.

Your Family Entertainment AG filed an appeal against this judgement in due time.

From today's point of view, the currently pending action does not prevent Your Family Entertainment AG from further exploiting the series "Mysterious Cities of Gold".

4. Financial risks

a) Access to external financing, interest risks, interest hedging transactions

Within the framework of a contract on a credit line with Bank Austria AG, Vienna, Austria, YFE transferred to the bank securities in form of titles and claims from film license contracts. The possibility of YFE to take up further loans might be made significantly more difficult if valuable securities are not released. If the company in case of need is unable to acquire additional loans, this could have considerable implications for the company's asset, financial and earnings situation.

There are risks from the agreement of variable interest. These risks were counteracted by conclusion of contracts on derivative financial instruments.

b) Exchange rate fluctuations, exchange hedging transactions

The company's current and future activities outside the area of the European Monetary Union are partly transacted in currencies other than the euro, either by YFE or by its distribution partners. The applicable exchange rates are subject to fluctuations which cannot be foreseen and which may possibly prevent the company from generating a stable income. On principle, there is the risk of losses from such exchange rate fluctuations. Unfavorable exchange rate fluctuations or costs incurred in the future for currency hedging could therefore have negative effects on the development of sales and thus the asset, financial and

earnings situation of the company.

At present, the company has not concluded currency hedging transactions.

5. Risk management

At regular intervals, the general and operational risks are recorded and assessed and measures for minimizing the risks are determined.

We understand risk management as a core responsibility of the Board of Management, the management team and all employees.

The risk management of Your Family Entertainment AG is divided into the following four steps:

1. Risk identification
2. Risk assessment
3. Risk management
4. Risk monitoring

We have developed suitable strategies, adapted to the size of the company, for each of these steps.

A central instrument of the risk management of Your Family Entertainment AG are the regular discussions between the Board of Management and the second management level. These discussions serve to recognize and assess risks and, if necessary, to take counter-measures in time and to monitor the measures taken. Moreover, the second management level informs the Board of Management about risks occurring unexpectedly also outside these regular meetings.

Particular facts are discussed by the Board of Management and Supervisory Board in a timely manner.

We use three instruments for the continuous risk monitoring: liquidity management, sales controlling and balance sheet controlling. By ensuring a regular and systematic control of these areas, all major operational and structural risks of the business activity of YFE are monitored. The overall responsibility for the monitoring of these risks lies with the Board of Management of the company.

The aim of the liquidity management is the continuous monitoring and ensuring the liquidity of the company. The liquidity management is based on three reports, namely the annual liquidity plan as part of preparation of the budget, the rolling liquidity forecast and the daily liquidity status.

The aim of the sales controlling is to recognize, quantify and develop the sales potential of the company by planning and coordination of the sales activities. This ensures that realizable medium-term sales potential is recognized and investments are covered by realizable income and that a realistic cash flow planning can be prepared. Furthermore, the sales activities of the company are planned based on the sales planning. In addition, these figures are checked for their plausibility using a rights-based approach.

The aim of the balance sheet controlling is the monitoring of the balance sheet items in order to recognize necessary corrective measures in time, especially an equity deficiency. The balance sheet controlling comprises three pillars: the audited financial statements, the semi-annual financial report and the continuous balance sheet controlling. In addition, a monthly report that features a contribution margin accounting is prepared. The development of the particular market and company is also updated in an internal rolling forecast. Short-term budgeting is therefore used both as an important early-warning system and as the basis for variance analyses and budget control.

As part of the risks lies outside the Board of Management‘s sphere of influence, even a functioning risk management is unable to guarantee that all risks are eliminated. Insofar, developments may arise which differ from the planning of the Board of Management.

6. Opportunities

In addition to its high-quality and extensive library of approximately 3,500 half-hour programs, the experience of Your Family Entertainment AG of many years in the production of TV programs and the extensive network of cooperation with purchasing broadcasters are to be considered its strengths.

The company's opportunities lie in an even better exploitation of its stock of rights via new distribution channels, supported by the development of exploitation and production concepts. The value-oriented approach pursued in this respect as regards contents clearly distinguishes the company from its competitors.

The progressive digitalization and the changing possibilities and/or habits in media consumption they bring about develop into positive framework conditions.

D. Internal control and risk management system with respect to the accounting system

As a publicly-quoted company, within the definition of § 264d German Commercial Code, oriented towards the capital market, and in accordance with § 289 para. 5 German Commercial Code, we are obliged to provide a description of the main features of the internal control and risk management system with respect to the accounting system.

The law does not define the required internal control and management system with regard to the accounting process.

We understand the term internal control system to mean the basic principles, procedure and measures introduced in the company by the Board of Management and management team aimed at the organizational implementation of decisions made by the management

- in order to ensure the validity and profitability of the company's business activities (this includes the protection of its assets and the prevention and disclosure of damage to assets),
- in order to ensure proper and reliable internal and external accounting, as well as
- in order to ensure compliance with the legal requirements applicable to the company.

The risk management system encompasses the totality of all organizational rules and measures for the purposes of identifying risk and in dealing with the risks of entrepreneurial activity.

Your Family Entertainment AG has implemented the following structure and processes with respect to the accounting system:

The Board of Management bears the overall responsibility for the internal control and risk management system with regard to the accounting process. Due to the company's size, the financial and sales managers are directly involved in the process of preparing the annual financial statements.

With regard to the accounting process, we consider such characteristics of the internal control and management system as material which may significantly influence the accounting process and the overall message conveyed by the annual financial statements and the management report. These are the following elements in particular:

- the identification of major areas of risk and control of relevance for the accounting system;
- continuous balance sheet controlling in order to monitor the accounting system and its results;
- preventive control measures in finance and accounting as well as in the operative company processes that generate essential information for the preparation of the annual financial statements and the management report, as well as a separation of functions and approval processes in

relevant areas;

- measures to ensure the proper IT-supported processing of accounting-related processes and data;
- measures to monitor the accounting-related internal control and risk management system.

E. Declaration of the company's management in accordance with § 289a HGB [German Commercial Code]

The declaration of the company's management (§ 289a HGB [German Commercial Code]) includes the declaration of conformity, information on the company management practices, and a description of the work methods of the Board of Management and the Supervisory Board. Our goal is to describe the management of the company in a manner that is clear and to the point.

Declaration of conformity of the Board of Management and Supervisory Board of Your Family Entertainment AG regarding the German Corporate Governance Code pursuant to § 161 AktG [German Companies Act]

§ 161 AktG [German Companies Act] requires that Board of Management and Supervisory Board of a listed company declare annually that the recommendations made by the "Government Commission on the German Corporate Governance Code", published by the Federal Ministry of Justice in the official part of the electronic Federal Gazette, have been and will be complied with or which recommendations were not and will not be applied, stating the reasons.

The company's Board of Management and Supervisory Board welcome the German Corporate Governance Code and declare the following:

Your Family Entertainment AG will comply with the recommendations of the German Corporate Governance Code in the version of May 15th, 2012, with the following exceptions:

D&O insurance for the Supervisory Board (section 3.8, para. 3)

For the members of the Supervisory Board, there is a D&O insurance which does not provide for an excess. The company does not consider the agreement of an excess to be suitable for improving the work ethic and sense of responsibility with which Supervisory Board members carry out the tasks and functions assigned to them. The legal requirements are met for the Board of Management.

Composition of the Management Board (section 4.2.1 sentence 1)

Owing to the scope of business operations and the size of the company, the Board of Management currently only consists of one individual.

Diversity in the Board of Management (section 5.1.2 para 1 sentence 2)

As the company has but one sole director, the Supervisory Board cannot be mindful of diversity within the Board of Management. Furthermore, as the Board of Management comprises but one member, which is currently deemed adequate for the company and whose position is filled for the foreseeable future, it appears also to be impossible to follow Code recommendations to consider women for the position.

Formation of committees (sections 5.3.1, 5.3.2, 5.3.3.)

Due to the limited size of the Supervisory Board (three members), the formation of committees is not deemed necessary.

Establishment of specific goals for the composition of the Supervisory Board (section 5.4.1 para. 2 and para. 3)

The Supervisory Board of Your Family Entertainment AG does not state any specific goals for its composition. In its proposal of exclusively suitable Supervisory Board election candidates, the Supervisory Board has always aimed to put together a

Supervisory Board made up of members who possess the proper qualifications - the knowledge, abilities and industry experience to work effectively. In the opinion of the Supervisory Board, this approach has proven itself. Therefore, no necessity is seen to change this practice. Consequently, the recommendations based on that pursuant to sections 5.4.1 para. 3 cannot be followed.

Date of financial reporting (section 7.1.2 sentence 4)

The annual financial statements will not be made publicly available within 90 days after the end of the financial year; interim reports will not be made publicly available within 45 days after the end of the reporting period. The associated workload for a timely release of said information would involve unjustifiably high costs. In the opinion of the Board of Management and the Supervisory Board, the legal requirements for promptly providing information to shareholders and the capital market are sufficient.

Since the last declaration of conformity of December 2011, Your Family Entertainment AG basically complied with the recommendations of the German Corporate Governance Code in the version of May 15th, 2012. The recommendations from sections 3.8 para. 3, 4.2.1 sentence 1, 5.1.2 para. 1 sentence 2, 5.3.1, 5.3.2, 5.3.3, 5.4.1 para. 2 with the exception of parts of sentence 2, 5.4.1 para. 3 and 7.1.2 sentence 4 were not applied.

For the reasons of deviating from the above-mentioned sections, see explanations under no. 1.

Munich, December 2012

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

Dr. Stefan Piëch
(CEO)

Information on the company's management practices and the work methods of Board of Management and Supervisory Board

The structures of the company's management and the monitoring of Your Family Entertainment AG are as follows:

Shareholders and shareholders' meeting

Our shareholders exercise their rights in the shareholders' meeting.

The shareholders' meeting is convened in the legally required manner and at least 30 days before the day on which the shareholders are required to notify their participation in the shareholders' meeting, stating the agenda.

The chairman of the Supervisory Board takes the chair at the shareholders' meeting.

The shareholders' meeting decides on all the functions allocated to it by law (including election of the members of the Supervisory Board, amendments to the articles of association, appropriation of profits, capital measures).

Supervisory Board

The main function of the Supervisory Board is to advise and monitor the Board of Management.

The Supervisory Board of Your Family Entertainment AG currently consists of three full members and a substitute member.

In addition to the reimbursement of their expenses to which the value added tax due on their remuneration must be added, the members of the Supervisory Board receive a fixed fee payable at the end of the financial year amounting to € 10,000.00 for the individual member, twice that amount for the chairman, and 1.5 times that amount for the deputy chairman.

Board of Management

As the public company's management body, the Board of Management manages the company's affairs and, in accordance with the German Companies Act, is bound by the interests and the business principles of the company. It reports to the Supervisory Board regularly, promptly and comprehensively on all essential matters of the development of the business, the company's strategy as well as on possible risks.

The remuneration of the Board of Management is made up of a performance-related and a fixed element.

Shares held by the Board of Management and the Supervisory Board

Members of the Board of Management and the Supervisory Board hold shares in Your Family Entertainment AG.

Transparency

Your Family Entertainment AG places high priority on uniform, comprehensive and prompt information. The business situation and the results of Your Family Entertainment AG are reported in the annual financial report, in the interim reports and in the semi-annual report.

Information is also published by way of-press releases and ad-hoc announcements. All announcements and releases are accessible on the Internet.

Your Family Entertainment AG has prepared the list of insiders required by § 15b German Securities Trading Act (WpHG). The persons concerned have been informed of their legal obligations and sanctions.

Accounting and auditing of the annual financial statements

Since the 2006 financial year, the annual financial statements have been prepared solely in accordance with the provisions of the German Commercial Code (HGB). After preparation by the Board of Management, the annual financial statements are revie-

wed by the auditor and the Supervisory Board and then adopted by the Supervisory Board.

The annual financial statements are published within four months after the end of the financial year.

It has been agreed with the auditor that the chairman of the Supervisory Board will be notified immediately about the reasons for exclusions or exemptions and/or errors in the declaration of conformity revealed during the audit. The auditor immediately reports to the chairman of the Supervisory Board on all major issues and events that emerge during the audit.

Risk management

The business segments of Your Family Entertainment AG are subject to a large number of risks that are inseparably linked to global entrepreneurial action.

We understand risk management as a core responsibility of the Board of Management, the management team and all employees. By doing so, it should be possible to detect risks earlier, to limit them and at the same time make use of entrepreneurial opportunities.

The risk management of Your Family Entertainment AG is divided into the following four steps:

1. Risk identification
2. Risk assessment
3. Risk management
4. Risk monitoring

We have developed suitable strategies, adapted to the size of the company, for each of these steps.

The principle instrument of the risk management of Your Family Entertainment AG are regular meetings between the Board of Management and the second management level for the purpose of promptly recognizing and assessing risks and, where appropriate, taking counter-measures and monitoring the measures taken.

Moreover, the second management level informs the Board of Management about risks occurring unexpectedly also outside these regular meetings.

Particular facts are discussed by the Board of Management and Supervisory Board in a timely manner.

The controlling and the internal control systems are a material component of a consistent and effective risk management.

As part of the risks lies outside the Board of Management‘s sphere of influence, even a functioning risk management is unable to guarantee that all risks are eliminated. Insofar, developments may arise which differ from the planning of the Board of Management.

F. Events of particular significance occurring after the end of the financial year

After the end of the financial year no significant events have occurred.

G. Forecast

For the next two years, the Board of Management expects a continuing, successive upturn of the markets in Germany and abroad which are relevant for YFE.

The development of sales and the results will continue to be subject to natural fluctuations also in future, due to the dependency on projects and/or package deals.

For 2013 and 2014, the company plans the intensification the global distribution in the segment “License Sales” as well as winning new partners for the own pay-TV channel “yourfamily”. The free-TV channel „RiC“ shall generate an additional advertising revenue.

To sum it up, we expect a positive sales development with sufficient liquidity and stable annual results for 2013 and 2014 on that basis.

It is YFE's long-term goal to maintain the position of a strong player on this market.

H. Principles of the company's remuneration system in accordance with § 285 sentence 1 no. 9 HGB [German Commercial Code]

The remuneration of the Board of Management complies with the legal requirements of the German Companies Act. The Board of Management receives a fixed remuneration, which also includes benefits-in-kind, in particular insurance premiums. These fixed elements ensure a basic remuneration enabling the Board of Management member to exercise his office in the well-understood interest of the company and to fulfill the obligations of a prudent businessman, without falling prey to the pursuit of purely short-term performance goals. The contract of employment also contains a variable special remuneration which depends on the commercial results achieved by the company.

I. Reporting in accordance with § 289 para. 4 HBG [German Commercial Code]

1. Composition of the capital subscribed

The share capital as of the balance sheet cut-off date is divided into 9,662,999 no-par shares, each with a pro rata amount in the share capital of € 1.00. As of December 31st, 2012, the share capital thus amounts to € 9,662,999. The shares are bearer-shares. They are fully paid up.

2. Limitations concerning the voting rights or the transfer of shares

As part of limitations on disposal, 93,000 shares are subject to a holding period until June 30th, 2013 and must be sold neither in nor out of stock exchanges. After expiry of this holding period, sales of shares from the stock of the 93,000 shares which exceed the volume of 10,000 share certificates have to be agreed with the company in advance.

3. Direct or indirect participation in the capital

As of December 31st, 2012, F&M Film und Medien Beteiligungs GmbH, Vienna, Austria, is in possession of 74.02% of the share capital.

Moreover, Dr. Stefan Piëch, Vienna, has a direct stake of 0.62% in the capital of Your Family Entertainment AG and an indirect stake of 74.02% through F&M Film und Medien Beteiligungs GmbH referred to above, such that in total 74.64% of the share capital are attributable to Dr. Piëch directly and indirectly.

4. Owners of shares with special rights

As of December 31st, 2012, no shares with special rights were given.

5. Nature of controls on voting rights in the case of employee shareholdings

There were no such controls on voting rights as of December 31st, 2012.

6. Rules established by law and in the articles of association concerning the appointment and dismissal of members of the Board of Management and changes to the articles of association

The appointment and dismissal of members of the Board of Management takes place in accordance with § 84 and § 85 German Companies Act. Changes to the articles of association take place in accordance with § 133 and § 179 German Companies Act.

7. Rights of the Board of Management to issue and buy back shares

The shareholders' meeting of June 27th, 2012 decided to reverse the authorized capital 2010 and approved simultaneously a new authorized capital (authorized capital 2012).

In this respect, the following resolution was adopted:

a) The authorization for the Board of Management to increase the company's share

capital by June 8th, 2015, on one or more occasions, by up to a total of € 3,387,001.00 (authorized capital 2010), also approved by the Supervisory Board, is herewith nullified, effective at the time when the new authorized capital, in accordance with subsequent paragraphs b) to d), is entered in the commercial register.

b) With the approval of the Supervisory Board, the Board of Management is authorized to increase the company's share capital by June 26th, 2017, on one or more occasions, by up to a total of € 4,831,499.00, through the issue of up to 4,831,499 new zero-par bearer share certificates in return for cash and/or contributions in kind (authorized capital 2012). As a matter of principle, shareholders will be thereby granted a subscription right. The legal subscription right can also be granted in such a way that the new shares can be underwritten by a bank or an equivalent under § 186 para. 5 sentence 1 German Companies Act institution with the obligation to offer these to shareholders of Your Family Entertainment AG for subscription. With the approval of the Supervisory Board, the Board of Management is authorized to exclude the legal subscription right:

- if a capital increase against cash conribution does not exceed 10% of the capital stock and the issue price of the new shares does not vastly fall below the stock market price (§ 186 para. 3 sentence 4 German Companies Act); when making use of this authorization to exclude the subscription right under § 186 para. 3 sentence 4 German Companies Act, the exclusion of the subscription right due to other authorzations listed under § 186 para. 3 sentence 4 German Companies Act is to be taken into account.
- if the shares are issued against a contribution in kind made for the purpose of purchasing companies or interests in companies or parts of companies or for the purpose of purchasing receivables from the company;

to the extent that it is necessary for offsetting fractional amounts;

c) With the approval of the Supervisory Board, the Board of Management is authorized to determine further details of the capital increase and its implementation. The Supervisory Board is authorized to update the wording of the articles of association in accordance with the utilization of the authorized capital.

d)§ 4 para. 3 of the articles of association will be rewritten in accordance with the aforementioned resolutions, as follows:

"(3) With the approval of the Supervisory Board, the Board of Management is authorized to increase the company's share capital by June 26th, 2017, on one or more occasions, by up to a total of € 4,831,499.00, through the issue of up to 4,831,499 new zero-par bearer share certificates in return for cash and/or contributions in kind (authorized capital 2012). As a matter of principle, shareholders will be thereby granted a subscription right. The legal subscription right can also be granted in such a way that the new shares can be underwritten by a bank or consortium of banks with the obligation to offer these to shareholders of Your Family Entertainment AG for subscription. With the approval of the Supervisory Board, the Board of Management is authorized to exclude the legal subscription right:

- if a capital increase against cash conribution does not exceed 10% of the capital stock and the issue price of the new shares does not vastly fall below the stock market price (§ 186 para. 3 sentence 4 German Companies Act); when making use of this authorization to exclude the subscription right under § 186 para. 3 sentence 4 German Companies Act, the exclusion of the subscription right due to other author-

zations listed under § 186 para. 3 sentence 4 German Companies Act is to be taken into account.

- if the shares are issued against a contribution in kind made for the purpose of purchasing companies or interests in companies or parts of companies or for the purpose of purchasing receivables from the company;

to the extent that it is necessary for offsetting fractional amounts;

With the approval of the Supervisory Board, the Board of Management is authorized to determine further details of the capital increase and its implementation. The Supervisory Board is authorized to update the wording of the articles of association in accordance with the utilization of the authorized capital."

The following resolution concerning the authority to acquire the company's own shares was adopted at the shareholders' meeting of June 27th, 2012:

a) The authority granted to the company by the shareholders' meeting held on July 13th, 2010 to acquire the company's shares until July 12th, 2015, will be nullified as soon as the new authorization resolution under b) to d) becomes valid.

b) The company is authorized to purchase its own shares. This authorization is, however, restricted to the acquisition of an arithmetic portion of up to 10% of the company's share capital. The authorization may be exercised wholly or in partial amounts, once or on several occasions, by the company itself or on its account by third parties. The authorization is valid until June 26th, 2017.

c) The acquisition will take place either via the stock exchange or by means of a public offer to buy, addressed to all shareholders of the company.

aa) Should the acquisition take place via the stock exchange, the counter-value per share paid by the company (excluding the ancillary costs of acquiring the shares) may not be higher or lower by more than 20% of the average closing price of shares of a similar nature on the Frankfurt Stock Exchange during the last ten stock exchange trading days prior to the acquisition of the shares.

bb) Should the acquisition take place by way of a public offer to buy addressed to all shareholders, the purchase price per share offered (excluding the ancillary costs of acquiring the shares) may not be higher or lower by more than 20% of the average closing price on the Frankfurt Stock Exchange during the last ten stock exchange trading days prior to the date the offer was published. The offer to bay may stipulate other conditions. Acceptance must be made by quota should the offer to bay be oversubscribed. The privileged acceptance of a limited number of shares per shareholder of the company of up to 100 units of the shares offered for sale may be provided for.

d) The Board of Management is authorized, with the consent of the Supervisory Board, to dispose of the shares in Your Family Entertainment AG acquired on the basis of this authorization in other ways than through sale by an offer to all shareholders or sale on the stock exchange, namely:

aa) By offering shares to third parties as part of a company merger, the acquisition of companies, investments in companies or parts of companies and as payment for the acquisition of receivables due from the company;

bb) By selling shares to third parties. The price at which the company's shares are issued to third parties may not be materially lower than the stock exchange price of the shares at the time of the sale. The exclusion of a subscription right due to other authorizations in accordance with § 186 para. 3 sentence 4 German Companies Act is to

be taken into account when exercising the authorization.

cc) By redemption of the shares without the redemption or its execution requiring the approval of an additional resolution by the shareholders' meeting. The redemption leads to reduction of capital. The shares may also be redeemed in a simple procedure without reducing the capital, by adjusting the arithmetical pro rata amount of the other no-par shares in the share capital. The redemption may also be limited to a part of the shares acquired. The authorization of the redemption may be exercised several times. If the shares are redeemed using the simple procedure, the Board of Management shall be authorized to adjust the number of no-par shares in the articles of association.

The above authorizations relating to the use of the own shares acquired may be exercised once or on several occasions, completely or in parts, individually or jointly. The shareholders' subscription right regarding the own shares acquired is excluded insofar as these shares are used pursuant to the above-mentioned authorizations under aa) and bb). At the shareholders' meeting, the Board of Management will inform the shareholders of the reasons and the purpose of the acquisition of the company's own shares, the number of shares acquired and the amount of share capital that they represent as well as the amount that was paid for the shares.

8. Important agreements conditional on a change in control as a consequence of a take-over offer

There were no such agreements on the balance sheet cut-off date.

9. Compensation agreements

On the balance sheet cut-off date, there were no compensation agreements with the members of the Board of Management or employees in the event of a take-over offer.

J. Dependent company report

The Board of Management has prepared and submitted to the auditors a report on the relations of Your Family Entertainment AG with affiliated companies (dependent company report) for the 2012 financial year. The Board of Management declares that the company received an appropriate consideration for each legal transaction given the circumstances that were known to it at the time the legal transactions were carried out and that it was not disadvantaged by the measures taken or refrained from.

Munich, April 5th, 2012

The Board of Management

7. Auditor's Certificate Ernst & Young GmbH

We have audited the financial statements, consisting of the balance sheet, income statement, cash flow statement, statement of shareholders' equity and the notes to these financial statements - including the accounting system and the management report of Your Family Entertainment AG, Munich, for the financial year from January 1st to December 31st, 2012. The accounting system and the preparation of the financial statements and the management report in accordance with the provisions of the German commercial law are the responsibility of the company's legal representatives. It is our responsibility, on the basis of our audit, to express an opinion on the financial statements including the accounting and the management report.

We conducted our audit of the financial statements in accordance with § 317 German Commercial Code and in conformity with the generally accepted auditing standards laid down by the German Institute of Auditors (IDW). These standards require that the audit be planned and carried out in such a way so as to identify, with reasonable certainty, inaccuracies and infringements that significantly impact on the presentation of the asset, financial and earnings situation given by the company's financial statements in compliance with the generally accepted accounting principles and by the management report. In determining auditing activities, account is taken of knowledge of the business activity and of the commercial and legal environment in which the company operates as well as of the likelihood of possible errors. As part of the audit scope, the efficiency of the internal control system as well as the evidence supporting the facts contained in the accounting system, financial statements and the management report are evaluated largely on the basis of random tests. The audit includes an assessment of the accounting principles applied as well as the material estimates by the legal representatives and also an evaluation of the overall presentation of the financial statements and management report. We believe that our audit provides a sound basis for our opinion.

Our audit did not give rise to any objections.

In our opinion, based on the knowledge we acquired during the course of the audit, the financial statements comply with the legal requirements and give a true and fair picture of the company's asset, financial and earnings situation in accordance with generally accepted accounting principles. The management report is consistent with the annual financial statements, gives a true and fair picture of the company's situation, and accurately presents the opportunities and risks of future developments.

Ravensburg, 5th April 2013

Ernst & Young GmbH
Auditors

Bürkle Auditors	Arnold Auditors

8. Assurance given by the company's legal representative

"I certify that, to the best of my knowledge and in accordance with the applicable accounting principles, the annual financial statements convey a true and fair picture of Your Family Entertainment AG's asset, financial and earnings situation and that the management report presents the development of the business and its results and the company's current situation in such a way that a true and fair picture is conveyed and that major risks and opportunities of the company's expected development are described."

Munich, April 5th, 2012

Dr. Stefan Piëch
CEO

9. Financial calendar

24.04.2013	Release of the annual financial report 2012
15.05.2013	Release of the interim report for the first half of 2013
19.06.2013	Shareholders' meeting
28.08.2013	Release of the semi-annual financial report 2013
13.11.2013	Release of the interim report for the second half of 2013

10. Imprint / How to contact us

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Clips from „Jasper - The penguin"

The sophisticated children' s channel
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