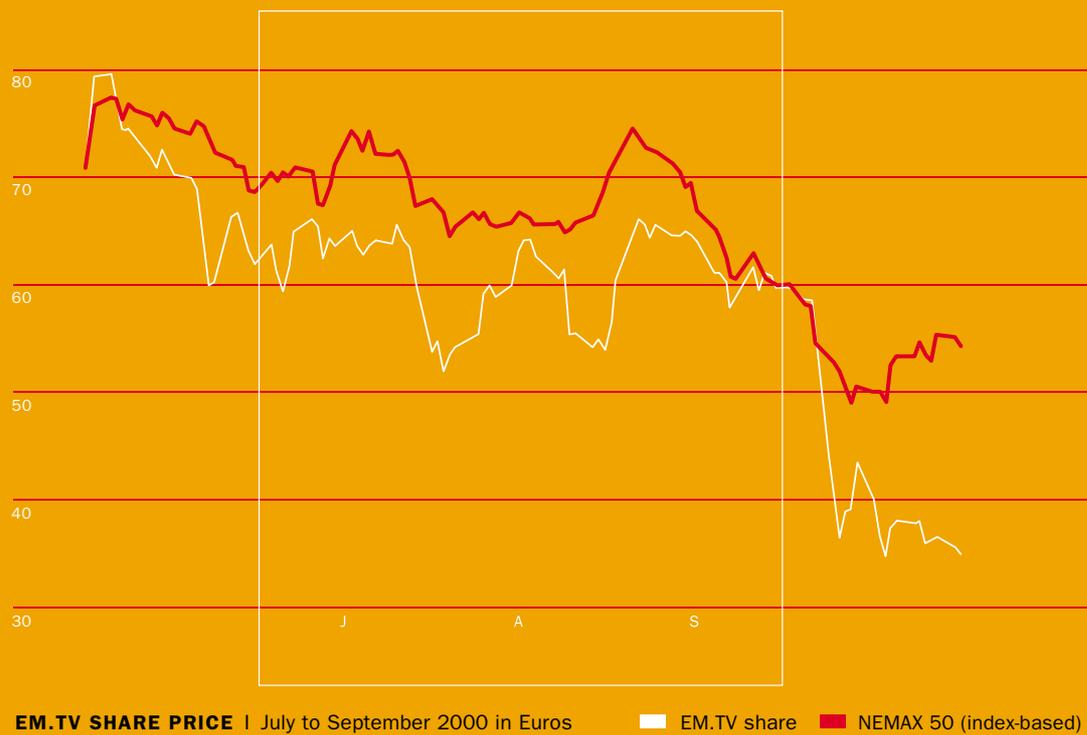




EM.TV

HIGHLIGHTS | Third Quarter 2000

- International activities in the third quarter
- Opening of a representative office in London
- Opening of the World Brand Management Center in New York
- Successful participation in MIPCOM
- Worldwide launch of Jim Henson's The Hoobs
- Farscape – a cult series conquers the world
- EM.TV and Happy Life will co-produce “Creepschool”
- Internet activities expanded
- Junior.Publishing already a top-ten publisher of children's books
- Twipsy, the EXPO mascot, featured on numerous licensed products worldwide
- Success story of Tabaluga will be continued



EM.TV – WORLDWIDE International Activities in the Third Quarter

Similarly to the second quarter, the third quarter was marked by the consolidation of major acquisitions such as The Jim Henson Company and the 50% investment in the Formula One Group. In order to strengthen its position as a globally integrated media company, EM.TV opened its World Brand Management Center in New York. The Center will coordinate the company's global licensing and TV sales activities to exploit synergies between its individual business segments even more efficiently.

EM.TV also put in a successful appearance at this year's MIPCOM. For the first time, EM.TV also presented productions of its wholly owned subsidiary, The Jim Henson Company. Its two new productions, The Hoobs, a multimedia pre-school series, and the sci-fi series Farscape received an excellent response in Cannes. EM.TV's current co-productions such as Cocco Bill and Pigs Next Door were also successfully marketed. As the Junior umbrella brand and its branded block concept continued to make headway in the international TV market, promising agreements were concluded in the merchandising area as well.

In cooperation with ce Consumer Electronic, EM.TV presented the first Internet exchange for merchandising and TV licenses.

Opening of Representative Office in London

EM.TV opened a representative office in the UK, which is headquartered in the London offices of The Jim Henson Company and acts as a strategic interface between the two companies.

The representative office also serves as the central point of coordination for the purchase and sale of TV content from the Junior portfolio on the British market and as the point of contact for the British co-production partners and TV channels.

Opening of the World Brand Management Center in New York

EM.TV has opened its World Brand Management Center in the New York offices of The Jim Henson Company. The Center will pool and coordinate all global licensing and TV sales activities of the EM.TV Group. Having built a worldwide network through participations and acquisitions in recent months, EM.TV now has a presence on all five continents.

The World Brand Management Center will manage all licensing and TV sales activities of the EM.TV Group, coordinate the global network of subsidiaries, initiate worldwide licensing and TV sales agreements, and establish new brand strategies as well as handling the sale and purchase of high-quality licenses and content. While synergies between the individual operations will be exploited even more efficiently, the international activities of the Center will also help EM.TV strengthen its position as a globally operating company.

ACCOUNTING Neuer Markt regulations stipulate financial reporting to international accounting standards, i.e. IAS or US-GAAP. Pursuant to §292a of the German Commercial Code, EM.TV establishes its Group accounts to IAS (International Accounting Standards). This means that the company does not have to establish Group accounts to §§290 of the German Commercial Code.

SALES AND EARNINGS PERFORMANCE As in the previous quarters, the company not only publishes the Group figures (old EM.TV Group) but also the results of its investments, i.e. Tele München Gruppe (TMG), The Jim Henson Company and Speed Investment Ltd. (50% shareholder of SLEC, the Formula One holding company).

The Group figures (old EM.TV Group) have been consolidated according to IAS excluding the above investments, whose results are again reported separately. In particular, goodwill amortizations are therefore not included in the results. Fully consolidated figures according to IAS for the entire EM.TV Group will be available for the first time as of December 31, 2000.

As per September 30, 2000, the old EM.TV Group generated gross sales of DM 255 million meaning that the previous year's level was maintained. However, both sales and earnings for the period fell short of expectations. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to minus DM 16.2 million, while EBIT (earnings before interest and taxes) stood at minus DM 82.6 million. This development was mainly due to:

- weaker sales in the third quarter as a result of delayed order placements,
- non-recurring expenses in conjunction with the acquisitions,
- an overproportional increase of personnel expenses and other expenses,
- risk provisions (depreciation and amortization, valuation adjustments and allocations to reserves),
- start-up costs for the establishment of new brands.

In the period under review, the EM.TV Group received proportionate income of DM 136.2 million from the sale of TMG's interest in the TV channel tm3. With a view to the full consolidation according to IAS of the entire EM.TV Group as per December 31, 2000, this transaction has already been consolidated in the third-quarter results. In the consolidated accounts of EM.TV, the pro rata income from the sale of tm3 is offset by a retirement resulting from the purchase price allocation for the shares. Income from investments in associated companies therefore only amounted to DM 26.4 million.

The negative financial result in the period under review was mainly due to interest expenses of DM 82.2 million, which led to a result on ordinary activities of minus DM 135.3 million.

In February 2000, the company issued a convertible bond and took up loans. The resulting costs totalled approx. DM 65 million and were carried as "extraordinary results" in the half-year accounts. As per September 30, 2000, these expenses have been netted with the corresponding equity or debt positions on the balance sheet and debt has been recorded on a pro rata temporis basis over the term of the convertible bond and the loan in order to comply with IAS (DM 16.5 million).



THE HOOPS | by Jim Henson

Tele München Gruppe

In the period under review, Tele München Gruppe reported a very favorable development. In the first nine months, the gross sales of TMG attributable to the EM.TV Group according to IAS amounted to DM 147.4 million. EBITDA and EBIT stood at DM 109.9 million and DM 33.6 million, respectively.

The sale of the 34% stake in the tm3 TV channel resulted in extraordinary income of approx. DM 350 million for TMG, which was partly collected by EM.TV in the period under review by way of a pro rata advanced distribution.

Jim Henson Company

From the date of acquisition on April 1, 2000, The Jim Henson Company achieved gross sales of DM 116.0 million according to US-GAAP. EBITDA amounted to minus DM 6.6 million and EBIT stood at minus DM 8.4 million. This development of the result was mainly due to pre-production costs of new productions. The reported investment result of minus DM 31.3 million includes pre-production losses from the Odyssey Network and The Kermit Channel.

Formula One Group

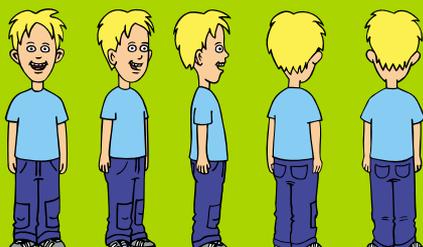
The Formula One Group continued to develop very favorably in the third quarter. According to UK-GAAP, gross sales amounted to DM 887.2 million in the first nine months of 2000 with EBITDA and EBIT standing at DM 442.1 million and DM 428.1 million, respectively. The result on ordinary activities was DM 283.6 million. Of this, 50% of the results achieved after the date of acquisition on May 12, 2000 will be included in the consolidated financial statements of the entire EM.TV Group.

Share Price Performance

In the course of the third quarter of 2000, the EM.TV share could not escape from the impact of the weak market environment. While the Nemax 50 was down 14% in the period from July 1 to September 30, 2000, the EM.TV share only lost 6%, standing at Euro 59.80 on September 30, 2000.

After the end of the third quarter, the value of the share fell to Euro 39.74 as EM.TV had to publish corrected half-year figures on October 9. This downward trend continued in the further course of the year.

THE WORLD OF TOSH | PIGS NEXT DOOR | COCCO BILL | from left to right



TELE MÜNCHEN GRUPPE | in TDM, according to IAS
JANUARY 1 to SEPTEMBER 30, 2000

Overall output	147,382
Cost of material	-14,463
Gross earnings	132,919
Other operating income	2,667
Other operating expenses	-25,698
EBITDA	109,888
Depreciation	-76,287
EBIT	33,601
Income from investments	-12,884
Results of other financial activities	-2,199
Results of ordinary activities	18,518

JIM HENSON COMPANY | in TDM, according to US-GAAP
APRIL 1 to SEPTEMBER 30, 2000

Overall output	116,012
Cost of material	-80,069
Gross earnings	35,943
Other operating income	1,148
Other operating expenses	-43,716
EBITDA	-6,625
Depreciation	-1,766
EBIT	-8,391
Income from investments	-31,323
Results of other financial activities	-810
Results of ordinary activities	-40,524

FORMULA ONE GROUP | in TDM, according to UK-GAAP*
JANUARY 1 to SEPTEMBER 30, 2000

Overall output	887,185
Cost of material	-387,485
Gross earnings	499,700
Other operating income	0
Other operating expenses	-57,631
EBITDA	442,069
Depreciation	-13,998
EBIT	428,071
Income from investments	0
Results of other financial activities	-144,451
Results of ordinary activities	283,620

* Figures refer to 100 percent of the Formula One Group. 50 percent will be included in the EM.TV Group accounts as per May 12, 2000.

TV PRODUCTION AND MARKETING

MIPCOM – First Joint Appearance of EM.TV and The Jim Henson Company

At this year's MIPCOM in Cannes, EM.TV was joined for the first time by its new wholly owned subsidiary. The worldwide launch of The Hoobs was very well received by the international audience. With 250 episodes, this new production of The Jim Henson Company is the world's longest multimedia pre-school series offering a huge TV and merchandising potential. International interest in the new series was equally strong. The cult sci-fi series Farscape, another production of The Jim Henson Company, continued its success story. International marketing of the series, which has already been sold to 15 countries, was pushed ahead, and successful follow-up orders for the 22 new episodes produced as of November were generated.

MIPCOM – Presentation of EM.TV's New Productions and Successful Introduction of Junior Branded Blocks

EM.TV's highlights such as the current co-productions, Cocco Bill, World of Tosh, Pigs Next Door, Mummy Nanny and What about Mimi?, which are offered to the TV market under the Junior umbrella brand, got a good response. Major volume deals for these productions were completed across the world.

The Junior umbrella brand and its branded block concept also made significant headway worldwide. Additional Junior branded blocks were sold to the international TV market. The Junior program format is already broadcast by numerous channels on all five continents. Extensive negotiations about the introduction of Junior branded blocks in South America, Eastern Europe and Scandinavia were held at MIPCOM. The global marketing of kids' programming under the Junior umbrella brand was welcomed by the industry at MIPCOM. The Junior brand was omnipresent in Cannes – not only in and around the fair pavilions but also in the form of billboards along the main streets. The Junior truck in front of the exhibition center also proved very popular.

MIPCOM – Presentation of the First Internet Exchange for Merchandising and TV Licenses

In cooperation with ce Consumer Electronic AG, EM.TV presented for the first time the 50:50 joint venture of the two companies, Virtual License Exchange (VLE), in Cannes. VLE is the world's first B2B marketplace for the trade in merchandising and TV licensing rights. At the end of October, VLE launched its comprehensive offering for the merchandising sector comprising audio, video, publishing and other rights. A marketplace for the trade in TV rights will follow and the platform will be expanded to licensees and retailers.

At MIPCOM, VLE presented its Internet exchange in over 140 shows to interested licensors, studios, publishers and license organisations. Meanwhile some 320 system users have been registered. VLE expects to conclude additional agreements with content providers by the end of the year.

The Hoobs – an Extensive Multimedia Pre-School Series Broadcast around the World

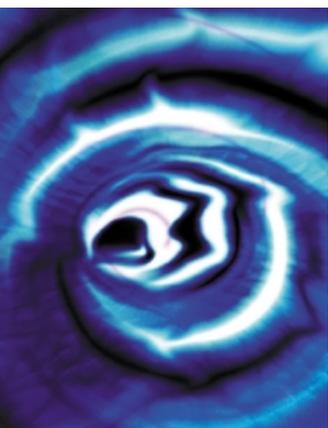
EM.TV holds the exclusive global exploitation rights for this series. The Hoobs is produced by The Jim Henson Company. With 250 episodes, the series is one of the longest pre-school series ever produced and will be aired in spring 2001 on Channel Four in the UK. EM.TV is already negotiating with a dozen TV channels in key markets in Europe and other parts of the world. Judging from the huge interest, The Hoobs could well follow in the footsteps of the successful all-time classic, Sesame Street. In addition to its TV potential, the pre-school series offers a huge merchandising potential. Negotiations with major manufacturers of toys and soft toys are already under way.

Farscape – a Cult Series Conquers the World

EM.TV holds the exclusive global exploitation rights in the science fiction series Farscape. This production of The Jim Henson Company currently comprises 44 one-hour episodes with the next 22 episodes already in production. Farscape, which is produced using the latest animation and computer-generated technology, has already been sold to 15 countries and has become a cult series with record audience ratings.



FARSCAPE | cult sci-fi series



It is the most successful series ever aired on the American SCI FI Channel, where it started in March 1999. Scoring a market share of 17% upon its first showing, Farscape also exceeded the expectations of the BBC in the UK. In Germany, SAT.1 has acquired the TV rights. The pilot film aired in early October achieved a sensational market share of over 30% with the 14 to 49-year-olds.

EM.TV and Happy Life Will Co-produce "Creepschool"

Following their recent co-production "The World of Tosh", EM.TV and Happy Life have signed a new co-production agreement for the series "Creepschool". At the Cartoon Forum in Gotland, Sweden, the presentation of the ghost comedy was a big success. The series featuring the adventures of the pupils of "Creepschool" and its spooky occupants will be aired in spring 2002.

MERCHANDISING AND EVENT MARKETING

Junior.Publishing already a Top-ten Publisher of Children's Books

Established only a little more than a year ago, Junior.Publishing is already one of the most successful publishers of children's books on the German-speaking market. The 50:50 joint venture between EM.TV and Egmont Holding GmbH exploits all kinds of publishing rights in the book and magazine sector. The company has access to the complete licensing rights in EM.TV's comprehensive Junior programming portfolio. Some 50 new editions for 3 to 13-year-olds are published each year. The most successful licensing themes include Maya the Bee, Bear in the Big Blue House and Pokémon.

Twipsy, the EXPO Mascot, featured on Numerous Licensed Products Worldwide

Some 60 internationally renowned partners have produced over 1,000 licensed products featuring the mascot or the EXPO logo. Twipsy is available as an inflatable oversized mascot or as a soft toy. The EXPO mascot is also displayed on posters, paper napkins, numerous books and postcards as well as a wall calendar. High-quality licensed products such as bag collections, watches, cameras, pens and rings proved particularly successful.

In addition to these licensed products, Twipsy is also the star of a TV series aired worldwide. The cartoon series co-produced by EXPO 2000 Hannover GmbH, Estudio Mariscal and HaffaDiebold (a subsidiary of EM.TV) has already been sold to more than 90 countries.

Success Story of Tabaluga Will Be Continued

EM.TV and BMG Ariola Miller will continue their successful cooperation in the exploitation of Tabaluga in the audio and video segment. The two companies plan to exploit the second series of Tabaluga cartoons, which will be aired on Germany's ZDF channel in 2001, on sound carriers, videos and DVDs, initially in the German-speaking market. Since October 1997, BMG Ariola Miller has sold more than 3 million sound carriers and videos featuring the first episodes of the adventures of the little green dragon.

The little green dragon has been breaking records for over 17 years. The albums by Peter Maffay all won double platinum and have sold over 5 million copies. Then came the first Tabaluga cartoon series, which has been sold in more than 100 countries. EM.TV and ZDFE (ZDF Enterprises GmbH) recently signed an agreement on the production of another 78 episodes, which will take the total number of episodes to 104.

Tabaluga is one of the most popular and successful children's licenses marketed in recent years. EM.TV has signed up more than 50 licensing partners. The little green dragon is a constant feature not only on television, sound carriers and videos but also in children's rooms and hearts in the form of cuddly toys, bed linen, watches and lamps.

Love to Dance Bear Named Toy of the Year

The Love to Dance Bear inspired by the successful series Bear in the Big Blue House has been awarded "The Oscars of Toys 2000" in the stuffed toy category for 3 to 4-year-olds in the USA. The bear is the winner of the American "Toy of the Year" competition organized by FamilyFun Magazine in cooperation with Toys 'R' Us.

In Germany, the bear is also growing ever more popular. One in two kids aged 3 to 13 know the bear. The Bear in the Big Blue House series from the portfolio of The Jim Henson Company has been aired by the German Kinderkanal of ARD and ZDF since January 2000 where it scored a sensational market share of 51.4%. The series has already won two "Daytime Emmy Awards" and has been nominated in the "Best pre-school programme" category in the USA.

Junior Truck Promotion Tour

EM.TV's Junior Truck has been touring Germany since May. The 18-metre truck presents the Junior umbrella brand at selected kids' and youth events, offering fun, games, sports and entertainment for the whole family. A team organizes contests and interactive games on a multimedia PC and a make-up artist offers face painting and removable tattoos. Vicky the Viking, Twipsy, Tabaluga, Sesame Street, Sailormoon and many other movies from the portfolio of EM.TV & Merchandising AG are shown on a big screen. The programme also includes walking acts such as the Junior characters, Junior, Jaz and Jane as well as Twipsy, Tabaluga and Maya the Bee. The truck's stops included Kiel (Schleswig Holstein Kid's Festival), Munich (Mini München) and Berlin (Berliner Kinderfestival).

Outlook

The EM Group's full FY 2000 results are expected to be in line with the profit warning published on December 1, 2000. Also against the background of the changing global media markets, EM.TV will need a strong international strategic partnership. In cooperation with this partner, EM.TV will set the course for the future and then be able to concentrate on its core business – establishment of brands and content exploitation – to complete the integration of the internationally renowned production company for kids' and family entertainment, Henson, and to simultaneously adapt its company structure to the new tasks.

JUNIOR WORLD | Opening of the first Junior World at Karstadt in Cologne on October 23, 2000



JANUARY 1 TO SEPTEMBER 30, 2000 TDM, according to IAS	1.1. – 30.9.00	1.1. – 30.9.00	1.1. – 30.9.99 *
Sales			
Sales	255,241		257,360
Increase in discounts on receivables	-3,250		0
		251,991	257,360
Other capitalized self-created performances		3,106	0
Inventory changes, semi-finished performances		-201	0
Overall output		254,896	257,360
Other operating income		3,961	6,747
Cost of material		-128,875	-44,517
Personnel expenses		-37,268	-19,860
Depreciation			
On tangible and intangible fixed assets	-66,406		-51,713
On current assets	-15		0
		-66,421	-51,713
Other operating expenses		-108,867	-30,373
Operating result		-82,574	117,644
Results from financing activities			
Income from associated companies	26,391		20,779
Other interest and similar income	6,306		2,348
Amortization on financial assets	-3,240		0
Interest and similar expenses	-82,151		-32,360
		-52,694	-9,233
Profit on ordinary activities		-135,268	108,411
Extraordinary result		-16,662	-3
Taxes			
Taxes on income and earnings	-831		-39,762
Deferred taxes	9,119		-12,543
		8,288	-52,305
Group net loss for the year, prior to interests of outside shareholders		-143,642	56,103
Profit/loss shares of outside shareholders		4,504	-369
Group net loss for the year		-139,138	55,734
Group balance sheet profit/loss brought forward		63,682	9,556
Cash distribution			-8,864
Group balance sheet profit/loss		-75,456	56,426
	DM	Euro	
Earnings per share	-1,00	-0,51	
Diluted earnings per share	-0,93	-0,48	
	as of 30.9.00		as of 30.9.99
Employees	409		233
Thereof from acquisitions after September 30, 1999	62		

*The comparative figures of the Group income statement have been determined by adding the results of the first incomplete fiscal year (January 1 to June 30, 1999) and the results of the first quarter of the second incomplete fiscal year (July 1 to September 30, 1999).

ASSETS AS AT SEPTEMBER 30, 2000 TDM, according to IAS	30.9.00	30.9.00	30.9.99
Fixed assets			
Intangible assets			
Film and merchandising rights, EDP programs	497,224		653,721
Goodwill	67,564		13,693
Payments on account	39,902		7,219
		604,690	674,633
Property, plant and equipment			
Land and buildings	6,972		2,120
Technical equipment and machines	1,133		54
Other equipment, factory and office equipment	10,699		3,049
Payments on account	759		1,123
		19,563	6,346
Financial assets			
Shares in affiliated companies	4,226,566		5,008
Loans to affiliated companies	36,240		0
Shares in associated companies	839,125		3,153
Other investments	20,565		0
Joint ventures	391		0
Other loans	373		1,516
		5,123,260	9,677
		5,747,513	690,656
Long-term trade accounts receivable		146,490	152,360
Current assets			
Inventories			
Merchandise	10,512		5,824
Inventory, raw materials and supplies	483		391
Work in process	30,517		0
Prepayments	1,172		13
		42,684	6,228
Receivables and other assets			
Trade receivables	272,757		85,274
Receivables from affiliated companies	384		117
Receivables from associated companies	37		5,056
Receivables from joint ventures	55,149		0
Other assets	121,452		38,234
		449,779	128,681
Cash in hand, bank balances		112,958	9,750
		605,421	144,659
Deferred taxes		47,109	5,807
Deferred charges and prepaid expenses		1,873	771
Total assets		6,548,406	994,253

EQUITY AND LIABILITIES AS AT SEPTEMBER 30, 2000 TDM, according to IAS	30.9.00	30.9.00	30.9.99
Equity			
Subscribed capital	281,615		212,452
Capital reserve	3,688,113		110,818
Special reserve	8,511		0
Other equity	1,678		201
Retained earnings/loss	-75,456		56,426
		3,904,461	379,897
Minority shareholders' shares		4,199	2,034
Accruals and provisions			
Pension provisions	141		
Tax provisions	57,057		44,094
Other accruals and provisions	104,232		19,668
		161,430	63,762
Long-term interest bearing liabilities		2,170,344	307,300
Long-term non interest bearing liabilities		2,441	0
Short-term liabilities			
Liabilities to financial institutions	66,533		158,911
Payments received on account of orders	26,270		25
Trade accounts payable	111,759		51,641
Amounts due to affiliated companies	0		0
Amounts due to associated companies	6,937		2,099
Amounts due to joint ventures	11,214		0
Other liabilities	23,059		13,174
		245,772	225,850
Deferred taxation		58,508	15,410
Deferred income		1,251	0
Total equity and liabilities		6,548,406	994,253

JANUARY 1 TO SEPTEMBER 30, 2000 TDM, according to IAS	1.1. – 30.9.00	1.1. – 30.9.00	1.1. – 30.9.99
Group surplus/loss for the year		-139,138	55,734
Depreciation on tangible and intangible fixed assets	66,421		51,713
Profits/losses on the disposal of fixed assets	10,003		23,211
Net changes, discounts on receivables	1,151		0
Increase/decrease of adjustments on receivables	29,800		378
Release of accruals	-70		-398
Deferred taxes	31,124		0
Other non-cash items	4,713		0
Non-financial expenditure and income		143,142	74,904
Cash flow from current business activities		4,004	130,638
Increase/decrease in long-term trade accounts receivable		-6,664	0
Increase/decrease in long-term trade accounts payable		991	0
Inventories	-25,430		-2,136
Trade accounts receivable	-174,140		-205,235
Receivables from associated companies	8,195		-5,022
Receivables from joint ventures	6,591		0
Receivables from affiliated companies	-384		0
Other current assets	-89,679		235,734
Current financial assets	0		0
Deferred taxes on initial consolidation	0		0
Prepaid expenses	4,092		-444
Increase in short-term assets		-270,755	22,897
Tax accruals	-459		32,802
Tax deferral on cost of capital increase without affecting income	0		0
Other accruals	83,875		15,167
Payments received on accounts for orders	12,509		-12,300
Trade accounts payable	17,978		26,920
Liabilities to associated companies	5,964		2,099
Liabilities to joint ventures	11,214		-1,383
Liabilities to affiliated companies	0		0
Other liabilities	7,259		8,575
Accruals and deferred income	1,195		-10
Increase in short-term liabilities		139,535	71,870
Cash flow from ordinary business activities		-132,889	225,405

JANUARY 1 TO SEPTEMBER 30, 2000 TDM, according to IAS	1.1. – 30.9.00	1.1. – 30.9.00	1.1. – 30.9.99
Amount brought forward		-132,889	225,405
Investments in company acquisitions	-1,607,040		0
Investments in intangible assets	-75,173		-670,777 *
Investments in tangible assets	-9,417		0
Investments in financial assets	-35,641		-9,543
Net additions to intangible assets from initial consolidation	0		-10,997
Net additions to financial assets from initial consolidation	0		0
Incoming payments from disposal of intangible assets	35,192		0
Incoming payments from disposal of tangible assets	25		2,773
Incoming payments from disposal of financial assets	137,420		0
Cash flow from investment activity		-1,554,634	-688,544
Incoming payments from shareholders from capital increases	773		0
Payments of dividends	0		-8,864
Cost of capital increase	0		0
Change in deferred taxation	0		12,954
Exchange rate related change in equity capital	0		192
Change in minority interests	0		369
Change in long-term bank loans	1,112,814		306,620
Incoming payments from the issue of convertible bonds	784,034		0
Cash flow from financing activity		1,897,621	311,271
Cash flow financial year		210,098	-151,868
Net short-term liquid funds at beginning of financial year	-163,673		0
Net short-term liquid funds at the end of financial year	46,425		0
Increase/decrease in liquid funds		210,098	0
Cash in hand and bank balances	112,958		0
Short-term liabilities to banks	-66,533		0
Net short-term liquid funds at the end of the year under review	46,425		0

* at September 30, 1999, depreciation on intangible assets and depreciation on tangible assets are reported in one position.



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