

## Regulatory Announcement

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**Company** BKN International AG  
**TIDM** BKN  
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 27 November 2007

Press Release

27 November 2007

BKN International AG  
 ("BKN" or the "Company")

Financial Results  
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BKN, a global animation production and distribution company that licenses and markets its products in approximately 95 countries and dubs in about 30 languages, is pleased to present today the financial results for the year ended 30 September 2007. For the third straight year, the Company reports record net income.

### Highlights

- Total Sales increased 29% to €16.3 million (prior year: €12.6 million). Total Gross Income increased 29.5% to €18.0 million (prior year: €13.9 million).
- Total Expenses increased 21% to €11.1 million (prior year: €9.2 million). Salaries and Other Expenses up 9%, amortisation up 53%.
- Earnings or Profit Before Tax increased 33% to €5.5 million (prior year: €4.1 million). Margin remains strong at approximately 33%.
- Net Income increased 12% to €5.0 million (prior year: €4.5 million), even after allowance for tax of €450 thousand versus a tax credit in 2006 of €377 thousand.
- EPS increased 7% to €0.305 (prior year: €0.286), after dilution from July 2007 capital increase.
- EBITDA increased 47% to €9.1 million (prior year: €6.2 million).

- Equity Fund raising of €9.02 million in July 2007 coupled with Debt Fund raising during the year of €17.0 million.
- Programming rights asset value increased to €53.7 million from €36.6 million in 2006.
- Share price performance on XETRA electronic exchange for 1 year return, as of 30 September 2007, was +18.48% versus the Prime Media Performance Index of +16.97% or a 109 index to the comparable market. (Source: Close Brothers Seydler AG, Frankfurt)
- The Company has made heavy investments in new television and film properties (€19.2 million) including costs related to its new all digital high definition animation studios in Barcelona and London. Several of the properties will be delivered in 2008 - 2010, thereby positively impacting earnings for the next several years. The Company has identified all new product through 2010.
- Financial results reflect only 13 episodes of Zorro - Generation Z(R) and 18 episodes of Dork Hunters from Outer Space(R). This is only 50% of the episodes in production for those two important series with the balance of the income phased into 2008.

Commenting on the results, Allen Bohbot, Chairman & Chief Executive Officer of BKN, said: "We are delighted to report record net income for the third year in a row. In fiscal 2007, we delivered record net earnings for the Group of €5.0 million (€0.305 EPS), and we feel that fiscal 2008 will reflect further expansion on both turnover and earnings."

Mr. Bohbot explained: "The markets look healthy for children's animation in the near term with hundreds of dedicated animated children's channels operating throughout the world and especially with the expansion of digital high definition, where BKN intends to become a market leader. The Company is strategically well placed to take advantage with our London office handling Continental Europe and Asia, our New York office handling North America and our Barcelona office handling the important markets of Spain, France, Portugal, Italy and Latin America.

We expect major revenue contributors in 2008 to come from Zorro - Generation Z (R) and Dork Hunters from Outer Space(R) as we only delivered 50% of those episodes in fiscal 2007. In addition, we expect to see revenues from the new 2008 projects which will begin delivery in the second half entitled Stone Age™ and Pocket Penguin Adventures(TM)

We are optimistic about the prospects for video steaming over the internet. In this past fiscal year, the value of the internet for video streaming has truly expanded. BKN has a philosophy of carefully choosing its partners in this new space and has entered into deals only in the more mature U.S. market. Unlike many of our local competitors, BKN holds the worldwide copyrights to the major properties in its portfolio of animated properties in perpetuity and accordingly, we are in a unique position to expand into this market when we feel the timing is right to do so. For the first time in fiscal 2007, the Company reported revenue from this segment of €468 thousand (3% of turnover)."

The Company reports a positive outlook for 2008 based on continued growth in key segments of the business and good receipt of new product in the market place.

For a full version of the final results please go to our website [www.bknkids.com](http://www.bknkids.com)

- Ends -

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Notes to editors:

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About BKN:

BKN International AG is a global animation company engaged in the distribution and marketing of animated children's television programmes and the marketing of related consumer products (licensing and merchandising) in all forms. BKN has worked on numerous successful animation projects.

The Company is currently listed on the General Standard of the Frankfurt Stock Exchange and is quoted on the AIM Market of the London Stock Exchange plc ("AIM"), it operates all over the world. BKN has successfully negotiated distribution deals in over 95 countries and territories in the children's programming market.

The Company's Film Library includes:

- Legend of the Dragon
- Robin Hood
- Kong - The Animated Series
- Zorro: Generation Z
- Kong - King of Atlantis
- Roswell Conspiracies
- Kong II - Return to the Jungle
- Dork Hunters from Outer Space
- A Christmas Carol
- Jungle Book

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Consolidated Management Board Report  
including Chairman and Chief Executive Statement

We are pleased to present the financial results of BKN International AG ("BKN" or the "Company"), a global animation production and distribution company that is listed on the Frankfurt Stock Exchange and quoted on AIM. We license our

product in approximately 95 countries and dub in about 30 languages. This Consolidated Report of the Management Board will cover audited financial statements under IAS accounting rules for the period ended 30 September 2007 and compared to the similar period in fiscal 2006.

The Company had a very strong year during which we have launched new products and increased our client base, expanded into North America and Europe especially in our Home Entertainment segment, increased our profitability and significantly strengthened our balance sheet.

#### A. Group Structure

- The Group consists of BKN International AG, the parent company in Germany, with active operating trading subsidiaries in the United Kingdom ("BKN New Media Ltd." and "BKN Home Entertainment Ltd."), the United States ("BKN New Media Inc." and "BKN Home Entertainment Inc.") and Spain ("BKN New Media S.L.").
- The Group creates, produces, distributes and markets animated properties for television and DVD distribution, as well as licenses its characters for licensing and merchandising and the internet.
- The Company reports in Euro and trades in Euro, UK Sterling, and US Dollars.
- The Company is listed on the General Standard of the Frankfurt Stock Exchange (March 2000) and quoted on AIM (December 2003).

#### B. Film Catalogue and New Properties

- We have successfully expanded the Company's film catalogue, at 30 September 2007, to 82 titles and 2,035 episodes compared to 76 titles and 1,909 episodes as published in our 2006 Annual Report. BKN owns the 6th largest film library of global animation (based on last year's statistics).
- The Company commissioned the production and distribution of the property entitled Zorro - Generation Z(R) (26 episodes) along with the film entitled Zorro - Return to the Future(R) (62 minutes). At the end of the fiscal year, the Company delivered 13 episodes and the film and will deliver the second 13 episodes in the first half of our fiscal 2008.
- The Company also commissioned the production and distribution of the property entitled Dork Hunters from Outer Space(R) (36 episodes) along with the film entitled Dork Hunters(R): The Movie (62 minutes). At the end of the fiscal year, the Company delivered 18 episodes and will deliver the second 18 episodes plus the film in the first half of our fiscal 2008.
- The Legend of the Dragon (39 episodes) continues to contribute to overall revenues. In fiscal 2007, we added €2.8 million bringing the total to date to €11.9 million.

- The Kong franchise (40 episodes plus 2 films) continues to expand. In fiscal 2007, we added €1.1 million bringing the total to date to €14.0 million.
- The film catalogue continues to deliver strong earnings on a steady pace as the Company finds new markets for its products.

### C. Financial Highlights

- Total Sales increased 29% to €16.3 million (prior year: €12.6 million). Total Gross Income increased 29.5% to €18.0 million (prior year: €13.9 million).
- Total Expenses increased 21% to €11.1 million (prior year: €9.2 million). Salaries and Other Expenses up 9%, amortisation up 53%.
- Earnings or Profit Before Tax increased 33% to €5.5 million (prior year: €4.1 million). Margin remains strong at approximately one-third.
- Net Income increased 12% to €5.0 million (prior year: €4.5 million), even after allowance for tax of €450 thousand versus a tax credit in 2006 of €377 thousand.
- EPS increased 7% to €0.305 (prior year: €0.286), after dilution from July 2007 capital increase.
- EBITDA increased 47% to €9.1 million (prior year: €6.2 million).
- Programming rights asset value increased to €53.7 million from €36.6 million in 2006.
- Share price performance on XETRA electronic exchange for 1 year return, as of 30 September 2007, was +18.48% versus the Prime Media Performance Index of +16.97% or a 109 index to the comparable market. (Source: Close Brothers Seydler AG, Frankfurt)
- Cash on hand totals €1.4 million versus €1.6 million last year. At 30 September 2007, the Company owned 246,143 of its own shares valued on that day at €772,889.
- The Company has made heavy investments in new television and film properties (€19.2 million), many of which will be delivered in 2008 - 2010, thereby positively impacting earnings for the next several years. The Company has identified all new product through 2010.
- Financial results reflect only 13 episodes of Zorro - Generation Z(R) and 18 episodes of Dork Hunters from Outer Space(R). This is only 50% of the episodes in production for those two important series with the balance of the income phased into 2008.

- The Company employs at the year end 36 full-time employees and consultants versus 36 at the end of 2006. The Company estimates that more than 100 people work on the production of its shows at various locations and for various vendors.

#### D. The New Animation Studio and the Digital Plan

- The market is dramatically changing from analogue or standard definition to digital or high definition. The Company recognises that conversion from analogue to digital television will require significant changes in how we execute the production of our television programmes, especially as more TV channels convert to High Definition (in the USA, the HD spectrum will expand from 30 to over 100 channels in December 2007). Animation producers will be required to migrate away from the traditional 2D animation process and become proficient in new production systems consistent with the requirements of the HD format.
- It is our intention to make this conversion in the immediate future and to lead this production revolution with an eye towards becoming the premier supplier of HD children's programming.
- Accordingly, beginning with fiscal 2008, BKN intends to expand and produce entirely in Digital High Definition. We are organizing state-of-the-art facilities in London and Barcelona to take advantage of the wealth of talent in these locations. Both studios will be linked by high speed internet lines allowing the artists to communicate freely and openly so as to maximize quality and delivery time. Each location will have state-of-the-art computers and servers as well as the new WACOM tablets for artists.
- Opening day is 2 January 2008.

#### E. New Product

- The Company has identified two exciting new properties that will be produced in HD, each budgeted at €5.2 million. The properties will be delivered in part in fiscal 2008, but as well in fiscal 2009 and the first half of fiscal 2010 as follows:
- Stone Age™, a modern day comedy set in prehistoric times, initially consists of 52 episodes of 11 minutes each (Season I). Half of the episodes will be delivered in fiscal 2008 and the second half in the first half of fiscal 2009. Season II will consist of 26 episodes and will be delivered in the first half of fiscal 2010.
- Pocket Penguin Adventures™, set in Penguin Park on Chilly Bird Island, will initially consist of 52 episodes of 11 minutes each (Season I). Half of the episodes will be delivered in fiscal 2008 and the second half in the first half of fiscal 2009. Season II will consist of 26 episodes and will be delivered in the first half of fiscal 2010.

- The Company has identified all of the new product required to take it through the first half of 2010, all in Digital High Definition, just when the market is starving for this technological new breakthrough.
- All of this new product will be produced in our new in-house hi-tech facilities in London and Barcelona.

#### F. Business & Operating Environment

The children's market sector has experienced a number of changes in the last five years. In 2002 and 2003, most content suppliers struggled as broadcasters experienced reduced advertising income and therefore cut their acquisition budgets. A modest rebound was experienced in 2004 and 2005 and it seems like the current environment is more buoyant. While prices for animation have not increased, and in most cases remain flat, there are a number of dedicated 24-hour animation channels in the world (by some estimates, as many as 700) that require children's content, both from catalogues as well as new productions.

There have been a number of M&A transactions in the past few years in this space and it is expected that the market will continue to consolidate. Some examples include:

- Apax purchased Hit Entertainment in the U.K.
- Disney purchased Pixar in the U.S.
- 3i has purchased Chorion in the U.K.
- Liberty Media/Starz purchased IDT Entertainment in the U.S.
- Entertainment Rights in the U.K. purchased Classic Media in the U.S.
- Entertainment One in Canada purchased Contender Group in the U.K.
- The Orchard Group purchased Digital Media Group in the U.S.
- DeAgostini in Italy purchased Marathon in France
- EM.TV in Germany recently announced that it will sell all of its kids' entertainment holdings
- Chorion acquired The Copyrights Group
- Warner Bros. Home Entertainment Group acquired TT Games, maker of Lego Star Wars titles

#### G. Internet and New Media

In this past fiscal year, the value of the internet for video streaming has truly expanded. BKN has a philosophy of carefully choosing its partners in this new space and has entered into deals only in the more mature U.S. market. Unlike many of our local competitors who own selected rights and therefore do not often control the internet streaming rights, BKN does hold these rights in perpetuity to all of its key titles.

For the first time in fiscal 2007, the Company reported revenue from this segment of €468 thousand (3% of turnover). This is up to strictly from the U.S. and we expect that this segment will grow over the next several years.

#### H. Financing

- In January 2007, the Company entered into a general five-year facility with Commerzbank AG ("Commerzbank") in the amount of €5.0 million with a fixed interest rate of 6.3%. At 30 September 2007, the Company had repaid €500 thousand and has an open balance of €4.5 million repayable at a rate of €250 thousand quarterly.
- In January 2007, the Company repaid Anacapa Funding 1 LLC ("Anacapa") the full amount of the pending convertible note. The total repaid was €3.6 million which included €3.2 million in principal plus €100 thousand in interest plus a €300 thousand for early repayment. As this note accrued interest at over 10% annually, the Management Board felt that this was the correct approach.
- In February 2007, the Company secured a seven-year long term loan from H.E.A.T. Mezzanine S.A., initiated by HSBC Trinkaus & Burkhardt AG ("HSBC"), in the amount of €12.0 million at an interest rate of 8.25%. At 30 September 2007, the full amount was still due.
- In March 2007, the Company repaid convertible bonds issued in September 2004 to SDS Capital Group SPC Ltd. ("SDS Capital"). The total repaid was €2.9 million which was essentially all principal (interest was only €27 thousand).
- In July 2007, the Company issued 3,682,604 new shares to existing and new shareholders at a price of €2.45 per share and total proceeds of €9,022,380 before fees and expenses.
- In July 2007, the Company repaid Laurus Master Fund Ltd. ("Laurus") the full amount of the pending convertible note. The total repaid was €5.2 million which included €5.1 million in principal plus €100 thousand in interest.
- In September 2007, the Company entered into a new working capital facility with Commerzbank in the amount of €1.0 million for an unlimited term carrying a 6.5% interest rate. This facility is currently unused.
- In September 2007, the Company entered into an additional facility with Commerzbank to fund potential acquisition activity. The facility is for €3.0 million with an interest rate of 5.5% and a term ending 30 December 2008. This facility is currently unused.

In all, the Company paid €728 thousand in interests and early repayment fees in fiscal 2007 to refinance all of the expensive convertible notes. This amount is not expected to recur in fiscal 2008.

The only convertible note still on our balance sheet is the €1.0 million due to

Tail Wind Fund Ltd. ("Tail Wind") in March 2008 with an exercise price of €5.211 per share.

#### I. Stock Options and Warrants

- At 30 September 2007, the Company still has outstanding 45,455 warrants to Tail Wind at an exercise price of €5.211 per share.
- At 30 September 2007, the Company still has outstanding 250,000 warrants to Laurus at an exercise price of €3.776 per share.
- At 30 September 2007, the Management Board holds a combined 895,649 stock options at an average €3.82 strike price. There are 8,500 options issued to employees at a €3.86 strike price.

As we expand further in 2008, it is likely that the stock option plan will be made available to a greater amount of executives to ensure key staff retention and to incentivise delivery of stronger Company performance.

#### J. The Management and Supervisory Boards, Key Talent

- The management team is well experienced and seasoned in the industry. Allen Bohbot (CEO) and Wayne Mowat (CFO) make up the Management Board and oversee the Company on a daily basis.
- Nicola Andrews is Managing Director for English and German-speaking markets.
- Laura Tapias is Managing Director for Spanish, Portuguese, French and Italian-speaking markets.
- Matthew Graham-Clare is Managing Director of all Home Entertainment activities.
- Richard Ungar is Executive Producer on all titles.
- There are three seasoned non-executive Directors that comprise the Supervisory Board including Karl Benetz as Chairman with Robert Paff and Michael Jack Kugler.

#### K. Shareholders' Structure

As of 30 September 2007, the Company believes that its significant shareholders, based on a share capital of 19.4 million shares, are as follows:

SHAREHOLDER	HOLDING
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Charleville Investments	19.4%
Gordon Group Investments	16.2%
Allianz Global Investors	8.9%
Jack Kugler (Director)	8.2%
Credit Agricole	7.0%
Allen Bohbot (Director)	6.5%
Dalton	6.2%
Carmignac	4.2%
Cominvest Asset Management	3.1%
DWS Investments GmbH	2.9%

#### L. Other Disclosures pursuant (S) 315 HGB (German Commercial Code)

- The remuneration policy allows for an annual fix payment to each member of the Supervisory Board of the Company. The remuneration of the Management Board mainly consists of a fix monthly payment as well as a Company-performance related remuneration. In addition, the members of the Management Board can participate at stock options plans on the basis of the pertinent resolutions at the Annual General Meetings. The assignment and the conditions are defined by the Supervisory Board.
- As per 30 September 2007, the subscribed capital is divided in 19,400,170 no-par value registered ordinary shares.
- In accordance with the Articles of Association, the Management Board is appointed by the Supervisory Board; furthermore, the legal requirements of (S) 84 AktG (German Securities Trading Act) are applicable. Any changes of the Articles of Association are subject to the statutory provisions. In accordance with the Articles of Association, changes pursuant (S) 179 Section 1 Sentence 2 AktG can be implemented by the Supervisory Board.
- In accordance with the Articles of Association, the Management Board is authorised, with the consent of the Supervisory Board, to issue shares in the limits of the authorised capital. In addition, according to the resolution of the Annual General Meeting, the Management Board is authorised to acquire own shares up to 10% of the share capital.
- Please compare the shareholders' structure (section M. Shareholders' Structure) for direct or indirect holdings of more than 10% of the Company's share capital.

No further compulsory disclosures are required.

#### M. Corporate Governance

- The Company is in good standing with the Frankfurt and London Stock Exchanges and complies with all rules and regulations.
- The Company has met all of the recommendations of the German Corporate Governance Code of Good Conduct, with regards to a company our size and complexity, with the exception of incentive based compensation for the Supervisory Board members who earn a flat annual compensation.
- The Management and Supervisory Boards met either in person or telephonically on fifteen separate occasions during the fiscal year and in addition, numerous telephone conversations took place between members of both boards to ensure full and accurate communication. The Management Board supplied the Supervisory Board with sufficient and comprehensive information throughout the year. In addition, there is an audit committee of directors to ensure proper transparency and control of the companies' activities. The Boards cooperated closely for the benefit of the enterprise.
- The Company has no borrowing or lending relationship with any of its Directors.

#### N. Business Risks

As with any business, there are variable risks such as:

- At this time, the Company does not hedge against currency fluctuation. While we report in Euro and maintain accounts in Euro, Sterling and US Dollars, a majority of our sales are in US Dollars and this is matched by a majority of our costs. The Company engages vendors throughout the world for its productions (Los Angeles, China, India, and Manila) and such contracts are typically in US Dollars. The Company believes that it is properly managing this currency fluctuation and has no need at this time to create hedging instruments whose cost would outweigh the benefit. The 2007 exchange position was immaterial (less than €10,000).
- Our major suppliers, as noted above, are in foreign locations as typical of the animation industry. We believe that all are credible, well funded and professional. The global nature of the industry allows the Company to source the best producers in cost and quality regardless of territory. We have not experienced any significant delays in production but this is always possible.
- We are expanding at a rapid pace. We believe that our creative and production staffs are well in control of all productions and budgets with local control at all locations.
- The children's market has historically been cyclical. At various points in the past two decades, the market has been over-supplied and at other points, it has starved for intellectual content. While we believe that the market is in a good place at this time, and will be for the near term, this is likely to change but only over the longer term. Although delivery platforms are expanding from solely TV and DVD towards the internet, BKN as

an IP owner is well positioned to transition accordingly.

- Prices for children's content have been mostly flat in the last few years and it is not expected that the industry has any real pricing power. This is mitigated by the expansion of new channels dedicated to the sector.
- There are a number of producers, primarily in France and Canada, that have access to government subsidies and the broadcasters in those markets favor local producers. The Company does not receive any subsidies from any source although some of our partners may. It does not appear that other jurisdictions will expand government involvement in the sector and this seems in hand at this time. BKN's lack of dependence on governmental subsidies means that we have full control of the quality of our products which assures delivery of global rather than local content in all forms and venues.
- We trade in multiple jurisdictions throughout the world and the possibility of litigation to protect our assets and rights is increased by the increased turnover. We always protect our properties with filings with the US Copyright and Trademark Office and the European Union Trademark Office, but there is always a chance that vendors and/or licensees cause us to litigate to protect our assets.

#### O. Annual General Meeting

The next meeting is set for Thursday, 14 February 2008 in Cologne.

#### P. Outlook

The markets look healthy for children's animation in the near term with hundreds of dedicated animated children's channels operating throughout the world. The Company is strategically well placed to take advantage with our London office handling Continental Europe and Asia, our New York office handling North America and our Barcelona office handling the important markets of Spain, France, Portugal, Italy and Latin America.

We expect major revenue contributors in 2008 to come from Zorro - Generation Z (R) and Dork Hunters from Outer Space(R) as we only delivered 50% of those episodes in fiscal 2007. In addition, we expect to see revenues from the new 2008 projects which will begin delivery in the second half entitled Stone Age™ and Pocket Penguin Adventures (TM)

We delivered record net earnings for the Group in fiscal 2007 of €5.0 million (€0.305 EPS), and we feel that fiscal 2008 will reflect further expansion on both turnover and earnings. The outlook for the Group is strong.

Cologne, November 2007  
The Management Board

Allen J. Bohbot

Wayne Mowat

Chairman &amp; CEO

Chief Financial Officer

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 Consolidated Balance Sheets for Fiscal 2007  
 (in thousands of €)

## ASSETS

	30 Sep 2007	30 Sep 2006
A. Fixed and intangible assets		
-----		
1. Intangible assets	53,668	36,591
2. Fixed assets	108	127
	-----	-----
	53,776	36,718
	-----	-----
 B. Other long term assets		
-----		
1. Other assets	213	223
2. Deferred taxes	2,500	2,209
3. Deferred financing costs	486	738
	-----	-----
	3,199	3,170
	-----	-----
 C. Current assets		
-----		
1. Stocks	12	0
2. Accounts receivable, trade	2,196	1,496
3. Other current assets	309	789
4. Own shares	773	0
5. Cash and cash equivalents	1,413	1,648
	-----	-----
	4,703	3,933
	-----	-----
	61,678	43,821
	=====	=====

## LIABILITIES

## A. Shareholders equity

-----		
1. Common stock	19,400	15,718
2. Additional paid in capital	12,824	8,286
3. Reserve for own shares	773	0
4. Other comprehensive income	(28)	136
5. Retained earnings	8,742	4,495
	-----	-----
	41,711	28,635
	-----	-----

## B. Long term liabilities

-----		
1. Bonds	1,050	12,604
2. Loans	16,500	0
3. Deferred tax liability	605	441
4. Deferred long term liabilities	7	14
	-----	-----
	18,162	13,059
	-----	-----

## C. Short term liabilities

1. Accrued expenses	1,189	961
2. Accounts payable, trade	581	1,166
3. Other liabilities	35	0
	-----	-----
	1,805	2,127
	-----	-----
	61,678	43,821
	=====	=====

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Consolidated Statements of Operations for Fiscal 2007  
(in thousands of € - except shared data and number of employees)

	30 Sep 2007	30 Sep 2006
	-----	-----
REVENUES		
-----		
Television	7,623	5,740
Consumer brands	8,644	6,870
-----		
Total Sales	16,267	12,610
Other income	1,720	1,283
-----		
Total Gross Income	17,987	13,893
-----		
EXPENSES		
-----		
Depreciation, amortization and goodwill	2,185	1,430
Producer fees and other direct operating costs	1,585	985
Salaries and employee benefits	3,071	2,993
Other expenses	4,246	3,742
-----		
Total Expenses	11,087	9,150
-----		
Interest expenses	1,430	625
-----		
Income / (Loss) Before Provision for Income Tax	5,470	4,118
Provision for income taxes (prior year: income)	450	(377)
-----		
Net Income Current Year	5,020	4,495
-----		
EBITDA	9,085	6,173

Earnings per share	0.305	0.286
Fully diluted EPS	0.287	0.260
Basic average number of shares	16,464,176	15,717,566
Diluted average number of shares	17,663,780	19,875,809
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Number of employees including directors at the end of the year	36	36

The retained earnings statement is included as a separate paragraph in the Notes to the Consolidated Statements.

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Consolidated Statements of Cash flows for Fiscal 2007  
(in thousands of €)

	30 Sep 2007	30 Sep 2006
	-----	-----
	€000's	€000's
Cash flow from operations		
- Net income	5,020	4,495
- Depreciation and amortization	2,185	1,430
- Deferred taxes	(127)	(438)
	-----	-----
	7,078	5,487
Changes in operating assets and liabilities		
- Accounts receivable, trade	(700)	552
- Stocks	(12)	0
- Other current assets	480	483
- Other long term assets	10	(3)
- Deferred financing costs	252	(550)
- Accounts payable, trade	(585)	905
- Accruals	228	58
- Others	(136)	(69)
	-----	-----
Net cash generated from operating activities	6,615	6,863
	-----	-----
Cash flow from investing activities		
- Intangible assets / Programme rights	(19,199)	(14,370)
- Property, equipment and leasehold improvement	(44)	(107)
	-----	-----
Net cash used in investing activities	(19,243)	(14,477)
	-----	-----
Cash flow from financing activities		
- Bank overdraft and other loans	16,500	0
- Convertible bond	(11,554)	8,753
- Proceeds from issuance of share capital	8,220	125
- Purchase of own shares	(773)	0
	-----	-----
Net cash provided by financing activities	12,393	8,878
	-----	-----
Net increase / (decrease) in cash and cash equivalents	(235)	1,264
Cash and cash equivalents at beginning of period	1,648	384
	-----	-----

Cash and cash equivalents at end of period	1,413	1,648
	=====	=====

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Consolidated Statements of Stockholder's Equity for Fiscal 2007  
(in thousands of €)

	Common Stock	Additional Paid-In Capital	Reserve for Treasury Stock	Retained/ Earnings/ (Accumula- ted Deficit)	Other Compre- hensive Income/ (Loss)	Total Stock- holders' Equity
Balance at 30 September 2006	15,718	8,286	0	4,495	136	28,635
Net profit for the period from 1 Oct. to 30 Sep. 2007				5,020		5,020
Shares issuance July 2007 (net of expenses)	3,682	4,538				8,220
Reserve for own shares Foreign currency translation adjustment			773	(773)	(164)	0
Balance at 30 September 2007	19,400	12,824	773	8,742	(28)	41,711

-Ends-

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