

Jetix Europe N.V.

Financial Report 2009

**Bergweg 50,
1217 SC Hilversum,
The Netherlands**

Financial Statements

Balance sheet as at September 30 2009	2
Notes to the financial statements	3

Jetix Europe N.V. Company balance sheets

(before proposed appropriation of net loss)

	Notes	September 30, 2009		September 30, 2008	
		€'000	€'000	€'000	€'000
Assets					
Fixed assets					
Investment in subsidiaries	4		479,779		480,650
Current assets					
Receivables and other current assets	5	1,280		6,588	
Cash at bank and in hand	6	7,201		4,277	
			8,481		10,865
Total assets			488,260		491,515
Liabilities and shareholders' equity					
Shareholders' equity					
Share capital	8	21,309		21,309	
Treasury Shares		(1,517)		-	
Share premium		481,093		481,090	
Retained losses before result		(14,684)		(11,564)	
Net loss for the year		(3,791)		(3,120)	
			482,410		487,715
Current liabilities	9		5,850		3,800
Total liabilities and shareholders' equity			488,260		491,515

The notes on pages 3 to 7 are an integral part of these Company financial statements.

Notes to the Company Balance Sheets

1 General

1.1 Operations

Jetix Europe N.V. (the 'Company') was incorporated in the Netherlands in 1999 and holds investments in other Group companies.

1.2 Group Structure

Jetix Europe N.V. is a member of the Walt Disney Group. The ultimate parent company of this group is The Walt Disney Company Inc. ("Disney"), a company incorporated in the United States of America. The financial statements of Jetix Europe N.V. are included in the consolidated financial statements of Disney. Copies of the consolidated financial statements of Disney are available to the public and can be obtained from the offices of Jetix Europe N.V.

On December 8 2008, Disney announced its intention to acquire the remaining shareholding in Jetix Europe N.V. Disney currently has a shareholding of 99.96% and Jetix Europe N.V. was delisted from the Euronext Stock Exchange on February 27 2009.

Since Jetix Europe N.V. qualifies as a small company, the Company's intermediate holdings have not been consolidated, pursuant to section 408 of Book 2 of the Dutch Civil Code.

2 Accounting policies for the balance sheet

2.1 General information

The financial statements have been 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. The financial statements are denominated in Euros.

In general, assets and liabilities (except for equity) are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet and the income statement include references to the notes.

The accounting policies have been consistently applied to all the years presented.

2.2 Foreign currencies

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

2.3 Financial assets

Financial asset investments are shown at cost less any provision for impairment.

Notes to the Company Balance Sheets

2.4 *Receivables*

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

2.5 *Accounts Payable*

Accounts payable are recognized initially at fair value based on the amounts exchanged.

3 **Accounting policies for the income statement**

3.1 *General information*

Profit or loss is determined as the difference between the realizable value of the services rendered, and the costs and other charges for the year. Gains or losses on transactions are recognized in the year in which they are realized; losses are taken as soon as they are foreseeable.

3.2 *Exchange differences*

Exchange differences arising upon the settlement of monetary items are recognized in the income statement in the period that they arise.

3.3 *Revenue*

Revenue comprises the fair value of the consideration received or receivable for the providing of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts.

3.4 *Selling expenses, and general and administrative expenses*

Selling expenses, and general and administrative expenses comprise costs chargeable to the year that are not directly attributable to the services provided.

3.5 *Employee benefits*

(1) Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

3.6 *Income tax expense*

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years, tax-exempt items, and non-deductible expenses.

Notes to the Company Balance Sheets

4 Investment in subsidiaries

An overview of the movements in the financial fixed assets is given below:

	September 30, 2009	September 30, 2008
	€'000	€'000
Opening Balance	480,650	480,650
Investment in Poland N.V.	52,760	-
Share Premium Receipt	(53,631)	-
Closing Balance	<u>479,779</u>	<u>480,650</u>

Subsidiary undertaking and joint ventures	Country of incorporation	Principal activity	Equity interest
Jetix Poland N.V.	Isle of Man	Holding Company	100%
Jetix Europe Properties S.a.r.l	Luxemburg	Treasury	100%

During the period, the Company acquired at 100% holding interest in Jetix Poland N.V. As a result of the transaction, it received a distribution of share premium from Jetix Europe Properties S.a.r.l.

5 Trade, other and related party receivables

	September 30, 2009	September 30, 2008
	€'000	€'000
Other receivables, prepayments and accrued income	21	32
Trade receivables due from Group undertaking	1.259	6.556
Total receivables	<u>1.280</u>	<u>6.588</u>

6 Cash at bank and in hand

Cash consists of cash on hand and marketable securities with original maturities of three months or less.

7 Share capital

	Priority shares	Ordinary shares Number	Treasury Shares	Total Number
At September 30, 2008	100	85,234,878	-	85,234,978
Shares issues	-	357	-	357
Conversion of priority shares to ordinary shares	(100)	100	-	-
Treasury Shares	-	-	(137,924)	(137,924)
At September 30, 2009	-	85,235,335	(137,924)	85,097,411

The authorised share capital of the Jetix Europe N.V. as at September 30, 2009 amounts to €87,500,000 and consists of 350,000,000 ordinary shares with a nominal value of €0.25 each. During the year as a result of the acquisition of the remaining outstanding shares by Disney, the priority shares were converted into ordinary shares. In addition, Jetix began the process of purchasing its own stock in the open market resulting in 137,924 treasury shares.

Notes to the Company Balance Sheets

The share premium reserve represents the difference between the market price at the date of issue and the nominal value of the shares issued.

8 Shareholders' equity

The movement in shareholders' equity is as follows:

	Share capital	Treasury Shares	Share premium	Retained (losses)/ earnings	Result for the year	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance October 1, 2007	21,302	-	480,807	(7,949)	(3,615)	490,545
Appropriation of 2008 result	-	-	-	(3,615)	3,615	-
Loss for the period	-	-	-	-	(3,120)	(3,120)
Shares issued	7	-	283	-	-	290
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Balance September 30, 2008	21,309	-	481,090	(11,564)	(3,120)	487,715
Appropriation of 2009 result	-	-	-	(3,120)	3,120	-
Loss for the period	-	-	-	-	(3,791)	(3,791)
Treasury Shares	-	(1,517)	-	-	-	(1,517)
Shares issued	-	-	3	-	-	3
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Balance September 30, 2009	21,309	(1,517)	481,093	(14,684)	(3,791)	482,410

9 Current liabilities (due within one year)

	September 30, 2009	September 30, 2008
	€'000	€'000
Amounts payable to Group companies	5,850	3,378
Accruals	-	422
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	5,850	3,800

Notes to the Company Balance Sheets

9 Employment benefit expenses

	2009	2008
	€'000	€'000
Wages and salaries	121	117
Group pension costs	1	2
Total employment benefit expenses	122	119

The above employee benefit expense is included in general and administrative expenses. There were no employees during the year (2008: one).

10 Directors and Supervisory Directors

The Company had two directors at the year ended September 30, 2009 (2008: nine). The Company uses the exemption under Article 383 Sub 1, Title 9, Book 2 of the Dutch Civil Code and accordingly the directors' remuneration is not disclosed. The Company had five supervisory directors.

11 Other information

Profit appropriation according to the Articles of Association

According to article 19, paragraph 2 of the Articles of Association the profit for the year is at the free disposition of the General Meeting of Shareholders.

Proposed loss appropriation

The directors propose to add the loss for the year of €3.8 million to the retained earnings.

Place: United States of America

Date: 20 April 2010


Giorgio Stock

Notes to the Company Balance Sheets

Other information

Appropriation of result according to the Articles of Association

According to article 31 of the Articles of Association the result for the year is at the free disposal of the General Meeting of Shareholders. The holders of priority shares are entitled to a dividend distribution of 5% of the par value of these shares, provided the Company has sufficient distributable reserves.

Proposed loss appropriation

The management Board proposes that the loss for the year be added to the retained losses.