

Interim report in accordance with § 37x of the German Securities Trading Law („WpHG“) for the first half of 2012



Development of the Business

As in previous years, business performance in the 'License Sales' field is characterised by strong fluctuations over the course of the year.

Transactions planned for the 1st quarter of 2012 were or will be postponed, in part, to subsequent quarters due to unexpectedly delayed budget releases on the part of our customers.

The expansion of the pay TV channel 'yourfamily' in Bulgaria is going positively, where another expansion to neighbouring countries in the Bulgarian language is planned for 2012.

The internationalisation of the mobile TV business is still in the set-up phase

Profit Situation

Compared to the 1st quarter of the previous year, sales revenues of Your Family Entertainment AG (YFE) fell to KEUR 465 (q1/2011: KEUR 530) and were generated, in full, in the field of 'License Sales'.

At the end of March 2012, the EBITDA is in the negative.

This takes into account the costs arising from the cash capital increase registered in the Commercial Register on 20 March 2012 which were posted under other operating expenses.

The company generated gross issue proceeds of approx. EUR 1.04 million from the capital increase.

Payment of Dividends

After yet another successful financial year in 2011, Your Family Entertainment AG plans to distribute tax-free dividends of 2 euro cents per share.

The Board of Directors and the Supervisory Board passed a resolution on 10 May 2012 to present the General Meeting of 27 June 2012 with a relating proposal.

Because the dividend is being paid from the tax reserve account as defined by §27 of the German Corporate Income Tax Act, the payment - once it is resolved at the shareholder's meeting - will be tax-free.

Outlook

For the upcoming two years, the Board of Directors still expects a gradual recovery of the markets in the domestic and foreign countries relevant for YFE.

In the future, the development of turnover and result will still be subject to natural fluctuations based on the dependency from projects or package deals.

The company plans to intensify the worldwide sales in the field of 'License Sales' and to win new partners for its own pay TV channel 'yourfamily' in the years 2012 and 2013.

In summary, we expect a positive turnover development on this basis for the years 2012 and 2013 with sufficient liquidity and stable annual results.

YFE's long-term objective is to regain the position of a strong player in this market.

Financial calendar 2012

- Apr 26th Annual financial report 2011
- May 16th Interim report for the first half of 2012
- June 27th Shareholders' meeting
- Aug 28th Semi-annual financial report 2011
- Nov 15th Interim report for the second half of 2012



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 2012

Your Family Entertainment AG
The Board of Management

Dr. Stefan Piëch

Your Family Entertainment AG

Your Family Entertainment AG, Munich, belongs to the most long-established companies in Germany both in the production and in the licensing of entertainment programmes for children, young people and families.

Everyday and trendsetting technologies, like IPTV, VoD and DVB-H are used as transmission media.

The own children and family channel 'yourfamily' shows animated series and exciting adventure films with interesting and well-known characters, like Urmel, Fix & Foxi, Tobias Totz, Dragon Hunters, Enid Blyton and many more. The programme encompasses choices of an educational nature for pre-school children, top quality animated series for children, right the way up to entertaining programmes for the whole family. Thereby Your Family Entertainment, which used to trade under the name RTV Family Entertainment AG and has its origins in the Ravensburger AG, above all focuses on top quality programmes for the whole family.

Your Family Entertainment AG is quoted in the regulated market on the Frankfurt stock exchange (WKN: 540 891/ISIN: DE 000540 8918, abbr.: RTV).

Board of Management:

- Dr. Stefan Piëch

Supervisory Board:

- Dr. Hans-Sebastian Graf von Wallwitz (Chairman)
- Johannes Thun-Hohenstein (Deputy Chairman)
- Dr. Andreas Aufschnaiter

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