



Annual report 1999

Events in 1999

June 1999	D	S	S	.fff	mS	F m								
June 1999	S	m	I	E	49	m	G	, I	., L	A	f	US	m	(IEG)
June 1999	T	m	S	M	H	Gm	H	(f	m	f).	A	f
July 1999	S	/IEG	-	Dr. T and the Women										
August 1999	S	-F	m-K	Gm	H	m	S	F	m	Gm	H.			
September 1999	T	f _N	M	.	S	M	AG	f						
November 1999	IEG	D	M	m	-									
November 1999	S	M	S	f	m	f	Titanic	L	DC	.	m : Gangs of New York	f		
November 1999	S	f	1999.											

Splendid at a glance

Ratios	Million DM		Million EUR	
	1999	1998	1999	1998
Sales	37,7	29,0	19,3	14,8
L	21,5	21,2	11,0	10,8
C m	0,9	0,4	0,5	0,2
V /DVD	13,1	5,8	4,6	3,1
D	2,2	1,6	2,2	0,8
R	-0,3	-0,2	-0,2	-0,1
EBITDA	23,2	19,8	11,9	10,1
%	61.5%	68.3%	61.5%	68.3%
EBIT	5,3	3,6	2,7	1,9
%	14.1%	12.5%	14.1%	12.5%
Result of ordinary activities	4,3	3,7	2,2	1,9
%	11.4%	12.8%	11.4%	12.8%
Net profit	1,0	2,3	0,5	1,2
%	2.7%	7.8%	2.7%	7.8%
DVFA earnings	2,1	-	1,1	-
Total assets	170,6	28,7	87,2	14,7
Shareholders' equity	149,6	6,0	76,5	3,1
%	87.7%	21.0%	87.7%	21.0%
Investment in screen rights	93,1	23,1	47,6	11,8
%	54.6%	80.5%	54.6%	80.5%
Depreciation on screen rights	17,1	15,8	8,7	8,1
D	45.4%	54.5%	45.4%	54.5%
Personnel costs	2,4	1,6	1,2	0,8
P	6.4%	5.5%	6.4%	5.5%
DVFA earnings per share (EUR/DM)	0,24	-	0,12	-
Number of employees	19	12	19	12
Number of shares (EURO 1.00) in million	8,9	-	8,9	-

IAS

splendid medien AG

splendid film GmbH


D R
T f f

100 %

splendid synchron GmbH


D

100 %


ASCOT

D f

100 %


INITIAL ENTERTAINMENT GROUP, INC.

W
C -
C -F

49 %

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A	68
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C f m	73
F f	74
A	76
M m	84
A	90

Preface of the Managing Board

Grown up with dreams

T f m m m
 f .E
 m , m , .T m f f .M f f
 f , m , , DVD, P -TV I F TV, f f m f
 f m m m l . f f m f
 S M AG m m
 25 , f f f m f m
 .D m f m f , m m
 f m .W m f m , m m
 f m .T , f , f 400
 f m .O f m
 f m .

Marketing rights consistently on every stage of the exploitation chain

A , G m - m f
 f m, m f m f f DVD , m f
 f m f TV .W f f
 f m f m m .W m f f m ,
 m m : m f m f G m f .T
 m m m f m f m
 W f f f m f m
 f f . f m f m

World market opened up by IEG

I 1999, L A .A I E m G I . (IEG),
 G m m f , S
 f

Andreas R. Klein (CEO)

L

Am f m .W
 f m .IEG m H ; 49
 .S f , m , -f 2
 f m - m 23 m m .T
 C f m D C S . , Very Bad Things

Stars who are known by everybody

A - , US m m -
 , .I J 1999, IEG S
 f m Dr. T and the Women R A m , R -
 f G , O H H , L T , L D F F -
 .W M S -
 , L DC M D .A
 m - m J
 2000 m f C -J .I C f
 -J , f m m f m C f
 f USD 5 50 m . f
 T IEG S
 f T G m H US f f m .
 m m .T f m f m , IEG
 m m .A -
 , f ; ,

Listing on the Neuer Markt

S M AG N M F W -
 (F f S E) 24 S m f 1999. W
 m f m f ff f f .S m -
 - f f

Preface of the Managing Board

H f m . D m , m
 f m (. . DVD) m
 . T m f IEG . f
 ff m f .

With Walt Disney to the *Gangs of New York*

I m m , C , L A f 11 m 1999 m
 f m m G m , L f M ,
 f M F m G H m . f Under Suspicion,
 S S , C f L m , J P f ,
 K M B N K . H , m
 Gangs of New York, L DC . S
 M IEG USD 65 m m
 f m M S . W D f / M m f
 100 m . S IEG ff m f USD
 D M m f N Am . P
 A 2000.

1999 has been a good year

O f f 1999 m ,
 F f 1999 m . S
 S M AG 30 f DM 37.7 m f
 m m . T m 1998 DM 29.0
 m . A , mf
 , m 59.4 . EBITDA m 17
 DM 23.2 (19.8) m . DVFA m DM 2.1 m .

On the way to success with Leonardo DiCaprio, Jodie Foster and Catherine Zeta-Jones

S f f m 1999. W
 f f , . . f f m
 US m . T Dr. T and the Women R A m f

Dietmar Schmitz (CFO)

F

R G 100 m USD *Gangs of New York*,
S G D /M m ,
m .

S . I J 2000,
- m M F m , m f
C -J . W m m f m ,
50 m f . m m f m f USD 5

W F 2000: W
Traffic f USA m . S S ,
f m C f -J , M D D Q .

W m :
T f O J F , f m *The*
Dangerous Lives of Altar Boys. S f f M 2006.
USD 15 20 m
S IEG ff

S , f m m m f . S
m f m f m

W m m f m f mm m f , 1999,
m m f f S M AG.

C , A 2000

S M AG
T M B

Financial 1999

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Market conditions

The situation on the film market

A H m f f m , S M AG m m .
 m f f m ff m . T -
 f m , , DVD, P -TV F -TV. -
 T m m m m m G m f
 . f T m m . A f , -
 m . G m m -
 DVD m m . W 34 m TV -
 , G m m TV m W USA. A -
 30 - 78 m f f m ,
 . A m f ; m f . T , m f m
 m m f TV f \$
 f f m . f

Splendid is in an excellent position

T m m f . A f 500 f m f US m , -
 . T m f f m f USA
 m. M f m f m f -
 f m f . f m f -
 T m m , f m m US I E 400 m m -
 f m f S M AG m G , m
 : S f . L -
 . S f , , m

/DVD

Sales

Most sales generated by rights dealing

I 1999, G m G m 30
 DM 37.7 (29.0) m . A , m m
 f m , 59.4
 f 4 . C m , m m
 DM 22.4 (21.6) m . S M ff m
 DM 2.3 m ff m f
 (TV), T ff m 10 f f
 . S f f
 S . f

Video and dubbing have also improved

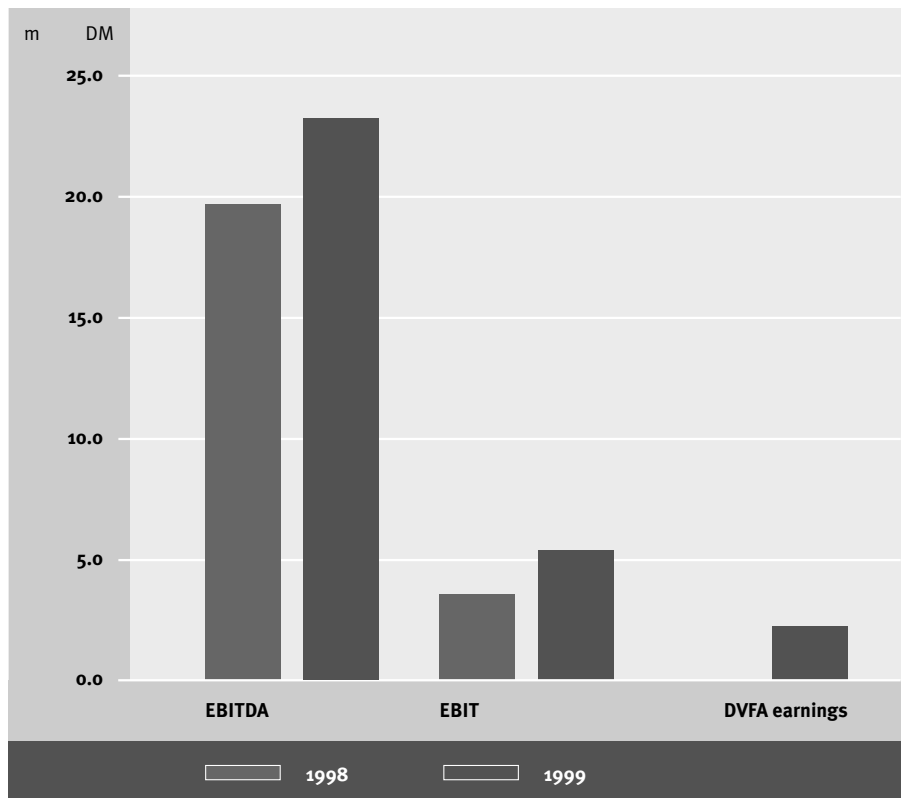
V 76 DM 9.0 (5.1) m . S
 m 24 f
 /DVD m , m f DM 4.4 (0.9) m . G m
 f 388 , . A m f 12
 f . A G m DVD m . S A 1998,
 S f m f 32 DVD f m W V f G m .
Splendid Entertainment
 D , m S F m J 1999, -
 38 DM 2.2 (1.6) m ; f -
 6 f .

Financial 1999

Earnings

A major leap in earnings

G S M AG 1999 m .
 EBITDA (f , 17 DM 23.2 (19.8) m) m-
 f m DM 4.3 m , 16
 m DM 2.1 m , f f DM 3.7 m . DVFA
 m
 DM 0.24.



Cash generator: Film library

T m S M AG
m f m f m f
15 400 m . l f , S m f m f
20 . A m f m f m f
m f F -TV. l f f m - M AG
. S f f , S M AG
. T f S M AG m m
f m f f f .

Financial 1999

Investments

Financed primarily out of cash flow

I m , m , S DM 93.1 m f , DM 100.8 m . M f
 m , m 92 DM 7.470 m f
 I E ff m .S .A DM 0.197 m f
 .B - f m DM 17.1
 (15.8) m .

Employees

I f 1999, 19 (12) - m m m m
 f S G f .O ,2 S M
 AG, 10 S F m Gm H, f S S Gm H 0 ASCOT
 M f . I , S S f Gm H f
 f , . : f f ,

Patents and licences, brand rights

S
ASCOT . F S F m Gm H, PACIFIC V
G m P O f m PACIFIC V
) o f f 2005. F ASCOT M Gm H
m ASCOT G m G m P O
ff f m 29 N m 1995, 9, 16 41. T
31 M 2007. I f S , m
S 04 S m 2007 S F O f f I f
P ; A f f A
P O f f 31 M 2008. f
O ASCOT M Gm H m
ASCOT VIDEO G m - 2002. T
S E F m AG. f f f m f

Special events

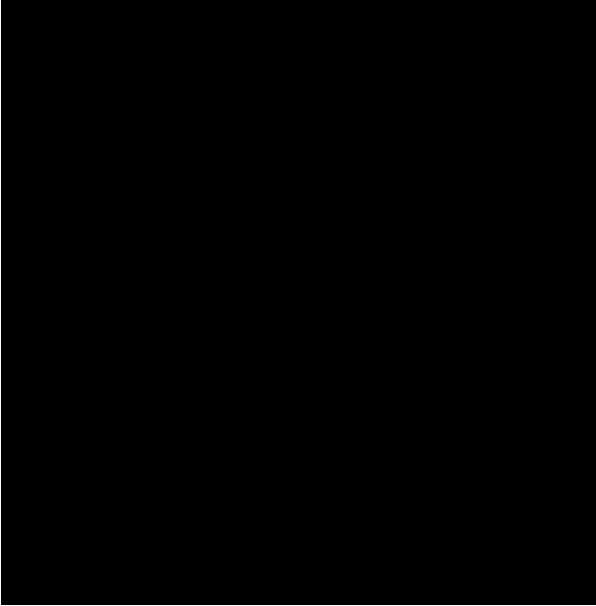
Equity stake in Initial Entertainment Group Inc., Los Angeles

T I E m G (IEG), 1994
 G m K L A , - f f US m
 IEG f f m H
 f m , f . IEG f , .
 IEG f
 m . T f US m - -
 f , IEG f , f - f m f m f 23 f m . . S
 A S M AG, S M H Gm H
 J 1999 49 f IEG m G m K ,
 f G f m K 2 C E f O f USD 4 m . S
 B f S f M AG. ff f IEG m m m f f M
 T IEG, S G m
 US m m US . S
 . W - f H f m
 f m . f f m

Listing on the Neuer Markt

T S M AG N M
 F f W (F S E) 24 S f m
 1999 f T G m S C f N m (WKN-W K mm)
 727950.

W 21 S m 1999,
 f 13 m . T EUR 30
 m . 2.4 m EUR 1 EUR 72
 - f ff ; f



T G m .T
 f N M f.
 f f

Between Dr. T and Gangs

I ,S M AG f m
 m - US m .T f -
 IEG, S /IEG f Gangs of New York
 W f D .T m M S (Taxi
 Driver, Good Fellas) f L D C (Titanic, The Beach). W
 D m C R m m A 2000
 .T f m f - - - m f
 f .W - m f f m f m .
 I J , f f f USD 16 m
 m f f
 f .
 A Gangs of New York, S IEG
 - USA Dr. T and the Women, R
 G .S Dr. T and the Women m J .T f m
 , f m
 f 2000.

Co-operation with Catherine Zeta-Jones

S M AG IEG - m J 2000
 M P , m f H C
 -J .I - f ,S IEG
 - m m m .C
 -J m f f m .T f
 f m USD 5 50 m .S f f IEG f
 f m - m
 f f m 2001 f f .T
 f ,S f f m .W -
 f H , f f m
 f H . f m

Financial 1999

Risk management

Facing risk in a professional manner

S M AG m m m -
91 .2 A G .F. T m m m f K T G
m , f m ff ff ff mf .
O m, m f m -
m m m -
T m .A ff f f -
m m.' f

Currency risks

S M AG USD m .H ,
m DM E f m .T m f m -
m - f m f f ,S m f m -
f m f f f .

Outlook

Consistently expand market position

S .T m f ff m
m m .T 49 I E m f G f
f f m m J 1999 m f . W m
H ,S f m , . . -
H m - Am f . I f .
S f m m Am f m f .
F m Dr. T and the Women, Gangs of New York The dangerous lives
of Altar Boys - C -J
f m .
T f m m f S M AG 1999
f . S f m
f f m m m N M .

3

Report of the Supervisory Board

Report of the Supervisory Board

T S B (m) 21 J 1999. l f m 1999,
A S B f m
. T S B f m f M B
f m f S M AG -
B ff ,
m , M B . M
A f S B f M B ,
f S B . ,
I , S B m .
S m f m S B m
f m f S M AG
ff , m m
f f IPO. T m m B f S B
f M B f m .

BFJM B m F J M Gm HW
m m ff S M f AG, f
f mf , mm mf m m
m f 31.12.1999. T
m f . T A f A ,
f m . f

T S B m m S M
AG, m f mm m
f m . T m f , M f B f
f m S B
m f 17 A 2000, f f .

T S B M B
 f .
 f
 A m m m m
 A (f m f), D.R D , D.P S m
 D.H S m m S B
 21 J , 1999. O m , S B f M.A
 R.K M.D m S m m M B .D.P
 S m D.H S m m m m
 S B m f ff 6 A , 1999.
 f f m m S B
 D .K m.G H M.J m W.W f .M.G m K
 f M B S
 B f 30 J , 1999. f S

T S B M B
 mm m m . T S B f
 m m f S G f f 1999.
 f ff f f f

C , A 2000

D.R D
 C m f S B

Morgan Freeman

4

From the initial idea to world-wide distribution

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From the initial idea to world-wide distribution

In the beginning was the idea

In two minutes to success

A
 f m : l m
 f m f m m f f H . l USA, m f
 f m m .

E f m Prizzi's Honor , m ,
 m ? l f f m f Am : W
 W f , m
 , f f f f .

Film dealers decide whether an idea is taken up

l m ,
 M f . l f m f ff m f m f L A , C mm
 f f f m , m .

A ff f f m m m m
 f f m . B f f . S f - US m ,
 G m . 10 f 15 f m G m .

The road from the cinema to TV

W f m f , m . l . .
 m m f f m , G m
 f m 15 f 20 , f m f m .

A 6 m , f m
 6 m , m f m
 m , f m f m P TV DVD; f f f 6
 T f m f F TV.
 f f m. f f

Concerning independents and majors

T m f -
 , . . . -
 . F m
 , m IEG S f m ,
 f m m f m f
 T m D , S (P m), F , U W
 . T 500 f m
 m . M m -
 A f m
 m . T ff f IEG, S f
 f m f m , f m
 f m f m .

From the initial idea to world-wide distribution

The way to the top

Identifying and implementing trends

F m f , S
 f f m m .T , G
 400 m .W m m m m
 f .US m f m m G m -

Strength in the video business

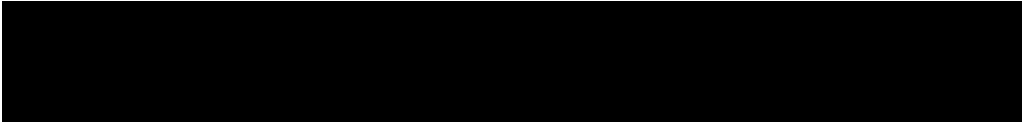
O m S F m 1974 A E. K ,
 f m f m m m f
 f G m f . f

D 1980 f m f m m ,
 .S f f m f f m .P f

V Gm H ff m m ; m -
 m A M f Gm H 1994. T f f
 , 1998, DVD .M f f
 W f M G m Gm H f S -
 .T , /DVD m m m

S G .

A f 1990 , f m
 .T f , f m
 f f m m , m TV f .l , f -
 ff f m TV , m
 f .T f 1990. l 1997,



m C .S f S 9,000 m
Gm H f 1999.

Twice as many private stations

T W f G m TV m , TV m
USA, m -1980 ,
. A f m , m
m f 34 m TV , m
f . T - f m f
, m f m TV f m f
15 .

From the initial idea to world-wide distribution

Splendid is benefiting from more intense competition

T
 - D m f m f T f f
 m m f m m f
 f T A 10 , f m m m f
 .T , f m m f mm ,
 f m , f . f
 S TV G m f m f .T , f
 f S f M f f m f .A m 60 .TV, f
 m m .T f
 f f 15 20 .T f f m
 f f f f TV. f f m
 . f m

Landing in Hollywood

From national to global earnings potential

I G m ,
 S f .W
 G , f .A G m f US I E m
 f M AG US f m m -m . f N M .S

W m m m H f
m .W f
G m - m ; f f
f f m. f

Concentration on top Hollywood films

I E m G Hf ; 1994, f
- m m m
m m f f m
f m f m f .T US m m f
IEG H .T m f
f , m f f m, f f. m : IEG ,
f m f

Contacts are absolutely essential

IEG m f .T , , IEG
m m f .T m
m m f 23 f m - f m f .H , f f m
f f

Back to the future

A f, m m -
.C m m f m .N f m
N M m US m-
m f .l , .S
M AG f m
m f -

From the initial idea to world-wide distribution

Co-operation with Catherine Zeta-Jones

T - : IEG
 m f M P H
 C -J .D f,S /IEG
 - m m m .E f m
 f USD 5 50 m f .S f IEG
 m m .A f m
 m m f TV f m ,M . -J
 m H , .

Largest independent production of all time

W *Gangs of New York*, S IEG
 m USD 100 m .S f IEG .P f
 f m f W D /M m .S IEG USD 65 m ,
 , M m f N Am .
 l m *Gangs of New York*, L DC , *Titanic*,
 m f m m , *Amsterdam*,
 N f f 1800. H
 mm M f S f (*Taxi Driver*). W D C .T f m f
 m, C
 R m mm 2000. f
 T D F ,
 f m *The Name of the Rose* *Interview with the Vampire*,
 f m.T f m m f 2001. f
 D IEG. W f USD 100 m , f m S
 f m m .T m .S IEG -
 USD 16 m f ff f J m f f .W
 m f f J f f .T f m.

Mr. Gere as Dr. T

A - *Gangs of New York*, S IEG
USA *Dr. T and the Women. Dr. T and the Women*
f R A m (*Short Cuts*). I
R G (*Pretty Woman*), m -
O H H (*Twister*), L T (*Armageddon*),
L D (*Jurassic Park*) F F (*Extremities*). S
m . T m , . . . m
f m m , . *Dr. T and the Women*
m f 2000.

Catherine Zeta-Jones

5

The shares

The shares

Listing on the Neuer Markt

T f S M AG (G m m 727950)
 N M F W (F -
 f S E) 24 S m 1999. f W
 f ,S
 A f US I E m G ,S
 m f m N M
 USA. T m H ,S
 , f m m
 f .

A good investment

D m f f S .T m m
 f m f m S N M .T m
 f m IPO f DM 140 m ()
 f m m f m .S f -
 f , m ; m
 f m f .

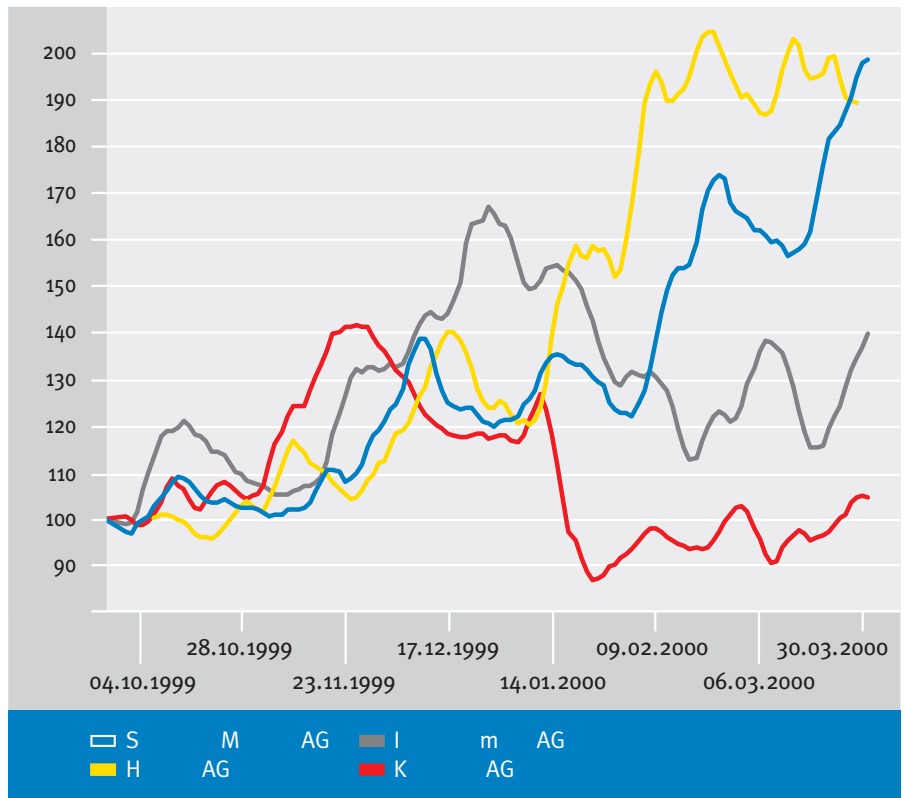
Share price boosted by promising film projects

F .Q f , m f
 the Women , R A m R f m Dr. T and
 M S f m Gangs of New York L H H
 m f S f .T DC
 S C -J ,M :T f Traffic f S
 - J F The Dangerous Lives of Altar Boys f Q
 m . S m - m

T - m f C -J M F m , L A .
 f USD 5 50 m f f .

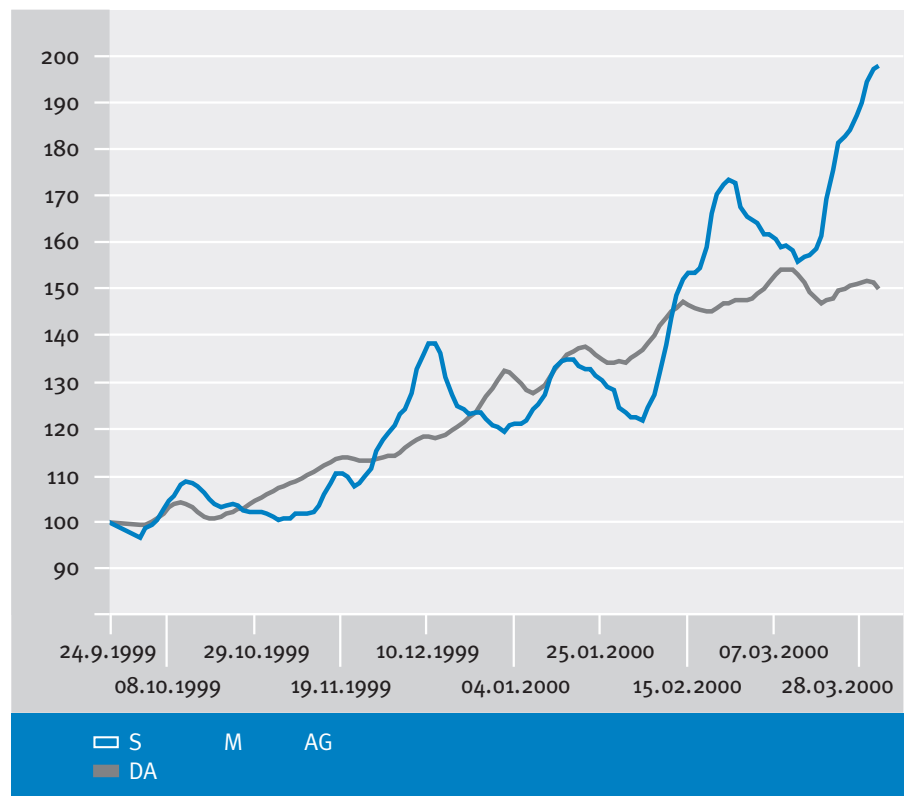
Shares held by many investors

A f IPO, 68.4 m m m K
 f AG f C E , O f , m m M B S M K
 3.8 f , C f , CFO f IEG, m € , L A ,
 f 27.0 f . f f f
 S m m m f m 24 S m 1999



The shares

C m S DA f m 24 S m 1999





Shareholders participate in the company's growth

S . A , IPO, m
 f f 1999; , f . A ,
 f m ,
 S m f m , f . F .
 m m m
 f S f , f , f m
 m . , f , f m

Intensive dialogue with the financial market

S m m
 m . T m m f m m f
 m
 l , S , m , m ,
 f f m f m m
 m f f f . T
 f . W m m.

Financial statements

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Consolidated financial statements

Balance sheet

Consolidated financial statement as of 31 December 1999		As of 31.12.1999
ASSETS		DM
A. Fixed assets		
I. Intangible assets		
1. C mm	m	32,349.00
2. G		9,751,218.33
		9,783,567.33
II. Property, plant and equipment		
1. L	, -	892,340.00
2. T	m , m	49,208.00
3. O	m , ff m	175,141.00
		1,116,689.00
III. Financial assets		
1. S	m	5,259,405.00
2. D	- m f	292,942.00
		5,552,347.00
		16,452,603.33
B. Screen rights		
I. Film rights		13,911,828.78
II. Advance payments		80,341,860.10
		94,253,688.88
C. Current assets		
I. Inventories		
F		283,992.15
		283,992.15
II. Accounts receivable and other assets		
1. T		4,306,829.84
2. A	f m ff m	750,980.57
3. O	f ff	3,985,018.67
		9,042,829.08
III. Cash in hand, cash at banks and cheques		48,817,106.06
		58,143,927.29
D. Deferred charges and prepaid expenses		1,150.00
		168,851,369.50

Consolidated financial statement as of 31 December 1999		As of 31.12.1999
LIABILITIES		DM
A. Shareholders' equity		
I. Subscribed capital		17,406,887.00
II. Capital surplus		135,652,159.93
III. Consolidated deficit		-4,517,950.93
IV. Difference due to capital consolidation		77,507.97
		148,618,603.97
B. Provisions		
1. T		4,390,284.00
2. O		5,046,569.04
		9,436,853.04
C. Liabilities		
1. A	m	1,979,750.00
2. T	f	3,520,787.78
3. O		5,295,374.71
		10,795,912.49
ff	: DM 4,845,312.59	
ff	: DM 55,088.48	
		168,851,369.50

Income statement

Consolidated income statement for the period 01 January–31 December 1999						As of 31.12.1999
						DM
1. S						37,675,397.52
2. C	f					-26,116,775.52
3. G		f				11,558,622.00
4. S						-3,390,988.15
5. G			m			-3,787,638.18
6. O				m		1,609,912.48
7. O						-822,489.42
8. C					m	-1,917,653.00
9. O		f	m	m		1,341,216.87
10. I			m			-472,026.16
11. R						4,118,956.44
12. E		f				-9,329,627.14
13. T			m			691,410.77
14. O						1,309.00
15. C					f	-4,517,950.93

6a

Consolidated financial statements

Reconciliation of consolidated capital and consolidated net profit with international accounting standards

T	m								
AG				f _{31 D}	m	m	f ^S		M
A	m ^f	f	mm	f				I	
	S		(IAS)						
				f	.				
W			m					m	
			mm			f			
IAS	.					ff			

IAS adjustments		1999
		DM '000
Consolidated capital (HGB) as of 31 December 1999		148,541
ASSETS		
G		85
T	/	546
E	m	33
T		39
D _f		54
D _f		955
TOTAL		1,712
LIABILITIES		
D _f		-17
T		-606
TOTAL		-623
Consolidated capital (IAS) as of 31 December 1999		149,630
Consolidated net profit (HGB) as of 31 December 1999		-4,518
F		24
D		-42
D		85
L		44
O		39
IPO		9,330
T	IPO	-4,927
D _f		938
TOTAL		5,491
Consolidated net profit (IAS) as of 31 December 1999		973

Consolidated financial statements

Auditor's opinion

W
 f' f' m 1999 f' S f' 31 D f' m 1999
 IAS m AG, C (HGB)
 IAS m . A m ff' m IAS f' m
 m m f' , f' m
 W f' f' m m ; f' m m
 T f' m f' f' m f' m m . m-

C , 12 A 2000

BFJM BACHEM FERVERS JANSSEN MEHRHOFF Gm H

W f' f' f'

(D . C J) (D . K m . F M)
 A f' A f'

Cash flow statement

Consolidated cash flow statement (HGB) as of 31.12.1999		1999
		DM '000
N	/ f	-4,518
+/- D	/	801
+ D		17,140
+ D	m f	119
+/- E	f m	1,918
+/- O	f m	37
Cash Flow		15,497
+/- I	/ m m- m - m	-3,981
-/+ P	/ f m	-20
-/+ I	/ f ,	-4,174
+/- I	/	2,449
= Cash flow from operating activities		9,771
+ P	f m	580
I	m ff	-197
I	m f	-7,470
I	m	-93,082
+ R	m f m f	70
= Cash flow from investing activities		-100,099
+ P	f	142,897
P m	(, f)	-5,875
P m	f m f	-868
= Cash flow from financing activities		136,154
+/- C	f m	45,826
+ C	f	2,991
= Cash and cash equivalents at end of period		48,817

Consolidated financial statements

Fixed assets

Development in consolidated fixed assets, 01 January–31 December 1999					
	Cost of purchase or production				
	Balance 01.01.1999 DM '000	Additions DM '000	Disposals DM '000	Transfer DM '000	Balance 31.12.1999 DM '000
I. Intangible assets					
1. C m m	115.00	1.00			116.00
2. G	72.00	10,018.00			10,090.00
Total intangible assets	187.00	10,019.00			10,206.00
II. Tangible assets					
1. L	1,442.00				1,442.00
2. T m m ,	1,679.00	34.00	386.00	-10.00	1,317.00
3. O m , ff m	976.00	88.00	458.00	10.00	616.00
Total tangible assets	4,097.00	122.00	844.00		3,375.00
III. Financial assets					
1. H m		7,177.00			7,177.00
2. D m f		293.00			293.00
Total financial assets		7,470.00			7,470.00
Total fixed assets	4,284.00	17,611.00	844.00		21,051.00

	Depreciation					Residual book values	
	Balance 01.01.1999 DM '000	Additions DM '000	Disposals DM '000	Transfer DM '000	Balance 31.12.1999 DM '000	Balance 31.12.1999 DM '000	Balance 01.01.1999 DM '000
	67.00	17.00			84.00	32.00	48.00
		339.00			339.00	9,751.00	72.00
	67.00	356.00			423.00	9,783.00	120.00
	412.00	138.00			550.00	892.00	1,030.00
	1,158.00	169.00	55.00	-4.00	1,268.00	49.00	521.00
	528.00	138.00	230.00	4.00	440.00	176.00	448.00
	2,098.00	445.00	285.00		2,258.00	1,117.00	1,999.00
		1,918.00			1,918.00	5,259.00	
						293.00	
		1,918.00			1,918.00	5,552.00	
	2,165.00	2,719.00	285.00		4,599.00	16,452.00	2,119.00

Consolidated financial statements

Annex

I. General

The consolidated financial statements of the Group for the year ended 31.12.1999 are based on the financial statements of the companies included in the consolidated financial statements, prepared in accordance with the German Commercial Code (HGB) and the German Accounting Standards (Grundsätze der Rechnungslegung).

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II. Consolidated companies

The consolidated companies are listed in the following table:

Company	Registered offices	Equity holding in %
Affiliated companies		
S F m Gm H	C	100
S G f f S P m H	C	100
ASCOT M Gm H	E	100
Associated companies		
I E m G ,l .	L A ,USA	49

The consolidated financial statements of the Group for the year ended 31.12.1999 are based on the financial statements of the companies included in the consolidated financial statements, prepared in accordance with the German Commercial Code (HGB) and the German Accounting Standards (Grundsätze der Rechnungslegung).

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III. Principles of consolidation

T f m f m f m m .
 A m 31 D m . f m m .
 f l - m m . R . T
 m m m f m f m
 m m f m m f m
 f f . T m f - m f m (.304 f m f 3 HGB).

Capital consolidation

C m .
 T ff f m f m f :
 f f

Capital consolidation				
Company	Book value of holding (DM)	Shareholders' equity to be consolidated (DM)	Difference	
			Asset (DM)	Liability (DM)
S F m Gm H	10,154,735.60	70,348.46	10,084,387.14	
S S G P f m H	54,022.76	48,895.75	5,127.01	
f S ASCOT M Gm H	50,439.64	127,947.61		77,507.97
	10,259,198.00	247,191.82	10,089,514.15	77,507.97

T ff m DM 10,090 f m 15 (f m -)
 T ff m DM 78 f m
 . ff

Consolidated financial statements

Equity consolidation

T I E m G , l .
 .312 1 1 HGB. T
 DM 3,957 f m ff 15 f
 (-) f m f .T
 .312 f .T 4 HGB. f

Currency translation

T f f m f .C -
 f .

IV. Accounting and valuation methods

T m f m m ; f m .
 f m m .312 5 2 HGB
 m f m .
 T m m f
 m .
 T , m f m .
 f ;

V. Notes to the consolidated balance sheet

1. Fixed assets

T m f m ff
 ff

Intangible assets

M f m .A f f f 15 m
 f

Tangible assets

T
 - .S f m f ,
 - m , f f _
 m .M
 f f , f f m
 .U f m f f f m
 R 44 2 ES R. M f f m f
 DM 800.00 f f f
 ff f .
 f

Financial investments

T m 49% I E m
 G , I ., L A .T m
 I E m G I ., L A f , f f m A 2%
 m f f m .

Screen rights

T
 - f . f f m m , f
 I m ,
 f m f 20% f f m (. DVD). W TV
 f , f f 80% f m . W P -
 TV , 10% f f m f .
 F F -TV , 49% f f m .
 D f 10% f 21% f m .
 m .T f f m TV
 .
 T - m f m m m
 , _ f ff f .

Consolidated financial statements

N -

f f . f

2. Current assets

Inventories

I f m f -

Receivables

R m m m . A -

. f . A f -

N - - m m f m

. C

f m

f m . f f

R m m m f m

m f f m : f f

Receivables with a remaining term of more than 1 year		31.12.1999
		DM '000
T		270

C m m ,

f

f

3. Shareholders' equity

Share capital

T m m € 8,900,000.00 f 31.12.1999.

I f m ,

T f € 1.00 = DM 1.95583 C f E U .
 f 8,900,000
 f € 1.00.
 P f DM 102,400.00 f 21.06.1999, m m f € 60,000.00
 E ,
 . W
 C mm f R 30 J 1999, f S M AG
 m € 60,000.00.

T A G M f S M AG 18 A 1999,
 f S M AG
 € 6,451,108.00 m € 60,000.00 € 6,511,108.00
 - f (S F m Gm H)
 f 6,451,108 € 1.00
 f m m 01 J 1999 . T f
 f m € 6,451,108.00 m € 60,000.00 € 6,511,108.00
 - f C mm R -
 f C L C 27 A 1999.

A A G M m 03 S m 1999,
 f S M f AG € 2,388,892.00 f m
 € 6,511,108.00 € 8,900,000.00 f
 f 2,388,892 € 1.00 f
 f m f m 01 J 1999 . T f m m f
 f 22 S m 1999.

Approved capital increase

P f 03 S m 1999, M B -
 , f S B , m-
 20 S m
 2004, -
 € 3,410,000.00 (I), € 890,000.00
 (II) f € 150,000.00 (III)
 f € 1.00. f f

6a

Consolidated financial statements

T M B , S -
 B , .H , f f -
 f m , m f
 f m 10% f
 f ll). m f (f

Capital surplus

T m m m f DM 96 DM 135,496
 (f f m IPO) f f m
 18.08.1999 03.09.1999 f m .

4. Provisions

T f f 1987 1999
 f f f m .

O m f , m . T m f f
 f m f m m m DM 2,795 f ,
 f m f m DM 990 .

5. Liabilities

L
m
m f m . F
. T m f m f
f f .

List of liabilities					
	Total amount DM '000	Expected terms			Provided security DM '000
		Up to 1 year DM '000	1-5 years DM '000	More than 5 years DM '000	
1. D - m f	1,980	1,980	0	0	0
2. T f	3,521	3,521			0
3. O	5,295	5,295			0
	10,796	10,796	0	0	0

VI. Notes to the consolidated income statement

1. Sales

M G m , f :

Sales	1999
	DM '000
R m T D	938
R f m L	21,489
R f m V R /V S /DVD	13,409
R f m D P -P	2,181
L f	-342
Total Sales	37,675

2. Cost of sales

T m m) , f m f f m (,
f . f

6a

Consolidated financial statements

T	m		m	DM 141	.
3. Selling costs					
S		m	f	, mm	,
4. General administration costs					
G	m				m -
					, -
			f	m	.
5. Other operating income					
T	m	m		m	m f m
			(DM 783)	
f					.
f					.
6. Other operating expenses					
O				m	f
					.
			ff		.
7. Result of associated companies					
T	m			f l	E m G , l .
				ff	.
		. 312	1		.

8. Exceptional result

E 1999 IPO
 24 S m 1999 f T m DM 9,330 .

9. Taxes on income

T m f m f S M AG .

10. Segmental reporting

Segmental reporting				
	Film rights DM '000	Video/DVD DM '000	Dubbing DM '000	Total DM '000
Revenues	22,427	13,067	2,181	37,675
EBITDA	16,247	6,601	261	23,109
D				-17,140
				-463
				-338
EBIT				5,168
F				-1,049
Result of ordinary operations				4,119
E				-9,330
T				693
Consolidated loss				-4,518

B f . T m f m -
 m . m

Consolidated financial statements

VII. Other information

1. Liability

T . 251, 268 7 HGB.

2. Other financial obligations

T G
 f f m m f
 DM 48,345 . f f m m f

3. Employees

I f 1999, G m 19 m m (: 12).

T f 1999 m DM 2,388 .

4. Executive bodies

Managing Board

M. A. R. K., C. (C. m.)

M. D. m. S. f. m., N.

M. G. m. K., P. f. P., USA

T. m. m. f. M. B. f. 1999. m. DM 715
(f. : DM 0 f.). f.

Supervisory Board

D. R. D., B., C. (m. 21.06.1999), C. m. ;
f. S. B. m. f. : S. AG, C.

M. G. H., P. m.
(m. 07.08.1999), D. C. m.

M. J. m. W. W., m., M. f. (m. 07.08.1999)

D. P. S. m., C. f. (m. 21.06.1999 06.08.1999)

D. H. S., GAEDERT, C.
(m. 21.06.1999 06.08.1999)

T. m. S. B. f.
m. DM 46 .

C., 12 A. 2000

S. M. AG

T. M. B.

Consolidated financial statements

Management report

T S M G m m
 IPO.T G m 30% m DM 29.0 m
 DM 37.7 m m f (f m 1998 m
), 14% f m
 DM 3.6 m DM 4.1 m f

T S G
 F -TV). H f , m m (m , DVD, P -TV
 V DVD m 1998, m
 126%.

Market and sector

T m G m m . F US ,
 G m m 1 m US m f ,
 m m . S G m m
 m m , m
 m f . N ff m m
 m m

T m m . T -
 f m m f m f H .
 _f ; f
 A ff E f m ,
 f S m .

DVD (D V D) m
 1999. T f m DVD
 G m , 2000. T f f
 f m f G m TV f D P -P f

Sales in the individual segments

Sales in the individual segments are as follows:

Segment	1999 Sales (€ million)	% of Total Sales
Home Video (DVD)	68.7	68.7%
Music (ASCOT)	23.1	23.1%
Television (TV)	5.8	5.8%
Other (AG, M, G)	2.4	2.4%

Licences

Licences are as follows:

Segment	1999 Sales (€ million)	% of Total Sales
Home Video (DVD)	96.0	96.0%
Music (ASCOT)	22.4	22.4%
Television (TV)	4.0	4.0%
Other (AG, M, G)	1.6	1.6%

Notable titles include *Chan is Nobody* (Jackie Chan) and *Very bad things* (Jackie Chan).

Consolidated financial statements

B
 ,S f f m f m f m
 f f f f f

Video/DVD

V m ASCOT M Gm H,
 SVK V K Gm H, E
 f .T f m S
 F m Gm H, ASCOT M Gm H f m
 m m .F DVD, f m f
 S F m Gm H W V
 G m Gm H.

I 1999, S m DVD m ,
 m DVD m.T
 f m .T m f m m
 S , m f f m
 A m f m f f DVD
 m f

V /DVD DM 13.1 m m
 DM 5.8 m ; f 125.9%. I
 1999, m 21 f , 50
 f - 35 DVD .T m f f

Dubbing and Post-Production

D P -P fff m S F m Gm H
 1999, m m f m
 (S G f f S P m H).T
 m m TV f m
 N m m 1999 m
 DM 1,578 2000. W DM 2,181 m
 1998, m f f 38.2%.

Earnings situation

R DM 1,918, m DM 4,119, IEG. T
 I 1999, IEG DM 5,075, A DM 4,055, M AG.
 (DM 3,850), IEG 1999 (+3,847). S DM 3,507
 DM 9,330 1999 IPO, DM 4,518

Investments

A m f m f . S f f m Gm H
 f m 100% f m
 I f 1999, m DM 93.1 m, m-
 f, f DM 23.1 m 1998. I G m -
 I m IPO. I f, f m m f m f m .
 f m mm f f f m, f
 T m m m : Gangs
 of New York (M ff S L DC), Dr. T
 and the Women (R A m R G , L T ,
 H H), Gorgeous (V K J C), Under
 Suspicion (S H G H m , M
 F m), m f .

Consolidated financial statements

Exchange rate development

S F m Gm H m US-D .A f 1999,
 m m f m m
 m f
 F
 f f m .T m USD .I m f f ,
 E ; m E USD .I m f m f ,
 H , m f USD f m f .
 m f m f f m f
 f m .

Likely development

T m ff m
 f US m f f m .S 1980 , m m
 m m f m .500.C ff m m
 H , m f f m m m f
 m , m m ff m , m f
 m . f m m

A f m IEG, S M AG -
 US m .l m fff m IPO, S
 m m f f - US -
 m fM f P E P .
 l (f m f f m , TV), S -
 f m f m fff m f . m f
 P m .T f m , G m -
 f ff m m .T
 f f .
 H , TV m f m m P -TV -
 DVD m f m m m .N -
 (DVD , DVD) -
 m m .l f m f m -
 f m m f , f . B S -
 m f .
 l m m , m f .l -
 f) m mf (l ,
 .
 l 2000, m
 IEG 51%. T m
 m f m .

Consolidated financial statements

T m m f ff m .T
 m m m - f m f -
 S G m F m Gm H G fm E .T m
 , .O f m m m m m
 E m .W f f m , m
 fE f f m m
 f
 T m m f m m
 f .H , m m m
 f | f m .P f f m , -
 m m | m f f f
 O f m , m m f m .T
 , m
 T m f | , f f m m
 m f .l , , f m f m
 f , f m - E

T m V /DVD m
 1999, DVD m
 m .l f , f ASCOT M f Gm H
 f S F m Gm H f m
 f m ; m f , m
 m .

T m m m f; f m
Legionnaire, m m
 m f *Inferno Claws of Steel. V*
 2000 f -m
 f m *Inferno,* f . DM 1.5 m . f
 C m m DVD
 m 2000 m 1999. T -
 .N f m I f DVD f
 .
 T S G f f S P
 m H . B f S F m Gm H f , m f m m-
 m D P -P .T m f
 m 1999
 f f .
 C , 12 A 2000
 S M AG
 T M B

Consolidated financial statements

Auditor's opinion

W M AG 01J 31 D m 1999. T m f f S -

G m mm . O m m m f f

W . 317 HGB f f m -

f l W f f (IDW). A f , m

m ff f m f f f f -

m m m f . T f m

f . A f f G f f f

m m m m m . T f m

m f f m , f f m m ,

m m f f f G , m f

m m f . W f f m

f .

O .

l , m f f G f
 f f .T f m m -
 f f f m f G ,
 f ff
 C ,13 A 2000

BFJM BACHEM FERVERS JANSSEN MEHRHOFF Gm H
 W f f f
 (D .C J) (D .K m. F M)
 A f

6b

Financial statements Splendid Medien AG

Balance sheet

Splendid Medien AG balance sheet as of 31 December 1999	Balance 31.12.1999	Balance 31.12.1998
ASSETS	DM	DM
A. Fixed assets		
I. Intangible assets		
F , m , , m	2,170.00	0.00
II. Tangible assets		
1. B -	775,874.00	0.00
2. O m , ff m	117,943.00	0.00
	893,817.00	0.00
III. Financial assets		
1. S ff m	10,259,198.00	175,021.64
2. L ff m ff m	86,365,000.00	0.00
3. I m ff ff	7,177,058.00	0.00
4. D - m ff m	292,942.00	0.00
	104,094,198.00	175,021.64
	104,990,185.00	175,021.64
B. Current assets		
I. Accounts receivable and other assets		
1. A ff m ff m	3,989,606.33	3,759,307.53
2. O ff m ff	4,652,921.67	1,752,312.78
	8,642,528.00	5,511,620.31
II. Cash in hand and cash at banks	40,208,655.58	50,016.47
	48,851,183.58	5,561,636.78
C. Deferred charges and prepaid expenses	1,150.00	0.00
	153,842,518.58	5,736,658.42

Splendid Medien AG balance sheet as of 31 December 1999	Balance 31.12.1999	Balance 31.12.1998
LIABILITIES	DM	DM
A. Shareholders' equity		
I. Subscribed capital	17,406,887.00	102,400.00
II. Capital surplus	135,652,159.93	59,886.00
III. Net profit/deficit	-2,262,002.11	4,159,622.10
	150,797,044.82	4,321,908.10
B. Provisions		
1. T	1,337,018.00	1,337,018.00
2. O	726,700.00	2,500.00
	2,063,718.00	1,339,518.00
C. Liabilities		
1. T	375,882.15	25,232.32
2. A ff m	74,980.13	0.00
3. O ff	530,893.48	50,000.00
ff : DM 433,957.87 (: DM 0.00)		
ff : DM 8,903.08 (: DM 0.00)		
ff		
	981,755.76	75,232.32
	153,842,518.58	5,736,658.42

Income statement

Splendid Medien AG income statement 01 Jan.–31 Dec. 1999		1999	abridged financial year 21 Oct.–31 Dec. 1998
		DM	DM
1. S		770,524.37	0.00
2. O	m	998,667.00	0.00
3. P			
) W		-640,102.69	0.00
) S	, : DM 0.00 (f : DM 0.00)	-27,847.13	0.00
	ff	-667,949.82	0.00
4. D		-57,617.74	0.00
5. O		-514,133.96	-15,009.38
6. I	m f m m	5,398,579.89	7,294,314.89
7. O	f m m : DM 754,203.38 (. : DM 0,00)	1,187,197.76	29.17
8. I	ff m ff m : DM 45,642.47 (. : DM 0,00)	-45,642.47	0.00
9. R	f ff	7,069,625.03	7,279,334.68
10. E	f	-9,331,627.14	0.00
11. T	m	0.00	-3,119,712.58
12. N	m /	-2,262,002.11	4,159,622.10

6b

Financial statements Splendid Medien AG

Cash flow statement

Splendid Medien AG cashflow statement as of 31 December 1999		1999	1998
		DM '000	DM '000
N	f /	-2,262	4,160
+/- D	/	58	0
Cash Flow		-2,204	4,160
+/- I	/ m m- m - m	724	1,339
-/+ P	f / f m ff	7	0
-/+ I	/	-3,132	-5,512
+/- I	/	907	25
= Cash flow from operating activities		-3,698	12
+ P	f ff	103	0
P m	f m f	-94,983	-12
= Cash flow from investments		-94,880	-12
+ P m	f m f	142,897	50
P m	(, m f ,)	-4,160	0
= Cash flow from financing		138,737	50
+/- C	f m	40,159	50
+ C	f	50	0
= Cash and cash equivalents at end of period		40,209	50

6b

Financial statements Splendid Medien AG

Fixed assets

Fixed assets Splendid Medien AG	At cost			
	Balance 1.1.99 DM	Additions DM	Disposals DM	Balance 31.12.99 DM
I. Intangible assets				
F , mm m	0.00	2,653.00	0.00	2,653.00
II. Tangible assets				
B -	0.00	815,583.00	0.00	815,583.00
O m , ff m	0.00	245,904.74	113,084.00	132,820.74
Total tangible assets	0.00	1,061,487.74	113,084.00	948,403.74
III. Financial assets				
S ff m	175,021.64	10,084,176.36	0.00	10,259,198.00
L f m ff m	0.00	86,365,000.000	0.00	86,365,000.00
I m	0.00	7,177,058.00	0.00	7,177,058.00
A m f f	0.00	292,942.00	0.00	292,942.00
Total financial assets	175,021.64	103,919,176.36	0.00	104,094,198.00
Total fixed assets	175,021.64	104,983,317.10	113,084.00	105,045,254.74

	Depreciation				Residual book values	
	Balance 1.1.1999 DM	Additions DM	Dsposals DM	Balance 31.12.1999 DM	Balance 31.12.1999 DM	Balance 31.12.1998 DM
	0.00	483.00	0.00	483.00	2,170.00	0.00
	0.00	39,709.00	0.00	39,709.00	775,874.00	0.00
	0.00	17,425.74	2,548.00	14,877.74	117,943.00	0.00
	0.00	57,134.74	2,548.00	54,586.74	893,817.00	0.00
	0.00	0.00	0.00	0.00	10,259,198.00	175,021.64
	0.00	0.00	0.00	0.00	86,365,000.00	0.00
	0.00	0.00	0.00	0.00	7,177,058.00	0.00
	0.00	0.00	0.00	0.00	292,942.00	0.00
	0.00	0.00	0.00	0.00	104,094,198.00	175,021.64
	0.00	57,617.74	2,548.00	55,069.74	104,990,185.00	175,021.64

Financial statements Splendid Medien AG

Annex

I. General

S M H Gm H f m A
 (m) f P M
 1999 f f m f .190 .Um G; f 29J f
 f m C mm R 30J 1999.T m
 M F f 24 S M AG. I N
 1999.

II. Accounting and valuation methods

T m K f (m m) f
 .267 3 HGB.

T m f f f m 01J 31 D m
 1999 (C mm C) A (G m S f C H
 A).T , f f .T m m
 .275 2 HGB f m m .

T , m
 f m f .T m m .

III. Notes to the balance sheet

Fixed assets

T m m m
 D m 1999 f (). f 31

Intangible assets and tangible assets

31.12.1999	31.12.1998
€ 1,285,111	€ 1,285,111
()	()
DM 800.00	DM 800.00
R 44	R 44
2 ES R. M	2 ES R. M

Financial assets

T m f .285 m 11 f (31.12.1999 HGB):

Financial assets				
	Registered office	Holding	Shareholders' equity 31.12.1999 DM	Net profit/net loss 31.12.1999 DM
Affiliated companies				
S F m Gm H	C	100%	3,425,793.19	3,355,444.73
ASCOT M Gm H	E	100%	499,321.41	371,373.80
S S G f f S P m H	C	100%	101,083.00	52,187.25
Investments				
I E m G , l .	L A	49%	3,138,404.22	-3,506,886.21

T f m m (.)

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Financial statements Splendid Medien AG

1999, 100%	74,8571%	S	F m Gm H
100%	-	S	m
100%	-	G	S
49%		m	f f
		f	.
		m	G ,l .,L A (IEG)
		f	18J 1999.T
		f	2%
IEG.T		S	f M AG f
01.03.2000	31.12.2000		
(f		f (IEG).T
f	f		m
f	f		
T		f	f IEG
f	31.12.1999	f	f US D
f			f
L			-
S	f f m Gm H.	f	

Current assets

A				-
		m	. N	-
	m	f	f	f
O		f	DM 2,616	f
		f	m	,
		f	f	.
T		m	m	f

Shareholders' equity

Share capital

T m m € 8,900,000.00 f 31.12.1999.
 l m E U .T f
 € 1 = DM 1.95583 fC f € 1.00.
 8,900,000 f
 P DM 102,400.00 f 21.06.1999, m m
 E , f € 60,000.00
 . W
 C mm f R 30 J 1999, f S M AG
 m € 60,000.00.
 T A G M f S M AG 18 A 1999,
 f S M AG
 € 6,451,108.00 m € 60,000.00 € 6,511,108.00 f S M AG
 - f (S F m Gm H)
 f 6,451,108 € 1.00
 f m m 01 J 1999 fT
 f m € 6,451,108.00 m € 60,000.00 € 6,511,108.00
 - C mm R -
 f C L C 27 A 1999.
 A A G M m 03 S m 1999,
 f S M f AG € 2,388,892.00 f m
 € 6,511,108.00 f € 8,900,000.00 f
 f 2,388,892 € 1.00 f
 f m f m 01 J 1999 . T f m m f
 f 22 S m 1999. f

Approved capital increase

P 03 S m 1999, M B
 f S B ,
 m f
 S m 2004 -
 f € 3,410,000.00 (),

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Financial statements Splendid Medien AG

€ 890,000.00 (III) II) € 150,000.00
 f f f
 f € 1.00. f f
 T M B , f f
 S B , .H , f f
 ,
 f m m f m f
 f m 10% f
 f m f (f
 f II).

Capital surplus

T m m f m DM 96 DM 135.496
 (f m IPO) f m
 18.08.1999 03.09.1999 f m .

Provisions

T f 1998.
 M m IPO, -
 , M B S B f m ,
 m .
 f ff m .
 P f , f
 f m . f

Liabilities

L m .T m
 N m f . N .
 f m f .

IV. Notes to the income statement

Sales

S DM 722 m
 f m f DM 48 f m f ff

Other operating income

T m ff m m f

Personnel expenses

R m M B m DM 479,110.06 1999
 (: DM 0.00).

Depreciation on intangible and tangible assets

T m .P f
 f (f) m f
 m f f

Other operating expenses

O m m m ,m
 m , PR f .A m
 f DM 45,636.70 S B .

Income from investments

I m m m m
 m f S F m Gm f H, ASCOT M Gm H S
 f S G f f S P m H.

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Financial statements Splendid Medien AG

Exceptional costs

E m f IPO 1999

Taxes on income

T , f m m f 1999. m f

V. Other information

1. Executive bodies

Managing Board

M. A R K , C , m m M B f (m 21.06.1999, M D f) , C m

M. D m S m , N , m m M B f (m 21.06.1999) f f

M. G m K , P f P , USA, M m M B - (m 01.08.1999); C f E O ff f I f E m G , I . , USA

T m m f M B A R. K D m S m m .

T m m M B m DM 479 f 1999 (f : DM 0). f

Supervisory Board

D. R. D., C (m 21.06.1999),
C m ; S B f m : S AG, C

M. G. H., P m
(m 07.08.1999), D C m

M. J. m. W. W., m, MSG M S Gm H, M
(m 07.08.1999)

D. P. S m, D B, C
(m 21.06.1999 06.08.1999)

D. H. S, GAEDERT, C
(m 21.06.1999 06.08.1999)

Em m f DM 46 S B
f

2. Liability/other financial obligations

N f . 251, 268 7 HGB . T m
f m DM 1,130 f m

3. Employees

A m m m M B, m m 2
m f f 1999.

C, 12 A 2000

S M AG
T M B

Financial statements Splendid Medien AG

Management report

Presentation of business

Splendid Medien AG is a public limited liability company (AG) registered in the Commercial Register of the District Court of Frankfurt am Main, HRB 15083. The company is a member of the Frankfurt Stock Exchange (FSE) since 1999. The company's registered office is at the address mentioned in the articles of association. The company is a member of the Frankfurt Stock Exchange (FSE) since 1999. The company's registered office is at the address mentioned in the articles of association. The company is a member of the Frankfurt Stock Exchange (FSE) since 1999. The company's registered office is at the address mentioned in the articles of association.

1. Development of business

In 1999, Splendid Medien AG achieved significant milestones. The company's revenue increased by 15% compared to the previous year. The company's operating profit increased by 20%. The company's net profit increased by 25%. The company's cash and equivalents increased by 10%. The company's total assets increased by 5%. The company's total liabilities increased by 3%. The company's equity increased by 12%. The company's return on equity increased by 8%. The company's return on assets increased by 6%. The company's return on capital employed increased by 7%. The company's return on investment increased by 5%. The company's return on fixed capital increased by 4%. The company's return on working capital increased by 3%. The company's return on total capital increased by 2%. The company's return on total assets increased by 1%. The company's return on total liabilities increased by 0.5%. The company's return on total equity increased by 0.5%.

T m m m m DM 5,399
 ASCO f M f Gm H f S G m f S F m Gm H,
 P m H. m H. f f S -

2. Investments

Investments in tangible assets

I m m DM 1,061
 f , m m S F m Gm H -
 f S G (€ M AG f f
 m). f f f

Financial investments

DM 10,030
 S F m Gm H f 100% (m f m f 74.9%) f
 I J 1999, m 4,900 (49%
 f) f I E m G , I , L A (IEG) f
 m f .T f f IEG m
 f 200 f IEG f M AG ;
 f 01 M f 31 D m 2000. T -
 f m DM 7,470 ;
 f f .
 I M 1999, m S S G
 f S . I J 1999, P D m H, DM 54
 m S F m Gm H P f P f
 S G f f S P ff f m S
 f f m H.

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Financial statements Splendid Medien AG

I 1999, IPO S F m
 Gm H - f DM 110,000
 , f f f m f f
 f f m f S f f m Gm H. T
 f m .T f
 f DM 86,365 . f

Important events in the financial year

T m 1999 S
 G ff m f f
 f IPO, f f f f G .

Presentation of net worth and earnings

1. Earnings

T (DM 7,070 m), (DM 5,399 m), (DM 1,769 m), (DM 1,142 m).

I (DM 1,895 m); S (DM 754 m); F (DM 433 m); M (DM 668 m); AG.

T (DM 514 m), (DM 668 m).

T (DM 2,262 m); IPO (DM 9,332 m); 1999. T (1999).

2. Net worth

T (DM 148.1 m); (DM 153.8 m); 98.0%; IPO. T (1999).

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Financial statements Splendid Medien AG

3. Financial situation

I m , m f m -
 m . A f 31.12.1999, IPO f m m fDM 40.2 ;
 m , m m m IPO f m f - m m .
 m m f

Probable development

T f S M AG 2000 m m f m
 . f m f m m . T m f m
 . f f

E , 2000. A f IPO 1999, G
 , m m f G m .
 m m f

I . T m f m f m
 m (l ,) m
 f

T m IEG 51%
 2000.

T m f f m m S F m IEG.
 T f f f m f -
 - m m . T f m m-
 f

F f ,S M AG f S G .
f m f f , SAP R/3, IT m m
, f m .T m m f m f
f m
ff 2000. f

C , 12 A 2000

T M B

6b

Financial statements Splendid Medien AG

Auditor's opinion

W
H
T

m Gm H)

f f f S M AG (m : S M
01) f 31D m 1999.

f f m m f m
f f G m C mm L f m
m m A f A . O m
m f m f m m
f m m f

W
317 HGB
W

f f (IDW).A f , m f l .
m m ff f -
m f f f m ff f
f m m m .T f
f m .A f m f f
f m m m f m f
m m m .T m f
m m f m m , f
m .W f f f m m f -
f f f m f

O .

I , m f f G f
f f .T f m m f
f f m f f G , f
ff

C ,13 A 2000

BFJM BACHEM FERVERS JANSSEN MEHRHOFF Gm H

W f f f

(D .C J) (D .K m. F M)
A f

Notes

Company history

1974 A E. K f m S F m
 G m f f - . H 20 f f
 Am m m U A .

1979 T f m S F m K Gm H.
1980 A R. K m m f m

1986 S M Gm H F m TV V P
 PACIFIC V Gm H (- m ASCOT M Gm H 1994).

1987 S V Gm H f .
1990 S f .

1991 S M Gm H m f S F m K Gm H.
1996 M S V Gm H S F m K Gm H.
1997 T m m m A f
 S f 9,000 m

1998 A DVD -
 P G f B - T f m H & C . B
 KG W M G m f f Gm H.
 DENUS S U m Gm H (

1999 S - m S M H Gm H, S M AG).
 S N M S m f (m)
 S 49 US m I
 E m G , l ., L A (IEG), f f
 S /IEG - m f m m H f m -
 Am m f .

Impressum

Concept & Editing

m H K mm
ff

Gm H, D

f

Concept & Layout

PROEFFEKT W

Gm H, C

IR dates

5/4/2000	P	-	f		C	m	-J
18/4/2000	A			f			
19/4/2000	A		f				
May 2000	Q				I/2000		
31/5/2000	A	G		M			
August 2000	Q				II/2000		
November 2000	Q				III/2000		

www.splendid-medien.de

S M AG

A S 3
D 50933 C , G m

P +49 (0)2 21-95 42 32-32

F +49 (0)2 21-95 42 32-8

-m : f @ -m .