



Moving Moments

CINE  **MEDIA**
FILM AG

Munich, October 2001



Agenda

- **CineMedia Today**
- **Programs and Measures**
- **Outlook**

Focus on core competences proofs within declining entertainment markets

- Leading media service provider and producer
- Value chain from script to screen through focus on the business segments CineProduction, CinePostproduction and CineSolutions
- Combination of key success factors creativity, technology and customer service
- Development of new business concepts and services for the digital film

Focus on core competences proofs within declining entertainment markets

- Successful closing of rights & licensing business due to blockbuster WHAT WOMEN WANT and settlement agreement re. 14 films out of Hollywood film package
- Internet business integrated in broad film marketing platform

Business segment CineProduction

Target

- To increase productivity, adapt quickly to TV market requirements and generate additional projects through movie development and integration of production activities

Strategy

- Restructuring of production facilities to bundle activities in TV fiction, TV Non Fiction and movie segments

Business segment CineProduction

Results

- Integration of coproduction activities of CineMedia Filmproduktions AG and TaunusFilm International through relocation and combined personnel development
- 3 own movie development projects to be produced
- Exploitation of marketing chain into new convergent media sectors with MotorVision online in cooperation with Kirch's Sport1.de
- Restructuring of TV fiction and movie development activities within Watch! Entertainment Group

Business segment CinePostproduction

Target

- Further extension of market leadership in TV, cinema and expansion in advertising film editing

Strategy

- Increase of market share through high-end postproduction for visual effects in feature films
- Expansion in advertising market
- Set up of new locations in Germany

Business segment CinePostproduction

Results

- Contract to acquire majority stake in postproduction house TID Tele International at Leipzig signed
- Further acquisition of advertising business and industrial customers by expanding the creative services
- Continuous investments in digital technologies directed to high-end postproduction, HDTV and e-cinema



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Business development impacted by market development

- Broadcasting stations severely impacted by decline in advertising
- Shrinking markets for Business-TV
- Film distributors under cost reduction pressure
- Postponement of commissioned productions and declining margins lead to lack in operational performance within TaunusFilm-Produktion
- Reduced volumes of TV films within CinePostproduction and CineSolutions
- Declining event business due to marketing budget cuts

Revaluation of goodwill according to market values

- Goodwills of '99 and '00 acquisitions do not reflect the deterioration of enterprise values in the media sector
- Reduction of future depreciation and amortization
- To support measures to increase earnings per share mid-term
- Positive cash impact through effective tax savings

Programs and Measures

- To improve performance and return to internal targets within CineProduction and CinePostproduction
- 15% internal growth
- 12% operational margin

Launch of RAVE 2002 program for CinePostproduction

- Reengineering the **A**udio **V**isual **E**nvironment to increase efficiency of marketing, sales and customer service
- Integration of film dubbing across the locations Berlin and Munich to optimize capacity planning, productivity and profitability
- To improve productivity and customer service of digital postproduction by organizational and technical integration of image and sound editing facilities
- New EDP infrastructure to enhance administration
- Identification and evaluation of new business

Improvement of profitability of TaunusFilm

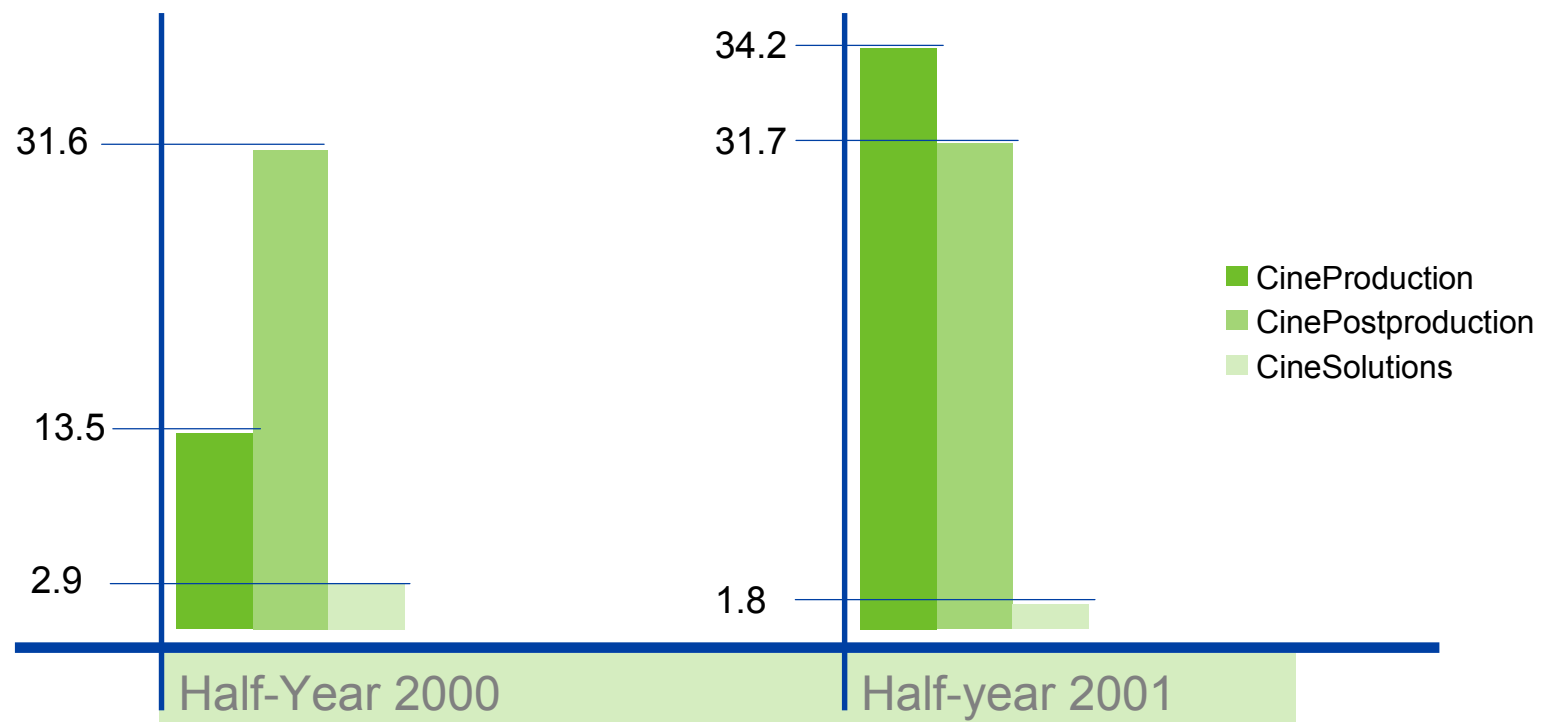
- To reduce costs through reduction of personnel mainly freelancers
- To reduce overhead costs
- To concentrate movie competences within CM Filmproduktions AG and TV activities within TaunusFilm and Watch! Entertainment
- To set focus on TV fiction and non-fiction formats
- To enhance integration of postproduction facilities of Taunus Group and CineMedia Group



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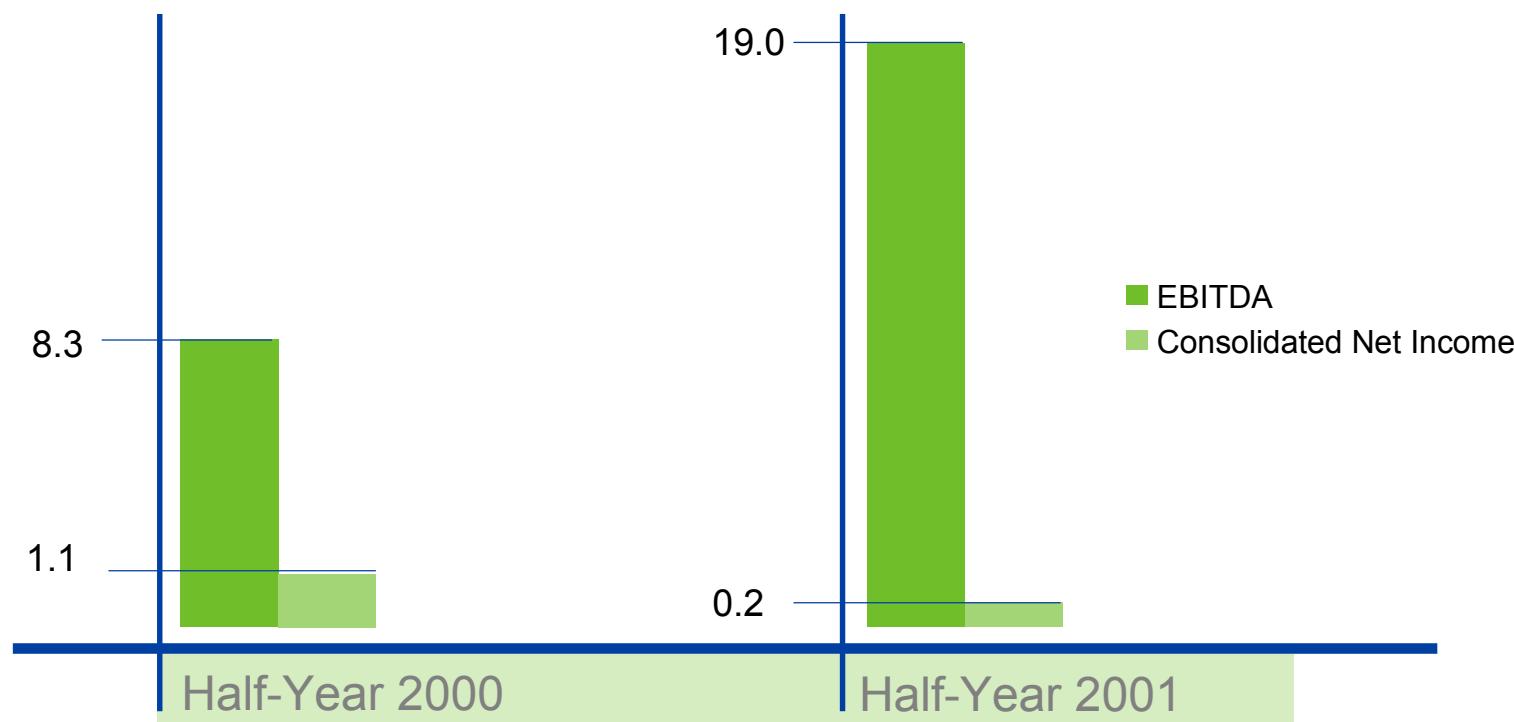
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Half-Year 2001: Consolidated sales + 40% to euro 68.2 million

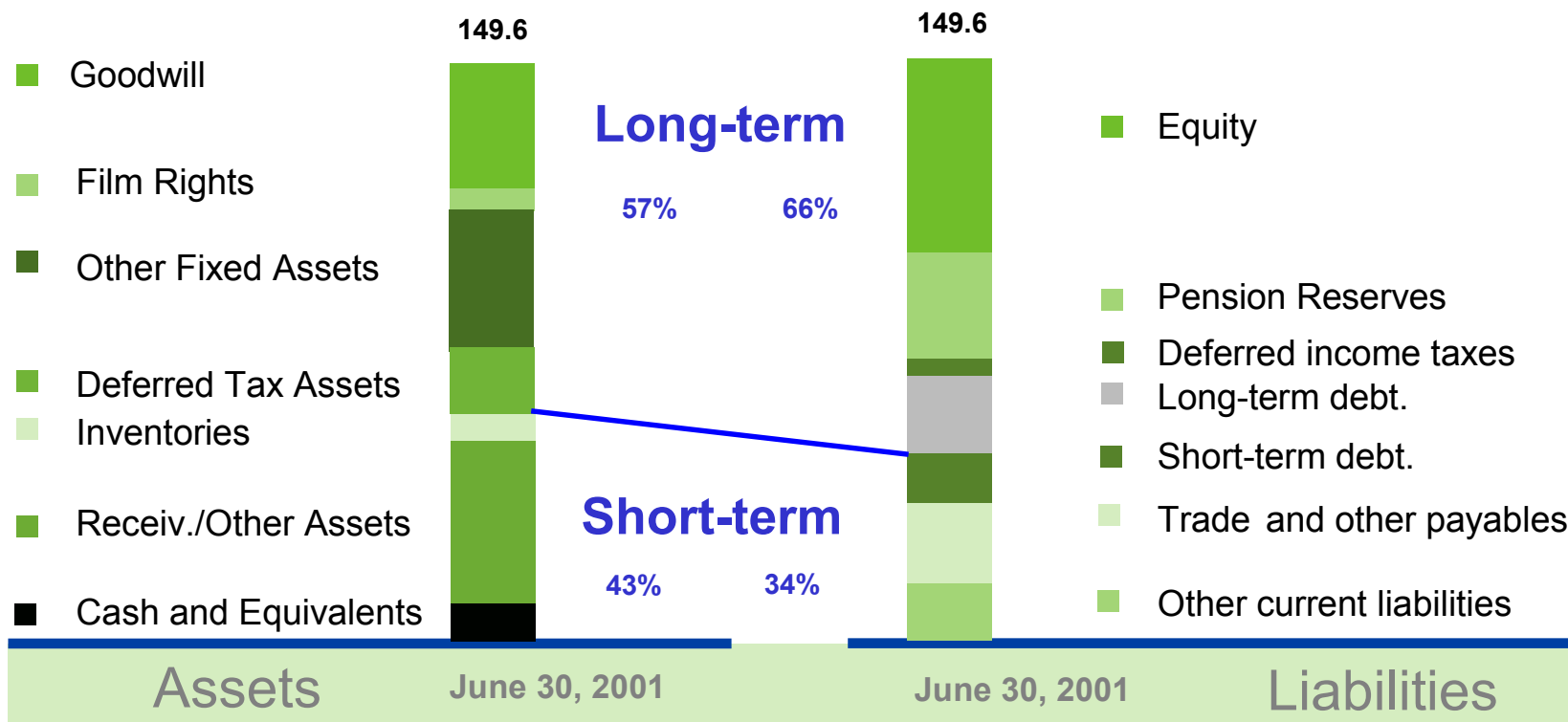


Half-Year 2001: Earnings per share to euro 0.05

in euro million



CineMedia Film AG obtains a solid balance sheet structure in Mio. EURO (June 30, 2001)



Consolidated key figures 2001e

in EURO million	2001e	2000
Consolidated sales	120 -125	103.6
EBITDA	27 - 29	20.2
EBIT(operating profit)	3.5 - 4.0	7.5
Goodwill adjustments and other one-time costs* (not cash effective)	(14.0) - (15.0)	-

* incl. tax effects

**As leading media service provider and producer
the CineMedia Group creates moving
moments for movie goers
and TV viewers.**

**With our creative minds and cutting edge technologies,
we stand for the digital future of film.**