

MANAGING DIRECTORS' REPORT

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EM.TV FINANCE B.V., RIJSWIJK MANAGING DIRECTORS' REPORT

The management herewith submits the Financial Statements for the year ended December 31, 2007.

Company profile

The main activity of EM.TV Finance B.V., Rijswijk, (the 'Company') is to provide financing services to the parent company.

On May 8, 2006, the Company issued a convertible bond on the capital market for an amount of EUR 87,750,000. The Bond bears a fixed interest of 5.25 % per annum and will be redeemed at its principal amount at May 8, 2013.

Organisation

The Company has its seat in Rijswijk and is managed by two directors. The Dutch managing director has been granted a power of attorney enabling him to represent the company singly in transactions regarding day to day management. The Company makes use of the personnel of a group company located in Rijswijk.

Financial risk management

As the proceeds of the convertible loan are one on one lent to EM.Sport Media Media AG (the 'parent company', formerly known as EM TV AG), the ability of the company to meet its obligations under the loan depends upon the payment of the principal and the interest due from the parent company. Therefore liquidity risk is limited to the equity of the company.

The interest rate on the loans to the parent company is 0.2835% (2006: 0.1411%) higher than the interest rate on the convertible loan. We furthermore refer to the paragraph financial instruments as specified in the notes to the balance sheet as at December 31, 2007 on page 12 of this report.

Result

During the year under review, the Company recorded a net profit of EUR 39,927 (2006: loss of EUR 98,400) which is set out in detail in the attached Profit and Loss account.

Subsequent events

No material subsequent events, affecting these financial statements, have occurred to date.

Future developments

The company intends to continue its operations as an inter group finance company for the foreseeable future. No substantial changes in the field of capital expenditures and financing are foreseen.

The financial statements are prepared in accordance with statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and the firm pronouncement's in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the company's management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Rijswijk, May 9, 2008

T.J. van Rijn

J. Stahmann

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EM.TV FINANCE B.V., RIJSWIJK

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A - Balance sheet as at December 31, 2007
(before result appropriation)

ASSETS		<i>December 31, 2007</i>		<i>December 31, 2006</i>	
		€	€	€	€
Fixed assets					
Long-term receivable from affiliated companies	1	87,548,075		87,592,740	
			87,548,075		87,592,740
Current assets					
Tax and social security charges	2	20,961		-	
Receivables from affiliated companies	3	3,656,166		3,560,347	
			3,677,127		3,560,347
Cash and cash equivalents	4		328,028		404,116
Total current assets			4,005,155		3,964,463
TOTAL ASSETS			91,553,230		91,557,203

EM.TV FINANCE B.V., RIJSWIJK

FINANCIAL STATEMENTS

A - Balance sheet as at December 31, 2007
(before result appropriation)

EQUITY & LIABILITIES		December 31, 2007	December 31, 2006
	€	€	€
Shareholder's equity			
Issued and paid-up capital	5	1 000 000	1,000 000
Share premium	6	-	-
Other reserves	7	(98,400)	-
Profit (Loss) for the period	8	39 927	(98,400)
		<hr/>	<hr/>
		941,527	901,600
Long term liabilities			
Convertible loans	9	87,548,075	87,592,740
Short term liabilities			
Trade accounts payable		8 867	12 555
Tax and social security charges	10	-	22,467
Other liabilities	11	3 054 761	3 027 841
		<hr/>	<hr/>
Total short term liabilities		3,063,628	3 062 863
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TOTAL EQUITY & LIABILITIES		91,553,230	91,557 203

EM.TV FINANCE B.V., RIJSWIJK

FINANCIAL STATEMENTS

B - Profit and loss account for the period 2007

		2007	March 14 2006 - December 31 2006
	€	€	€
Other operating income	12	-	2,540 386
Total operating income		-	2 540 386
Other operating expenses	13	(142 857)	(164,422)
Total operating expenses		(142,857)	(164,422)
Operating result		(142,857)	2,375 964
Income from other investments and long term loans	14	4,801,933	3,079 141
Other interest and similar income	15	1,227	7,655
Interest and similar charges	16	(4 588 528)	(5,538,693)
Total financial income and expenses		214,632	(2,451,897)
Income from normal operations before taxes		71,775	(75,933)
Taxes on result operating activities	17	(31,848)	(22 467)
Result after taxes		39,927	(98,400)

EM.TV FINANCE B.V., RIJSWIJK

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C - Cash flow statement for the period 2007

	2007		March 14, 2006 - December 31, 2006	
	€	€	€	€
Receipts from EM Sport Media AG	-		2 068 750	
Payments to EM Sport Media AG	-		(100)	
Payments to creditors	(142,907)		(2,672.289)	
		(142,907)		(603.639)
Interest paid	(4,598,245)			
Corporate income taxes paid	(58,374)			
Interest received	4,723,438		7,655	
		66,819		7,655
Cash flow from operating activities		(76,088)		(595.984)
Received convertible loan	-		87,750,000	
Investments in financial fixed assets	-		(87,750.000)	
Cash flow from investing activities		-		-
Paid-up share capital	-		982,000	
Cash flow from financing activities		-		982,000
Net Cash Flow		(76.088)		386.016
Exchange differences		-		-
Movement in cash		(76,088)		386,016

D - Notes to the balance sheet and profit and loss account**I General****I.I Organisation**

EM.TV Finance B.V. seated in Rijswijk, the Netherlands was incorporated on March 14, 2006 as a private company with limited liability (Besloten Vennootschap).

As a 100% subsidiary of EM Sport Media AG (formerly known as EM.TV AG), the figures of EM TV Finance B.V. are included in the consolidated financial statements of EM Sport Media AG

Transactions with related parties are appointed as such in the notes to the financial statements as at December 31, 2007

I.II Objectives of the company

According to article 3 of the Articles of Association of the company the objects of the company are:

- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with the aforementioned;
- to render guarantees, to bind the company and to pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties;
- to finance businesses and companies; and
- to trade in currencies, securities and items of property in general as well as everything pertaining the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

II Principles for the valuation of assets and liabilities**II.I General**

The financial statements are prepared in accordance with the statutory provisions of Part 9, Book 2. of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board


Insofar as not stated otherwise, assets and liabilities are shown at nominal value

The income and expenses are accounted for in the period to which they relate

II.II Translation of foreign currencies

The reporting currency in the financial statements of EM TV Finance B.V. is the euro (EUR; €).

Assets and liabilities expressed in foreign currencies have been translated into Euros at the exchange rate prevailing at the balance sheet date. Foreign currency transactions have been converted at exchange rates approximating those at the time of the transactions. The resulting exchange differences have been recognised in the Profit and Loss account



D - Notes to the balance sheet and profit and loss account**II.III Notes to the cash flow statement**

The cash flow statement has been prepared applying the direct method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks.

Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

II.IV Financial instruments

Management has the option to apply fair value accounting on financial instruments or to perform certain disclosures on the fair value of financial instruments. The management board has chosen not to apply fair value accounting on financial instruments. Therefore the applicable fair value disclosures have been included in the notes to the balance sheet and profit and loss account.

II.V Receivables and other assets

If there are doubts concerning the collectibility of outstanding receivables, the receivables in question are stated at their lower realisable value.

III Principles for the determination of the result**III.I Revenue accounting**

The annual income has been calculated by reducing the turnover with the operational charges over the same period of time.

Income and charges relating to the financial year have been included in the annual accounts, irrespective of whether they have led to receipts or expenditure in that year.

Profits are only shown to the extent they have been realised on the balance sheet date.

Losses and risks originating prior to the end of the financial year are taken into account if they became known prior to the drawing up of the annual accounts.

III.II Taxation on result

Taxes are calculated on the result, taking into account the tax facilities.

D - Notes to the balance sheet and profit and loss account**IV Financial instruments****IV.I Market risk***Currency risk*

A currency risk exists on particular wherever there are claims or liabilities in a currency other than that applied in the annual financial statements. Foreign exchange fluctuations may change the value in the Euro currency used in the financial statements. In the view of the fact that the development of other currencies in terms of the Euro can not be predicted, additional earnings effects may also arise from the aforesaid in future

Price risk

The Company's price risk is limited as the convertible loan issued by the Company has been one on one used to finance the loan to group companies. As a result a natural hedge has been obtained.

IV.II Interest rate risk

The Company's exposure to interest rate risk on interest-bearing receivables (mainly taken up in financial fixed assets and receivables) and interest-bearing long-term and current liabilities is limited as the convertible loan issued has a fixed interest rate, which loan has been one on one used for financing the loan to group companies. It has been agreed that the interest rate cannot be fixed below the rate of the convertible bonds. As a result a natural hedge has been obtained.

IV.III Credit risk

EM Sport Media AG issued a guarantee to the bond creditors both for the relevant interest payments and also for the ultimate repayment. In the event of a conversion taking place, the repayment claim in connection with the loan lapses for the amount of the bonds converted into shares of EM.Sport Media AG

We furthermore refer to the paragraph financial instruments as specified in the notes to the balance sheet as at December 31, 2007 on page 12 of this report



EM.TV FINANCE B.V., RIJSWIJK**FINANCIAL STATEMENTS****E - Notes to the balance sheet as at December 31, 2007****FIXED ASSETS****Financial Fixed assets****1. Long-term receivable from affiliated companies**

This represents a loan issued to EM.Sport Media AG on May 8, 2006 and is valued at nominal value. The interest rate was 5.3911 percent p.a. until May 7th, 2007 and was increased to 5.5335 percent p.a. afterwards. The loan has a term of seven years. Interest on this loan is due yearly at first on May 8, 2007. The movement can be specified as follows:

	2007	2006
	€	€
Balance as at January 1 (March 14 2006)	87,592,740	-
Issued loan	-	87,750,000
Transfer, due to executing convertible rights	(44,665)	(157,260)
	<hr/>	<hr/>
Balance as at December 31	87,548,075	87,592,740
	<hr/>	<hr/>

CURRENT ASSETS**2. Tax and social security charges**

	December 31, 2007	December 31, 2006
	€	€
Value added taxes	16,902	-
Corporate income tax	4,059	-
	<hr/>	<hr/>
	20,961	-
	<hr/>	<hr/>

3. Receivables from affiliated companies

Accrued interest on the loan issued to EM Sport Media AG	3,158,861	3,079,141
Additional emission costs to be invoiced to EM.Sport Media AG	471,636	471,636
Service fee to be invoiced to EM.Sport Media AG	25,669	9,570
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	3,656,166	3,560,347
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All receivables are due within one year.

EM.TV FINANCE B.V., RIJSWIJK

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E - Notes to the balance sheet as at December 31, 2007

4. Cash and cash equivalents

All cash balances are available on demand.

	December 31, 2007	December 31 2006
€	€	
ING Bank current-account	328,028	404,116

SHAREHOLDER'S EQUITY

5. Issued and paid-up capital

The company authorised share capital, consisting of 1,000 shares with a nominal value of € 1,000 amounts to € 1,000,000. A total of 1,000 shares has been issued and fully paid-up. All shares are held by EM Sport Media AG

Balance as at January 1 (March 14 2006)	1,000,000	18,000
Issued and paid-up shares (982 shares € 1 000 nominal each)	-	982,000
Balance as at December 31	1,000,000	1 000 000

6. Share premium

Balance as at January 1 (March 14, 2006)	-	-
Cash contribution	-	1,000,000
Cash withdrawal	-	(1,000,000)
Balance as at December 31	-	-

7. Other reserves

Balance as at January 1 (March 14 2006)	-	-
Result appropriation previous year	(98,400)	-
Balance as at December 31	(98,400)	-

8. Profit (Loss) for the period

To be transferred to the other reserves of the company after result appropriation

E - Notes to the balance sheet as at December 31, 2007

LONG TERM LIABILITIES

9. Convertible loans

EM.TV Finance B.V. issued a 5.25% convertible bond 2006/2013 with a total nominal value of € 87,750,000 by May 8, 2006. The 5.25% convertible bond 2006/2013 guaranteed a conversion right on a total of 15,000,000 bearer shares in EM Sport Media AG with a pro rata amount of the subscribed capital equivalent to € 1.00 per share. The issue price which is equivalent to the nominal amount and the initial conversion price amounts to € 5.85 for each convertible bond. The interest rate is equivalent to 5.25% p.a.

The issue proceeds from the convertible bond were used by EM TV Finance B.V. to make a long-term loan available to EM Sport Media AG. EM Sport Media AG issued a guarantee to the bond creditors both for the relevant interest payments and also for the ultimate repayment. In the event of a conversion taking place, the repayment claim in connection with the loan lapses for in the amount of the bonds converted into shares of EM Sport Media AG.

The fair value amounted to € 75,725,343 based on the stock market price for € 5.06 per bond on the balance sheet date.

In 2007 after executing convertible rights, a total of 7,635 (2006: 26,882) shares were issued with a pro rata share in the conditional capital 2005 / I, with the result that 14,965,483 convertible bonds were still outstanding on the balance sheet date which entitle the purchase of an equal number of shares.

The following securities were granted to the creditors of the convertible bond:

- The assignment of all claims by EM.TV Finance B.V. in connection with the loan to EM Sport Media AG;
- A guarantee of EM Sport Media AG for the outstanding amount plus accrued interest.

Interest of the outstanding convertible loan is due yearly on May 8 until it is repaid or converted in full.

The movement of the long term liabilities can be specified as follows:

	2007	2006
	€	€
Balance as at January 1 (March 14 2006)	87,592,740	-
Issued convertible bond	-	87,750,000
Executed convertible rights	(44,665)	(157,260)
Balance as at December 31	<u>87,548,075</u>	<u>87,592,740</u>

SHORT TERM LIABILITIES

10. Tax and social security charges

	December 31, 2007	December 31 2006
	€	€
Corporate income tax	-	22,467

E - Notes to the balance sheet as at December 31, 2007

11. Other liabilities

	December 31, 2007	December 31, 2006
€	€	
Accrued interest on convertible loan	2,988,590	2,998,308
Audit and consulting fees	52,671	15,900
Administrative costs	5,000	7,324
Management services	8,500	5,000
Service fee and rent office space	-	1,309
	<u>3,054,761</u>	<u>3,027,841</u>

Financial instruments

Financial instruments valued at nominal value

The table below shows financial instruments whose market value differs from nominal value.

	December 31, 2007		December 31, 2006	
	Market value	Book value	Market value	Book value
€	€	€	€	€
<i>Financial fixed assets</i>				
Loan to group company	Not available	87,548,075	Not available	87,592,740
<i>Long-term liabilities</i>				
Convertible loan issued	75,725,343	87,548,075	87,443,000	87,592,740

Financial fixed assets

The market value of the loan to the group company is unknown.

Long-term liabilities

The market value of the convertible bond as of December 31 2007 amounts to € 5.06 per bond being a total of € 75,725,343.

F - Notes to the profit and loss account for the period 2007

12. Other operating income

	2007	March 14 – December 31 2006
	€	€
Fee convertible loan	-	2,540,386

This is the fee charged to EM Sport Media AG for placing the convertible loan.

13. Other operating expenses

Management services	23,228	52,294
Audit and consulting fees	54,849	64,810
Administrative costs	23,471	28,043
Handling costs convertible loan	26,667	-
Rent and lease expense	13,115	12,393
Other	1,527	6,882
	<u>142,857</u>	<u>164,422</u>

14. Income from other investments and long term loans

Interest on the loan issued to EM Sport Media AG	<u>4,801,933</u>	<u>3,079,141</u>
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15. Other interest and similar income

Interest on banks	<u>1,227</u>	<u>7,655</u>
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16. Interest and similar charges

Interest on convertible loan	4,588,528	2,998,307
Costs applied to EM Sport Media AG concerning the placing of the convertible bond loan	-	2,540,386
	<u>4,588,528</u>	<u>5,538,693</u>

Employees

No employees were employed by EM TV Finance B V during 2007 (2006: 0).

EM.TV FINANCE B.V., RIJSWIJK

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F - Notes to the profit and loss account for the period 2007

17. Taxes on result operating activities

	2007
	€
Corporate income tax on the year	31,848

The calculation of the taxable amount can be specified as follows:

Commercial result	71 775
Difference between actual interest calculated and APA interest	43,400
Costs not accepted (above accepted maximum)	17 857
Taxable income based on APA (Advanced Pricing Agreement)	133,032

The calculation of the corporate income tax charged can be specified as follows:

Taxable income	133,032
20 00% x € 25 000	5,000
23 50% x € 35 000	8,225
25 50% x € 73,030	18,623
Corporate income tax to be paid	31 848

Signature of the Financial Statements

Rijswijk May 9 2008

T J van Rijn

J. Stahmann

OTHER INFORMATION

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OTHER INFORMATION**I - Provisions in the articles of association governing the appropriation of result**

Under article 21 of the Company's articles of association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate said profit either wholly or partly to the formation of - or addition to - one or more general or special reserve funds.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

II - Result appropriation 2006

The appropriation of the result from the period March 14, 2006 up to and including December 31, 2006 has been adopted in accordance with the proposal in the annual accounts on this period. It is proposed that the result of minus € 98,400 is deducted from the other reserves. This proposal has been incorporated in the annual accounts.

III - Proposal for result appropriation

The board of directors proposes that the result for the financial year 2007 amounting to € 39,927 will be added to the other reserves.

IV - Auditor's report

The auditor's report is set forth on the following page



To the General Meeting of Shareholders of EM.TV Finance BV

PricewaterhouseCoopers
Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
P.O. Box 90357
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The Netherlands
Telephone +31 (20) 568 66 66
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Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2007 of EM.TV Finance BV, Rijswijk as set out on pages 2 to 14 which comprise the balance sheet as at 31 December 2007, the profit and loss account for the year then ended and the notes.

The directors' responsibility

The directors of the company are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management directors' report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

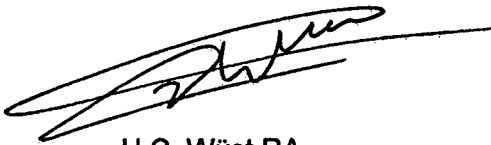
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of EM.TV Finance BV as at 31 December 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management directors' report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 9 May 2008
PricewaterhouseCoopers Accountants N.V.



H.C. Wüst RA