



Development of the business

The key factors in the development of Your Family Entertainment AG (YFE)'s business were on the one hand the successful execution of the cash capital increase and on the other the expansion of numerous sales activities.

YFE's sales during the period January 1st to March 31st 2008 were KEURO 88 (2007: KEURO 125) which, including sales made in April, amounts to sales for the period up to April 30th of KEURO 722 (2007: KEURO 158).

The increase in sales on April 30th 2008 in comparison with the previous year is due primarily to the completion of the second season of the series "Dragon Hunters" and the initial effects of the newly established distribution channels (Pay-TV channel, DVD, VoD).

The earnings situation in the first few months of 2008 met our expectations. The costs of the successful cash increase in capital were posted directly to the income statement which strongly impinges comparability with the previous year's values.

Results at the EBITDA level on March 31st 2008 were below those of the previous year, but as at April 30th 2008 we were able to improve considerably the previous year's result of KEURO -314 to KEURO -58.

The capital increase carried out in March 2008 which yielded gross issuing proceeds of € 3,261,968 generated a considerable increase in liquid funds at the end of April 2008.

As of to-day and including the CEO, YFE employs eleven (11) people.

Outlook for the financial year 2008

Based on the restructuring carried out and the positive results achieved in 2007, 2008 will also be characterised by limited risk growth.

The optimisation of distribution channels plays a key role in the company's future development. The first steps in this direction have already been initiated with the establishment of the Pay-TV channel "yourfamily" and the company's own DVD label.

Amongst other things, "yourfamily" will therefore probably be broadcast with effect from May 19th 2008 in Switzerland and Liechtenstein via the IPTV platform "Bluewin TV". Negotiations are currently taking place with further possible partners.

Random inspection by the German DPR in accordance with § 342b section 2.3 no. 3 of the German Commercial Code

The German Financial Reporting Enforcement Panel in Berlin (known in Germany by its initials "DPR" meaning Deutsche Prüfstelle für Rechnungslegung) carried out the above random inspection (a routine inspection, not occasioned by any particular cause) of the annual financial statements for the year 2006.

The auditors' completed their work in March 2008 and in a letter of March 10th 2008 notified the company as follows:

"The responsible office of the Enforcement Panel has concluded that the accounting records for the financial year 2006 are free of errors."



Financial calendar 2008

- 09.07.08 Shareholders' meeting
- 18.08.08 Semi-annual financial report
- 14.11.08 Interim report for the second half-year 2008

Auditors' review and statements regarding the future

This interim report has neither been audited in accordance with § 317 of the German Commercial Code (HGB) nor has it been subject to review by the auditors of the annual financial statements.

This interim report also contains statements relating to the future which are based on the management's current evaluation of future developments.

Such statements are subject to uncertainties and risks which are beyond the influence of Your Family Entertainment AG.

Should such uncertainties or risks occur, or should the assumptions on which these future-oriented statements are based prove to be incorrect, the actual results could differ considerably from results explicitly stated or implicitly contained in these statements. Your Family Entertainment AG neither intends nor does it assume a particular obligation to update statements relating to the future in order to adjust them in accordance with events or developments occurring after the date of this interim report.

Munich, May 16th 2008

Your Family Entertainment AG
The Board of Management

Dr. Stefan Piëch

Your Family Entertainment AG

Your Family Entertainment AG (YFE), in Munich is one of Germany's longest-established companies in the production and the trade in licences for entertainment programmes for children, young people and families.

Both established and forward-looking technologies are employed as transmission media, such as IPTV and VoD. As part of this strategy, YFE, which previously traded as RTV Family Entertainment AG and has its origins in Ravensburger AG, relies chiefly on high-quality programmes for the whole family.

Your Family Entertainment AG is listed on the regulated market of the Frankfurt Stock Exchange (security identification number: 540 891/ISIN: DE 000 540 8918, abbreviation: RTV).

Board of Management:

- Dr. Stefan Piëch

Supervisory Board:

- Dr. Hans-Sebastian Graf von Wallwitz (chairman)
- Johannes Thun-Hohenstein (deputy chairman)
- Dr. Andreas Aufschneider

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