



MME Me, Myself & Eye Entertainment AG

3rd Quarter 2004 Report

1 January – 30 September 2004

UNCERTIFIED TRANSLATION

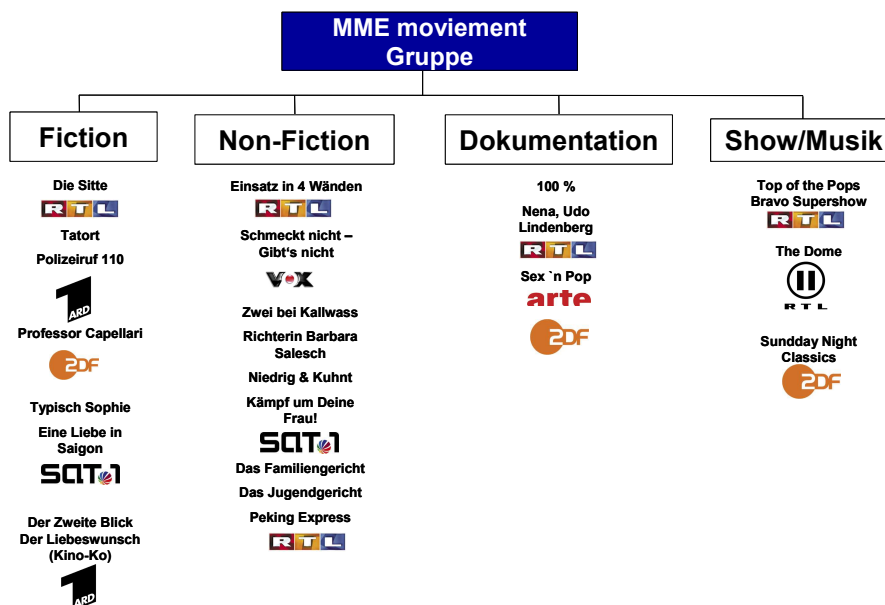
Foreword

This report, including Interim Consolidated Financial Statement and Pro-forma Profit and Loss Account, have been produced voluntarily by MME moviement in order to provide a timely and transparent view of the impact of transactions in the third quarter.

1. Market position: MME moviement developing into one of Germany's leading TV producers

In the third quarter, MME Me, Myself & Eye Entertainment AG executed on its strategic objective of expanding its programming portfolio via acquisition. The acquisition of profitable moviement GmbH has created one of the largest independent TV producers in Germany.

The new MME moviement now covers the key TV production categories of Fiction, Non-Fiction, Documentary and Show/Music programming.

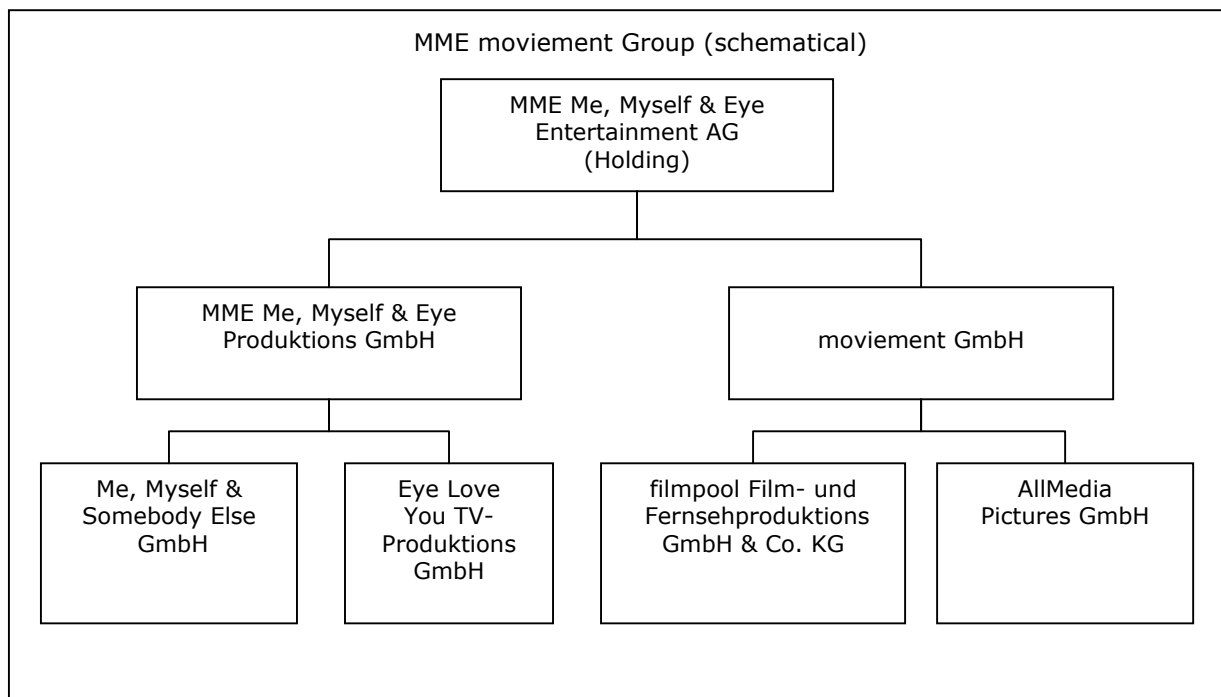


MME moviement is positioned outstandingly in the market with its seven dailies (weekday broadcasts). At present German TV stations are broadcasting in excess of five hours a day of MME moviement-produced programming. The weekday afternoon and early evening programming of Sat.1 and RTL in particular feature a large number of MME moviement productions.

MME moviement's Non-Fiction dailies enjoy high viewer acceptance. These have regularly achieved high ratings over an extended period of time well above industry average, representing a dependable planning element for both stations and MME moviement itself.

MME moviement's revenues are diversified among a large number of different productions. In addition to daily formats, MME moviement produces series for weekly broadcast; mini series as well as movies for television and cinema (see Programming Portfolio overview found in the Outlook section). Currently, no single production accounts for more than roughly 10% of total revenues. The acquisition of moviement GmbH has allowed MME AG to substantially reduce its revenue dependency upon individual programmes, helping minimise risk.

MME moviement has created a new organisational structure for itself in order to better execute on its strategic objectives, structuring MME AG as a holding company by spinning off its operating business.



In the new structure, MME moviement subsidiaries filmpool, AllMedia and MME are autonomously managed producer brands in terms of operations. The holding company functions as an umbrella organisation, defining and implementing the Group's programming and financial strategy.

The goal is to steadily expand the company's programming portfolio and strengthen its market position as an independent TV producer unaffiliated with any particular broadcaster or corporate network.

2. Structural and organisational changes

a. Creation of a holding company structure

MME AG and eyedoo GmbH, as transferring and absorbing entities respectively, concluded a notarial spin-off agreement on 7 July 2004 which was based on the draft worded and initialized by the parties on 30 June 2004 in accordance with Article 63, para. 1, no. 3, Reorganization Act (*Umwandlungsgesetz, UmwG*). eyedoo GmbH approved the spin-off agreement on 7 July 2004. The General meeting of MME AG shareholders approved the agreement on 20 August 2004 and an entry was made into the Register of Companies on 28 September 2004. The Board of Management of MME AG and eyedoo GmbH management provided detailed information on the spin-off in a joint report. This joint spin-off report was sent out together with the invitations to the 2004 annual general meeting. The business operations of MME AG were taken up and continued by eyedoo GmbH after successful conclusion of the spin-off. eyedoo GmbH was renamed into MME Me, Myself & Eye productions GmbH.

b. Acquisition of moviement GmbH

MME AG acquired moviement GmbH on 13 August 2004. To carry out the acquisition, MME AG increased its share capital via an Board of Management resolution which was approved by the Supervisory Board on 12 August 2004 by EUR 3,440,000.00 to EUR 11,090,000.00 from EUR 7,650,000.00 by issuing 3,440,000 new bearer shares with no par value with a proportionate value of EUR 1.00 per share of share capital against contribution in kind. The new shares ranking for dividends for the first time in the fiscal year 2004 were issued at a price of EUR 3.00 per share. Shareholders' statutory right of subscription was excluded. moviement shareholders subscribed to and took custody of 3,000,000 new shares on 12 August 2004. In December of 2004 they will subscribe to and take custody of another 440,000 new shares. In return they have surrendered all shares of moviement GmbH to MME AG. The surrender of shares of moviement GmbH is in partially dependent on the capital increases of EUR 3,000,000.00 and EUR 440,000.00 being recorded into the Register of Companies for MME AG, and in partially on the payment of the purchase price. The capital increase of EUR 3,000,000.00, up to a current total of EUR 10,650,000.00, was recorded in the Register of Companies on 16 August 2004. The 3,000,000 additional shares are expected to be approved for trading in the General Standard segment of the Frankfurt Stock Exchange in late November of 2004. The other 440,000 new shares are to be approved by agreement by the end of December 2004. The number of shares outstanding will thus total 11,090,000 when all new shares are approved as expected. This number includes the 642,895 shares currently by the company.

As further consideration for the deal, MME AG made a payment to moviement shareholders of EUR 22.66 million on 13 August 2004. MME financed this cash payment through a EUR 15.00 million acquisition loan in combination with EUR 7.66 million from its own cash and cash equivalents.

An additional cash payment of up to EUR 4.50 million is scheduled to be paid by MME depending on the ability of the major moviement GmbH companies filmpool KG and AllMedia GmbH to maintain their combined earnings of the previous year throughout fiscal years 2004 and 2005. This additional cash payment will be due on 30 June 2006 at the earliest.

The 3,440,000 new shares issued were reasonably priced at EUR 3.00. This figure is greater than the weighted average price of MME shares during the year 2004 (based on XETRA closing prices). Prior to concluding the transaction, the Board of Management of MME AG had BDO Deutsche Warentreuhand AG of Hamburg assess the value of moviement Group. The maximum amount of consideration potentially due from MME, including the value of the new shares at their issue price, is at the lower end of the valuation range determined by BDO.

c. Additions to the Board of Management

Effective 16 August 2004 Mr. Martin Hoffmann, former managing director of Sat.1 was appointed CEO. The Board of Management welcomed Ms. Frau Gisela Marx, Director of Productions, and Dr. Christian Franckenstein, CFO, as new members as of 1 September 2004. Both individuals bring extensive management experience from the acquired moviement Group.

d. Shareholder structure

Based on the latest data measured in accordance with Articles 21 et seq., of the Securities Trading Act, (§§ 21 ff. WpHG) MME AG's shareholder structure is as follows:

	Shareholder structure	
	Number	%
Guehring Automation GmbH	2 ,187 ,000	20.53
Frontera GmbH	828,132	7.78
Christoph Post Vermögensverwaltungs GmbH	815,132	7.65
LINUS Unternehmensmanagement GmbH	813 ,000	7.63
Stefan Eishold Vermögensverwaltungs GmbH	408,000	3.83
MME AG	642,895	6.03
Free float	4,955,841	46.54
TOTAL	10,650,000	100.00

3. Financials: Group with strong sales and profits and 29% equity ratio

a. The scope of consolidation and comparability

The initial consolidation of moviement GmbH and its subsidiaries took place as of 13 August 2004, the workday following the signing of the purchase agreement. By virtue of the enlargement of the scope of consolidation, comparisons with the company's income and cash flow statements from the previous year are no longer meaningful--thus no comparison is provided. A balance sheet comparison is compared to the consolidated balance sheet as of 31 December 2003.

To represent MME moviement Group's revenue-generating and earnings power in the aftermath of the moviement GmbH acquisition, a voluntary Pro-forma Profit and Loss Account has additionally been produced in which moviement GmbH and its subsidiaries for purposes of an as-if-view have been included as of 1 January 2004.

Accounting complied with IFRS requirements.

b. Interim Consolidated Financial Statement of MME Me, Myself & Entertainment AG dated 30 September 2004

i. Profit and Loss Account

During the reporting period (moviement GmbH and subsidiaries included as of 13 August 2004) the company posted earnings before interest, taxes and depreciation and amortisation (EBITDA) of EUR 1.19 million on revenue of EUR 21.69 million. Earnings before interest and taxes (EBIT) was recorded at EUR 0.69 million. Pre-tax profits (EBT) amounted to EUR 0.63 million. Net income was EUR 0.56 million. With 7,495,994 shares (undiluted), the company posted undiluted earnings per share of EUR 0.08.

ii. Balance sheet

Following the moviement GmbH acquisition, MME moviement Group's consolidated balance sheet showed a total of EUR 61.69 million (31 December 2003: EUR 12.21 million). Major items under fixed assets included EUR 32.39 million (31 December 2003: EUR 0.00 million) of goodwill and intangible assets of EUR 3.67 million (31 December 2003 EUR 0.00 million). Intangible assets include future profits from order backlog of moviement GmbH and its subsidiaries at the time of acquisition to be capitalised according to IFRS rules.

Cash and cash equivalents on the statement date totalled EUR 8.64 million (31 December 2003: EUR 9.07 million).

The company took out a bank loan of EUR 15.00 million to finance the acquisition of moviement GmbH and its subsidiaries (31 December 2003: EUR 0.00 million). In addition to these long-term credit obligations there were short-term obligations of EUR 1.33 million to credit institutions (31 December 2003: EUR

0.00 million). Shareholders' equity was EUR 18.13 million (31 December 2003: 8.52 million), corresponding to an equity ratio of 29% (31 December 2003: 70%).

iii. Cash flow statement

During the reporting period (moviement GmbH and subsidiaries as reported on 13 August 2004) MME moviement Group's operating cash flow was EUR 5.10 million. Cash flow from investments amounted to EUR -20.42 million mostly as a result of the acquisition of moviement GmbH and its subsidiaries, and cash flow from financing activity amounted to EUR 14.89 million. The net change in cash and cash equivalents amounted to EUR -0.43 million.

iv. Changes in stockholders' equity

As of 30 September 2004, shareholders' equity amounted to EUR 18.13 million consisting of EUR 10.65 million subscribed capital, EUR 0.64 million treasury stock, EUR 19.33 million capital reserves and 11.21 million accumulated loss. Changes in subscribed capital and capital reserves were the result of the acquisition of moviement GmbH and its subsidiaries.

c. Pro-forma Profit and Loss Account

On the Pro-forma Profit and Loss Account (moviement GmbH and subsidiaries included as of 1 January 2004) MME moviement Group showed revenue of EUR 51.79 million.

MME GmbH's plan to relocate from Hamburg to Berlin will result in a charge of EUR 0.52 million to EBITDA during the reporting period. In line with IFRS, included under depreciation is the amount of EUR 0.35 million for revenues under contract at the time of the acquisition of moviement GmbH and its subsidiaries realised in the 13 August - 30 September 2004 period.

Taking into account these effects, MME moviement Group obtained EBITDA in the first nine months of the fiscal year of EUR 4.10 million, corresponding to an EBITDA margin of 7.9%. EBIT amounted to EUR 3.50 million, for an EBIT margin of 6.8%.

d. Personnel developments

As of 30 September 2004 MME moviement Group employed a staff of 380 persons. Of these, 193 were employed in editing, 140 in production and 47 in administration.

4. Post quarter-end events

a. Changes in the Supervisory Board

Mr. Peter Würtenberger has resigned his position on the Supervisory Board. Dr. Bernhard Heiss of Munich was appointed member of the Supervisory Board of MME Me, Myself & Eye Entertainment AG, Hamburg by the Hamburg District Court and chosen by the Supervisory Board on 18 November 2004 as its new chairman.

The Supervisory Board of MME AG is now composed of Dr. Bernhard Heiss (chairman), Stefan Eishold (deputy chairman) and Jörg Hoppe.

5. Outlook

a. Fiscal year 2004

Contrary to expectations, the show "Kämpf um Deine Frau (Fight for Your Wife)" will fail to contribute to earnings. This format will not be continued in 2005.

Earnings in full year 2004 will be impacted by one-time expenses for integrations and relocation costs.

MME moviemment anticipates sales for the full year of approx. EUR 80 million on the Pro-forma Profit and Loss Account. EBITDA is expected to amount to EUR 7 to 8 million based on current expectations which are calculated on a pro-forma basis. This corresponds to EBITDA per share of EUR 0.67 – 0.77 based on 10,447,105 shares outstanding as of yearend 2004.

b. Medium-term market environment

Looking at the overall market the factor of overriding importance for TV stations and broadcasters is income from fees and advertising. With these income sources having substantially fallen off in the past three years, in 2004 there is again an expectation of either stability or modest growth of up to 2%. Demand for new programmes and formats from broadcasters should then resume their rise.

The involvement of the Haim Saban investor group with ProSieben Sat1 Media AG has led to intensifying competition, particularly among private-sector networks. On the one hand this presents new market opportunities for TV producers such as the placement of new formats. It may be expected that successful formats with high market share will be continued as they represent predictable elements for broadcasters' strategic planning. At the same time, costs are weighing heavier on TV producers, as TV stations are increasingly designing their programming purchases around profitability parameters.

MME moviement's presence in the market is characterised by successful, firmly established formats. By tending carefully to its formats on an ongoing basis, MME moviement Group will continue its efforts to exploit the potential of established productions while working to develop and place new formats and productions.

The progressive digitalisation in programme dissemination has led to increased demand for digital network and programme distributors. This presents attractive opportunities in particular for the up and coming digital special interest channels of MME moviement.

c. Programme portfolio

i. Fiction

“Die Sitte (Community Standards)” (RTL)

- Primetime crime series of 48 min.
- Production of two sets of 8 seasons with 8 episodes, broadcast in 2003/2004
- Third season being planned for 2005
- Average market share of 1st and 2nd season in target group (14-49 yrs.) approx. 19 %

“Tatort (Crime Scene)” for Münster region (WDR)

- 90 minute crime series
- Sequel “Mörderspiele (Murder Games)” aired 25 April 2004
- Market share in target group (14-49 yrs.) 22.8 %
- Additional episodes expected to be produced at irregular intervals

“Polizeiruf 110 (Police Line)” from Schwerin (NDR) – in collaboration with Studio Hamburg

- 90 minute crime series
- Two productions aired since December 2003
 - “Dumm wie Brot (Dumb as Bread)” aired 23 May 2004, market share across all viewer groups 22.5 % (7.6 million)
 - “Winterende (Winter’s End)” aired 12 September 2004, market share across all viewer groups 18.8 % (6.3 million)
- Sequel “Lilly” in production

“The Verbrechen des (The Crimes of) Professor Capellari ” (ZDF)

- 17th of a series with Friedrich von Thun, 90 min. each
- Expected to air on 25 December 2004
- Not a continuation of ZDF series

“Typisch Sophie (Typically Sophie)” (SAT.1) – in collaboration with Constantin Entertainment

- Eight-part primetime series of approx. 45 minutes each
- Airing 28 October 2004

“Eine Liebe in Saigon (Love in Saigon)” (SAT.1)

- Two-part event of 90 minutes each
- Expected to begin airing in late February 2005

“Der zweite Blick (The Second Look)” (NDR)

- 90 min. TV movie in planning
- Shooting from late October through late November 2004

“Der Liebeswunsch (The Love Wish)” (cinema co-production with NDR)

- In planning
- To begin shooting early November 2004

ii. Non-Fiction

“Einsatz in 4 Wänden (Mission in 4 Walls)” (RTL)

- Daily decotainment show from 17:00 – 17:30
- Running since October 2003 (at 11:00 until 08/04)
- Approx. 170 shows
- Average market share in target group (14-49 yrs.) 24.2 % (11 a.m. slot)

“Schmeckt nicht, gibt’s nicht (Don’t fancy it is not an option)” (VOX)

- Daily cooking show from 18:45 – 19:15
- Running since December 2003
- Approx. 150 cooking shows
- Average market share in target group (14-49 yrs.) 5.6 %

“Peking Express” (RTL)

- Multi-instalment expedition show (13 episodes)
- Expected to begin airing in January 2005

“Zwei bei Kallwass – Praktische Psychologie (Two at Kallwass’)” (SAT.1)

- Mon. – Sat. psychotainment from 14:00 –15:00
- Running since November 2001
- Approx. 550 shows aired
- Average market share in target group (14-49 yrs.) 21.5 %

“Richterin (Judge) Barbara Salesch” (SAT.1)

- Mon. - Sat. court show from 15:00 – 16:00
- Running since October 1999
- Approx. 1000 shows aired
- Average market share in target group (14-49 yrs.) 20.8 %

“Niedrig and Kuhnt – Kommissare ermitteln (Investigating Officers)” (SAT.1)

- Mon. – Sat., semi-scripted crime series from 17:00 – 17:30
- Running since May 2003
- Approx. 220 criminal cases broadcast

- Average market share in target group (14-49 yrs.) 22 %

“Das Familiengericht (Family Court)” (RTL)

- Mon. - Sat. court show from 15:00 – 16:00
- Running since September 2002
- Approx. 380 shows aired
- Average market share in target group (14-49 yrs.) 20.6 %

“Das Jugendgericht (Juvenile Court)” (RTL)

- Mon. – Sat. court show from 16:00 – 17:00
- Running since September 2001
- Approx. 570 shows aired
- Average market share in target group (14-49 yrs.) 19.3 %

“Kampf um Deine Frau! (Fight for Your Wife)” (SAT.1)

- Daily socialtainment, 10 weeks from 19:45 - 20:15
- Running since 19. September 2004
- Average market share in target group (14-49 yrs.) 6.5 %
- Market share fell significantly below expectations. MME moviemment anticipates discontinuation of format in 2005.

“Diätduell (Diet Duel)” (RTL)

- Dieting show with 8 60-minute shows
- Starts 1st quarter 2005
- Aired weekends at 16:45

iii. Documentary

“Sex `n Pop” (ZDF/arte)

- Six-part, 55 min. documentary series
- Broadcast July – August 2004
- Average market share in target group (14-49 yrs.) 0.97 %
- Extension with new shows being negotiated with stations

“100% Nena” (RTL)

- Documentary
- Aired 3 April 2004, 22:15
- Average market share in target group (14-49 yrs.) 26.2 %
- Continuation likely with 100% Udo Lindenberg and at least three other sequels featuring prominent figures

iv. Show/Music

“Top of the Pops” (RTL)

- Weekly hit parade show on Saturday from 17:45 – 18:45
- Running since September 1998
- Average market share in target group (14-49 yrs.) 12.2 %

“The Dome” (RTLII)

- Major German pop concert event
- Running since 1998, four times a year
- Average market share in target group (14-49 yrs.) 8.2 %

Bravo Supershow (RTL and RTLII, MTV and Super RTL)

- Pop show event
- Awarded Bravo Otto (Bravo magazine viewer award)
- Twice a year since 2004, once a year up till then
- Initial broadcast achieved market share of 11.5 % in target group (14-49 yrs.)

Tracks (arte) – co-production with ZDF and TMF, France

- Weekly 50 min. music magazine on Thursday at around 23:00
- One production per month
- Average market share in target group (14-49 yrs.) 0.4 %

MME ME, MYSELF & EYE ENTERTAINMENT AG

CONSOLIDATED BALANCE SHEET
(In ACCORDANCE WITH IFRS)

	9 Mo. Statement	Ann. Fin. Stmt
	30.09.2004	31.12.2003
	in EUR 000's	in EUR 000's
ASSETS		
Short-term assets		
Cash and cash equivalents	8,638	9,069
Accounts receivable	5,527	1,432
Inventories	1,453	232
Deferred items and other short-term assets		
	<u>2,909</u>	<u>526</u>
Short-term assets, total	<u>18,527</u>	<u>11,259</u>
Long-term assets		
Property, plant & equipment	513	311
Intangible assets	3,666	36
Financial assets	1	0
Goodwill	32,393	0
Deferred taxes	6,586	603
	<u>43,159</u>	<u>950</u>
Long-term assets, total	<u>43,159</u>	<u>950</u>
Total assets	<u>61,686</u>	<u>12,209</u>

MME ME, MYSELF & EYE ENTERTAINMENT AG
CONSOLIDATED BALANCE SHEET
(IN ACCORDANCE WITH IFRS)

	9 Mo. Statement	Ann. Fin. Stmt.
	30.09.2004	31.12.2003
	in EUR 000's	in EUR 000's
LIABILITIES		
Short-term liabilities		
Short-term loans and short-term portion of long-term loans	1,334	0
Accounts payable	5,638	1,602
Provisions	2,008	517
Tax provisions	2,521	1
Advance payments received	4,055	135
Other short-term liabilities	5,414	1,348
Short-term liabilities, total	20,970	3,603
Long-term liabilities		
Long-term loans	15,000	0
Deferred taxes	7,404	27
Bonds, notes and debentures	91	60
Long-term liabilities, total	22,495	87
Minority interests	89	0
Shareholders' equity		
Subscribed capital	10,650	7,650
Capital reserves	19,330	13,279
Treasury stock	-643	-643
Balance sheet profit/loss	-11,767	-11,767
Accumulated other comprehensive income	562	0
Shareholders' equity, total	18,132	8,519
Total liabilities	61,686	12,209

MME ME, MYSELF & EYE ENTERTAINMENT AG

CONSOLIDATED INCOME STATEMENT
(IN ACCORDANCE WITH IFRS)

9 Mo. Statemt.

01.01.2004

30.09.2004

in EUR 000's

Revenue	21,688
Other operating income	1,336
Change in inventory of finished and unfinished productions	472
Other capitalised self-produced assets	-430
Expense for materials/services procured	-15,642
Personnel expenses	-4,004
Other operating expenses	-2,230
Earnings before interest, taxes and depreciation (EBITDA)	1,190
Depreciation	-498
Earnings before interest and taxes (EBIT)	692
Interest income/expense	-63
Pre-tax result (incl. minority interests)	629
Taxes on income and revenue	-24
Result before minority interests	605
Minority interests	-43
Net income for the year	562
Average shares outstanding (undiluted)	7,495,994
Average shares outstanding (diluted)	7,566,505
Earnings per share (undiluted) in EUR	0.08
Earnings per share (diluted) in EUR	0.07

MME ME, MYSELF & EYE ENTERTAINMENT AG

CONSOLIDATED CASH FLOW STATEMENT
(IN ACCORDANCE WITH IFRS)

9 Mo. Statement
01.01.2004
30.09.2004
in EUR 000's

Earnings before interest and taxes (EBIT)	692
Depreciation	498
Additions/dissolution of provisions	1,013
Changes in:	
Inventories, accounts receivable and other assets	-1,030
Accounts payable and other liabilities	4,066
Interest received	26
Interest paid	-89
Non-cash expenditures	-50
Taxes paid	-24
Operating cash flow	5,102
Investments in intangible assets	135
Investment in property, plant and equipment	-492
Payment for acquisition of moviemment Group	-20,062
Cash flow from investment activity	-20,419
Employee profit sharing plan contributions/disbursements	30
Inflow from long-term bank loans	15,000
Inflow from short-term bank loans	-144
Cash flow from financing activity	14,886
Net change in cash and cash equivalents	-431
Cash and cash equivalents at start of period	9,069
Cash and cash equivalents at end of period	8,638

MME ME, MYSELF & EYE ENTERTAINMENT AG

**CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY**

**FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2004
(IN ACCORDANCE WITH IFRS)**

	Subscribed capital in EUR 000's	Capital reserves in EUR 000's	Balance sheet profit/loss in EUR 000's	Totals in EUR 000's
Balance as of 31 December 2001	7,650	13,217	-7,610	13,257
Consolidated net income 2002	-	-	-4,781	-4,781
Balance as of 31 December 2002	7,650	13,217	-12,391	8,476
Shares repurchased	-643	62	-	-581
Consolidated net income 2003			624	624
Balance as of 31 December 2003	7,007	13,279	-11,767	8,519
Consolidated income 1.1. through 30.9.2004	-	-	562	562
Capital increase	3,000	6,051	-	9,051
Balance as of 30 September 2004	10,007	19,330	-11,205	18,132

**MME moviement Group
Consolidated Financial Statement
dated 30 September 2004**

**Selected notes in accordance with IFRS for the
Interim Consolidated Financial Statement for the period
from 1 January to 30 September 2004**

(All amounts are quoted in thousands in the reporting currency unless otherwise stated.)

GENERAL INFORMATION

The shares of Me, Myself & Eye Entertainment AG (hereafter 'MME', 'Company') are listed in the General Standard segment of the Frankfurt Securities Exchange under ISIN DE005761159.

The business operations of MME moviement Group (hereafter 'MME moviement', 'MME moviement Group') encompass the production, distribution and use of film, television, music and multi-media productions via all media as well as the marketing of artists and merchandising products. The offices of Me, Myself & Eye Entertainment AG are located in Hamburg at 117 Bramfelder Strasse.

Certain information and statements made in the Notes normally found in annual financial statements in accordance with International Financial Reporting standards ('IFRS') have been presented in an abbreviated fashion or not included. However, the Company is convinced that the information and statements made in the Notes presented are suitable for communicating an impression that corresponds to actual situations. This abridged Interim Financial Statement should be read in conjunction with the audited consolidated financial statement dated 31 December 2003 and the statements found in the Notes therein.

The abridged Interim Consolidated Financial Statement contains all adjustments (of a normal, recurring nature) that in the view of management are necessary to provide an impression of the events of the reporting period that correspond to actual situations. The results of the reporting period are not necessarily indicative of the expected operating results of other interim reporting periods of fiscal year 2004.

OWNERSHIP STRUCTURE

MME Me, Myself & Eye Entertainment AG owns 96% of the shares of moviement GmbH, with share capital of EUR 25,000.00.

MOVIEMENT GmbH owns a 100% share in the partnership filmpool Film- and Fernsehproduktionsgesellschaft mbH & Co. KG, Cologne. filmpool Film- and Fernsehproduktionsgesellschaft mbH & Co. KG owns a 60% share in Park Fernsehen GmbH.

MOVIEMENT GmbH owns 100% of the shares in filmpool Verwaltungs-GmbH, Cologne, with share capital of EUR 25,000.00.

MOVIEMENT GmbH, Munich, owns a 100% of the equity of DIE ANDERE Filmproduktion GmbH, Munich, (formerly: filmtime entertainment GmbH, Munich) with share capital of EUR 100,000.00.

MOVIEMENT GmbH, Munich, owns 100% of the equity of NOVAMEDIA Production Management GmbH, Munich, with share capital of EUR 25,000.00.

MOVIEMENT GmbH, Munich, owns 60% of the equity of ALLMEDIA Pictures GmbH, Munich, with share capital of EUR 25,000.00.

MME Me, Myself & Eye AG owns 100% of the equity of MME Me, Myself & Eye productions GmbH, Hamburg (formerly: eyedoo GmbH), with share capital of EUR 150,000.00.

MME Me, Myself & Eye productions GmbH, Hamburg (formerly: eyedoo GmbH), owns a 51% shareholding in Me, Myself and Somebody Else GmbH, Hamburg, with share capital of EUR 25,000.00.

MME Me, Myself & Eye productions GmbH, Hamburg (formerly: eyedoo GmbH), owns a 100% shareholding in Eye Love You TV productions GmbH, Hamburg, with share capital of EUR 25,564.49.

MME Me, Myself & Eye AG owns a 100% shareholding in Eyeland GmbH, Hamburg, with share capital of EUR 25.600.00.

MME Me, Myself & Eye AG owns a 100% shareholding in ShowNet GmbH, Hamburg, with share capital of EUR 500,000.00.

MME Me, Myself & Eye AG owns a 100% shareholding in POP 2000 TV GmbH, Hamburg, with share capital of EUR 25,564.59.

MME Me, Myself & Eye AG owns a 60% shareholding in Eye C Music productions- and Verlagsgesellschaft mbH i. L., Hamburg, with share capital of EUR 25,000.00.

ACCOUNTING and MEASUREMENT METHODS

MME has exercised its exemption option in line with Article 292a , Uniform Commercial Code (HGB) and produced an Interim Consolidated Financial Statement in accordance with the International Financial Reporting standards (IFRS) issued by the International Accounting standards Board (IASB) and their interpretations by the International Financial Reporting Interpretations Committee (IFRIC). In producing this Interim Financial Statement the same consolidation principles and accounting and measurement methods were used as in the 2003 Consolidated Financial Statement. A detailed description of these principles and methods has been published in the Notes of our 2003 annual report. All IAS standards applicable to MME as of 30 September 2004 were applied. The Company opted against voluntary early adoption of IAS/IFRS standards with the following exception: IFRS 3 was adopted voluntarily starting 1 January 2004. In line with IFRS 3.85b, IAS 36 (rev. 2004) and IAS 38 (rev. 2004) have also been applied from this point on. The annual report has been posted on the internet (www.mme.de/investor_relations/veroeffentlichungen/berichte/).

CONSOLIDATION PRINCIPLES

The initial consolidation of moviement GmbH and its subsidiaries took place as of 13 August 2004, the workday following the signing of the purchase agreement. The figures as of 13 August 2004 (balance sheet), or rather the period from 13 August to 31 August 2004, were estimated using the monthly statements dated 31 August 2004.

The consideration (cash purchase price/in-kind contribution) provided by MME Me, Myself & Eye AG via the subscribed capital of moviement GmbH was allocated to goodwill using the fair value principle with the exception of pending earnings from existing orders under contract as of the acquisition date (13 August 2004), which were shown separately under existing orders.

SEGMENTS

The Group's business activities include the production of film and television productions of varying content. There are no business segments nor geographical segments to report pursuant to IAS 14.

EARNINGS PER SHARE

Earnings per share is presented in accordance with IAS 33 "Earnings per Share". Basic earnings per share is determined by dividing the earnings for the period to which common shareholders are entitled by the weighted average of common shares outstanding during the reporting period. Diluted earnings per share is determined by dividing the earnings for the period to which common shareholders are entitled by the weighted average of authorised common shares both issued and unissued during the reporting period. Convertible bonds are treated as if they had been converted into common shares on their issue date (17 December 2000).

During the period from 1 January through 30 September 2004 the weighted average number of common shares outstanding during the period was 7,495,994 (diluted 7,566,505).

All unissued shares were excluded from the calculation of diluted earnings per share, as their conversion would not decrease earnings per share. A total of 91,000 unissued shares were excluded from the earnings per share calculation.

SHAREHOLDERS' EQUITY

	30 September 2004	2003
	Shares	Shares
Common shares, par value EUR 1.00	<u>10,007,105</u>	<u>7,007,105</u>

Shareholders' equity breaks down as shown below:

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD FROM 1 JANUARY THROUGH 30 SEPTEMBER 2004 (IN ACCORDANCE WITH IFRS)

	Subscribed capital in EUR 000's	Capital reserves in EUR 000's	Balance sheet profit/loss in EUR 000's	Totals in EUR 000's
Balance as of 31 December 2001	7,650	13,217	-7,610	13,257
Consolidated net income 2002	-	-	-4,781	-4,781
Balance as of 31 December 2002	7,650	13,217	-12,391	8,476
Shares repurchased	-643	62	-	-581
Consolidated net income 2003			624	624
Balance as of 31 December 2003	7,007	13,279	-11,767	8,519
Consolidated income 1.1. through 30.9.2004	-	-	562	562
Capital increase	3,000	6,051	-	9,051
Balance as of 30 September 2004	10,007	19,330	-11,205	18,132

TREASURY SHARES

Pursuant to shareholders resolution of 21 June 2002 granting approval for the repurchase of company stock, the firm has repurchased in the past a total of 642,895 of its outstanding shares. The average share purchase price has been EUR 0.90.

POST-STATEMENT DATE EVENTS

Events transpiring after the statement closing date that provide additional information on the situation of the Company as of the statement date are factored into the statement's accounting to the extent required by law. Events after the statement date not required by law to be reported in the statement receive comment in the Notes to the extent that they are material in nature.

ACCOUNT OF MATERIAL EVENTS SINCE 1 OCTOBER 2004

MME Me, Myself & Eye AG and subsidiary MME Me, Myself & Eye productions GmbH will be relocating their headquarters as of 1 January 2005 to Berlin. One-time expenses will

result for both companies from the discontinuation of the Hamburg office, obligations towards employees not participating in the move, logistical expenditures for the move and investment in the leased property that will affect earnings in fiscal year 2004 as well as in part fiscal year 2005. It is anticipated that positive effects (including lower leasing cost, subsidies and positive business dynamics in Berlin) will more than compensate for these one-time charges over the medium term.

The subsidiary film pool Film- and Fernsehproduktion GmbH & Co. KG had a large contract from SAT.1 to produce the NON-FICTION series "Kampf um Deine Frau (Fight for Your Wife)". Contrary to expectations the programme "Kampf um Deine Frau" will not contribute to earnings. The format will be discontinued in 2005.

In the wake of the acquisition of moviement GmbH and the spin-off of the business operations of MME Me, Myself & Eye AG to MME Me, Myself & Eye productions GmbH, the restructuring measures resulting from this reorganisation are being systematically implemented.

MME ME, MYSELF & EYE ENTERTAINMENT AG

PROFORMA - CONSOLIDATED PROFIT AND LOSS ACCOUNT
(IN ACCORDANCE WITH IFRS)

(moviement GmbH and its subsidiaries
included as of 1.1.2004)

9 Mo. Statement

01.01.2004

30.09.2004

in EUR 000's

Revenues	51,789
Other operating income	1,420
Change in inventory of finished and unfinished productions	644
Other capitalised self-produced assets	113
Expense for materials/services procured	-40,438
Personnel expenses	-6,402
Other operating expenses	<u>-3,031</u>
Earnings before interest, taxes and depreciation (EBITDA)	<u>4,095</u>
Depreciation	<u>-599</u>
Earnings before income and taxes (EBIT)	<u>3,496</u>
Interest income/expense	53
	<u>219</u>
Pre-tax result (incl. minority interests)	<u>3,768</u>
Taxes on income and profits	-1,504
Result before minority interests	<u>2,264</u>
Minority interests	0
Net income for the year	<u><u>2,264</u></u>
Shares outstanding as of 30 September 2004	10,007,105