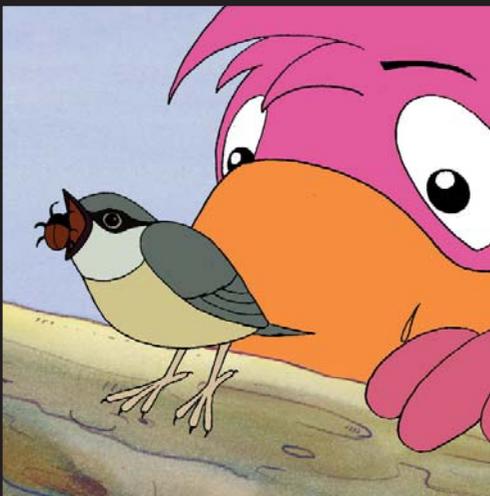




# 3-Month Report 2002



## Key Figures

<b>000 EUR</b>	<b>3-Month Report 1/1 - 3/31/2002</b>	<b>3-Month Report 1/1 - 3/31/2001</b>
Sales	13,227	11,629
EBITDA	7,461	3,379
EBIT	18	398
3-Month Result	-862	-273
Earnings per share according to IAS 33	-0.03 EUR	-0.01 EUR
Cash Flow (calculated on DVFA/SG basis)	6,590	2,713

## Financial Calendar

Half Year Report

August 28, 2002

9-Month Report

November 27, 2002

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# Letter from the Managing Board

## **Dear Shareholders,**

In recent weeks, the media industry news has been dominated by Kirch Media AG's filing for bankruptcy protection last April 8. That same day, RTV held its annual press conference and analysts' meeting. One question on every shareholder's mind was the extent to which RTV is affected by the current Kirch crisis.

RTV has very close ties to German television networks. We supply both the state-owned channels (ARD, ZDF, Kinderkanal) and RTL channels (Super RTL and RTL II). In recent years, RTV has not sold any television series to the Kirch-owned Pro 7 and Sat 1 networks, which acquire most of their children's programming from EM.TV. RTV does have long-term receivables totalling approximately TEUR 800 (in thousand Euro) with Kirch Group from previous years. As a precautionary measure, we wrote down TEUR 299 in assets and established reserves totaling TEUR 310 for other outstanding receivables. The break-up of the Kirch Group may open new sales opportunities, since a change in the ownership structure and strategies of the Pro 7 and Sat 1 networks might enable us to market our programs to these networks once again.

Recently, our merchandising character MOORHUHN has appeared on television screens even as the company that created the character,

Phenomenia, is experiencing financial difficulties. RTV's earnings and assets are not affected, however, since we acquired the worldwide television, merchandising, audio and video rights in perpetuity as well as the German rights for interactive games. Nevertheless, we are partners with Phenomenia and Hahn Film for the first and second season of the GNARFS. Phenomenia has a 25 % interest in both seasons. At the moment we plan to produce the second season of GNARFS together with Phenomenia.

This past quarter, our Supervisory Board made changes. On March 31, Dr. Detlev Lux resigned from the board and his position as chairman concurrent with his leaving the Managing Board of Ravensburger AG, RTV's majority shareholder. On April 1, Dr. Johannes Kreile, the former deputy chairman of RTV's Supervisory Board, became the board's chairman. Frank Mallet, Managing Board member at Ravensburger AG, will be appointed to the RTV Supervisory Board at the RTV Shareholders' General Meeting on May 15, 2002.

## Business line results

First-quarter consolidated sales rose by approximately 14 % from TEUR 11,629 to TEUR 13,227.

The results in the respective business lines broke down as follows:

	1/1/2002 – 3/31/2002		1/1/2001 – 3/31/2001	
	EUR 000	in %	EUR 000	in %
Fiction/Non-Fiction	12,155	92	10,461	90
Merchandising	1,071	8	1,168	10
Total	13,227	100	11,629	100

### Fiction/Non-Fiction

The Fiction/Non-Fiction business line recorded first-quarter sales of TEUR 12,155, up 16 % from the TEUR 10,461 in the first quarter of 2001. The fiction division, i.e. the development and production of children's and family narrative programming (animation, game shows and live action programs), remains RTV's largest by a wide margin. In the first quarter, RTV made progress on numerous coproductions and delivered commissioned productions on time.

In March 2002, RTV licensed an extensive program package to tv.nrw, the North Rhine Westphalia regional television network based in Dortmund. This sale was the second to a regional network after an earlier sale to B.TV, the network for Baden Württemberg. RTV has thus developed a new customer base alongside its traditional clientele of state-owned and privately owned German television networks. We will continue to pursue this strategy of marketing non-exclusively program packages in the future.

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Last year, RTV expanded its non-fiction program portfolio through the acquisition of a 100 %-equity interest in Off the Fence. This subsidiary is one of the leading documentary film production and distribution companies in the world. Among the Off the Fence film genres are wildlife, adventure and science and technology. In the first quarter of 2002, Off the Fence completed four productions according to plan. These productions are now available for worldwide sale and include: CITY SLICKERS – A TALE OF TWO AFRICAN PENGUINS (1 episode of 60 minutes); FRESH AIR RIDERS (1x30'); THE WHALE INDUNA (1x60') and TRACING CHÉ (1x60').

spring. A licensing agreement based on GNARFS was also signed with Santex (children's outer wear, underwear and sleepwear). This agreement covers the regions of Germany, Austria and Switzerland.

### **Merchandising**

The merchandising business line's first-quarter sales contracted by 8 % to TEUR 1,071 , or 8 % of the RTV total. This business line includes audio and video sales and advertising revenues from the Super RTL slot.

On January 1, 2002, RTV licensed the entire audio and video program portfolio to Universal Family Entertainment and Universal Pictures Germany. The current inventory of RTV's audio and video programs along with new themes still to be developed will be distributed by Universal.

RTV recorded its first sales of several new licensing themes. The company licensed its MAGGIE AND THE FEROCIOUS BEAST theme to Ravensburger Spieleverlag (jigsaws, card games, travel toys and children's games, stuffed animals and key chains), Togu (game and sport balls) and Kinsy & Company (window colour set). The Universal Group began marketing MAGGIE recordings and videos in the

## Earnings

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by TEUR 4,082 to TEUR 7,461 – a 121 % increase relative to the TEUR 3,379 recorded in the first quarter of 2001. The following factors contributed to this increase: TEUR 1,598 in additional sales, foreign currency translation gains of TEUR 500, lower cost of materials and personnel expenses. First-quarter EBIT totaled EUR 18,029, compared with EUR 397,557 the previous year. This decrease resulted from higher fixed asset depreciation and a one-time TEUR 299 write-down of receivables from the Kirch Group. Another TEUR 310 in reserve allocations were made to cover doubtful receivables from Kirch Group. Excluding the write-down on Kirch-related assets, EBIT would have been TEUR 627, or 57 % higher than the previous year. Depreciation increased by TEUR 4,462 to TEUR 7,443, which is due to the following reasons: a more conservative evaluation of the film library due to the continuously difficult market environment, higher increase in license sales compared to commissioned productions. Loss from ordinary operations totaled TEUR 886 compared with a loss of TEUR 354. After accounting for deferred taxes and excluding the TEUR 84 loss attributable to minority interests, the consolidated net loss (group share) totaled TEUR 862, compared with a loss of TEUR 273 the previous year. The bulk of other operating income came from foreign currency translation gains totaling TEUR 273 and involved receivables with RTV's Australian subsidiary Energiee.

## Net worth and financial situation Balance sheet structure

In the first quarter, total consolidated assets increased by 5 % - or TEUR 8,720 - relative to January 1, 2002 to reach TEUR 169,912. Intangible assets, mainly film assets and other rights including prepayments and goodwill, increased by 2 % - or TEUR 2,296 - to reach TEUR 142,680. Receivables increased by TEUR 5,692 as a result of numerous contractual agreements signed at the beginning of the year (e.g. Nelvana). Investments in film assets and other rights totaled TEUR 10,348.

## Employees

As of March 31, 2002, RTV had a total of 60 employees, compared with 84 the previous year. The decrease is largely attributable to the closing of Waterfront Medien Produktion GmbH and personnel reductions at the Australian studio Energiee and at RTV's Munich office.

## Significant events since March 31, 2002

At the start of MIP, the bi-annual and leading television industry trade show held in Cannes, France, RTV entered into a major agreement with Fox Kids Europe. Fox Kids acquired worldwide licensing rights to the animated series ROBOROACH, with the exception of the German-speaking regions, America and Canada. ROBOROACH (26x30') is coproduced by RTV, Videal and Portfolio Entertainment. Given the strong sales of this series, the coproduction partners agreed to produce another 26 episodes. Fox Kids acquired an option to buy the global rights for this instalment.

In early May, Österreichische Volksbanken AG (ÖVAG) terminated a credit facility granted to RTV, which not had been used so far. The bank based its decision on the worsened economic environment following the Kirch Media bankruptcy filing.

In negotiating this credit facility, however, the parties specified that the agreement could not be terminated without notice, contrary to the usual terms offered by ÖVAG. Consequently, we believe this termination is not legally binding and have contested it through legal channels.

We are currently negotiating with our banking consortium (Deutsche Bank and Baden Württembergische Bank) and our majority shareholder that they take over the credit facility in anticipation of a final resolution of the legal dispute. These two parties have declared that they are prepared to provide necessary short-term liquidity until the legal dispute is settled.

## Shares owned by executives and directors (as of March 31, 2002)

### Managing Board

Name	Number of options	Number of shares
Dr. Peter Duval	40,000	5,000
Peter Hille	120,000	26,250
Wolfgang Heidrich	120,000	10,500

### Supervisory Board

Name	Number of options	Number of shares
Prof. Dr. Johannes Kreile	-	4,200
Dr. Wolfram Freudenberg	-	250
Jochen Kröhne	-	15

# BALANCE SHEET

as of March 31, 2002

<b>ASSETS</b>	<b>03/31/2002</b>	<b>12/31/2001</b>
	<b>EUR 000</b>	<b>EUR 000</b>
<b>CURRENT ASSETS</b>		
Cash and bank deposits	553	569
<b>Receivables and other assets</b>		
Trade receivables	15,083	11,583
Receivables from affiliated companies	2,882	699
Receivables from equity-affiliated companies	0	0
Other assets and prepaid expenses	712	693
	18,677	12,975
<b>Inventory</b>		
Unfinished goods and services	117	81
	<b>19,347</b>	<b>13,625</b>
<b>FIXED ASSETS</b>		
<b>Tangible fixed assets</b>		
Other investments, office equipment and machinery	732	794
<b>Intangible assets</b>		
Software and similar rights	122	148
Film portfolio and similar rights	115,926	111,902
Goodwill	23,415	24,149
Prepayments	3,217	3,495
	142,680	139,694
<b>Financial assets</b>		
Shares in affiliated companies	41	41
Equity interests	3	3
Others	0	0
	44	44
Deferred tax	4,906	4,967
Other long-term receivables	2,203	2,070
	<b>150,565</b>	<b>147,569</b>
<b>ASSETS</b>	<b>169,912</b>	<b>161,194</b>

	03/31/2002	12/31/2001
	000 EUR	000 EUR
<b>LIABILITIES</b>		
<b>CURRENT RESERVES AND LIABILITIES</b>		
<b>Liabilities</b>		
Bank debt	149	177
Advances on orders	4,704	2,115
Trade payables	16,304	12,611
Liabilities to subsidiaries	0	221
Liabilities to equity-affiliated companies	0	0
Other liabilities and deferred income	3,324	4,465
	24,481	19,589
<b>Reserves</b>		
Tax reserves	188	184
Other reserves	2,000	1,609
	2,189	1,793
	<b>26,670</b>	<b>21,382</b>
<b>LONG-TERM RESERVES AND DEBT</b>		
<b>Liabilities</b>		
Bank debt	32,544	28,206
Liabilities to subsidiaries	5,113	5,113
Liabilities to equity-affiliated companies	3	3
Other long-term operating debt	1,534	1,378
	39,194	34,700
Deferred tax	629	629
<b>Reserves</b>		
Pension reserves	278	274
Other reserves	1,118	1,114
	1,396	1,388
	41,219	36,717
MINORITY INTERESTS	-5	105
<b>EQUITY</b>		
Capital stock	24,470	24,470
Paid-in capital	88,482	88,482
Retained earnings	820	820
Other equity	-939	-839
Loss carried forward, group share	-10,805	-9,943
	<b>102,028</b>	<b>102,990</b>
<b>LIABILITIES</b>	<b>169,912</b>	<b>161,194</b>

# Income Statement

	3-Month Report 01/01 - 03/31/02	3-Month Report 01/01 - 03/31/01
	000 EUR	000 EUR
Sales	13,227	11,629
Other operating income	430	-70
	13,657	11,559
Cost of materials/services		
a) raw materials and supplies	-4	-641
b) costs of services	-1,648	-1,779
Personnel expenses		
a) salaries	-968	-1,479
b) non-wage benefits	-104	-124
c) retirement benefits	-21	-4
Depreciation of tangible and intangible fixed assets	-7,443	-2,982
Other operating expenses	-3,451	-4,152
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>18</b>	<b>398</b>
Other interest and similar income	5	3
Depreciation of financial assets	0	0
Interest and similar expenses	-909	-755
<b>Income (loss) from ordinary operations (EBT)</b>	<b>-886</b>	<b>-354</b>
Extraordinary expenses	0	0
Corporate tax	1	-37
Other tax	-62	0
<b>Net loss before minority interests</b>	<b>-947</b>	<b>-391</b>
Minority interests	85	118
<b>3-Month result</b>	<b>-862</b>	<b>-273</b>
<b>Earnings per share according to IAS 33</b>	<b>-0.03 EUR</b>	<b>-0.01 EUR</b>
<b>Weighted average shares outstanding (basic)</b>	<b>24,470,590</b>	<b>23,875,000</b>

# CASH FLOW STATEMENT

for January 1 through March 31, 2002

	01/01 - 03/31/02	01/01 - 03/31/01
	EUR 000	EUR 000
Net loss	-862	-273
Depreciation of film portfolio and other rights	6,599	2,176
Depreciation of goodwill	734	755
Depreciation of other fixed assets	110	51
Depreciation of shares in affiliated companies	0	0
Changes in long-term reserves	9	4
Other non-cash expenses/income	0	0
Payments related to extraordinary items	0	0
<b>CASH FLOW (CALCULATED ON DVFA/SG BASIS)</b>	<b>6,590</b>	<b>2,713</b>
Capital loss on disposal of fixed assets	40	0
Increase/decrease in inventory	-36	-672
Increase/decrease in trade receivables	-3,633	-911
Increase/decrease in receivables from related companies	-2,184	-552
Increase/decrease in other assets	43	3,516
Increase/decrease in trade payables	3,694	96
Increase/decrease in other liabilities	1,695	3,998
<b>CASH FLOW FROM OPERATIONS</b>	<b>6,209</b>	<b>8,188</b>
Proceeds from disposal of fixed assets	7	0
Payments for acquisitions	0	-869
Proceeds from disposal of film portfolio	72	0
Payments for investments in tangible fixed assets	-6	-777
Payments for film portfolio and other rights (including prepayments)	-10,348	-5,832
Payments for investments in other intangible assets	-3	0
Payments for investments in financial assets	0	0
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-10,278</b>	<b>-7,478</b>
Proceeds from capital increase	0	0
Proceeds from issuance of long-term liabilities	4,337	0
Proceeds from issuance of short-term liabilities	0	0
Loan redemption payments	-29	-14
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>4,309</b>	<b>-14</b>
Currency translation differential amounts	-256	0
Net cash flow	-17	695
Net cash at beginning of period	569	30
<b>NET CASH AT END OF PERIOD</b>	<b>552</b>	<b>725</b>
<b>Average number of employees</b>	<b>61</b>	<b>84</b>
<b>Number of employees (as of March 31, 2002)</b>	<b>60</b>	<b>84</b>

# Results by business line and region

## 1. Results by business line (primary report format)

	Fiction/Non-Fiction EUR 000	Merchandising EUR 000	Consolidated Group EUR 000
Sales	12,156	1,071	13,227
Changes in inventory	0	0	0
Other operating income	398	32	430
Total production	12,554	1,103	13,657
Expenses by business line	12,723	916	13,639
Income by business line (=EBIT)	-169	187	18

## 2. Results by geographic region (secondary report format)

	Germany EUR 000	Europe EUR 000	Rest of World EUR 000	Consolidated Group EUR 000
Sales	4,013	898	8,316	13,227
Assets by geographic region	153,529	3,900	7,577	165,006
Investments	9,656	698	3	10,357

# EQUITY STATEMENT

in EUR 000	Capital stock	Paid-in earnings	Retained equity	Other equity	Profit (loss) carried forward group share	Equity group share
01/01/2002	24,471	88,482	820	-839	-9,943	102,991
Currency translation differential amounts				-101		-101
Net income (loss), group share					-862	-862
<b>03/31/2002</b>	<b>24,471</b>	<b>88,482</b>	<b>820</b>	<b>-940</b>	<b>-10,805</b>	<b>102,028</b>