



JETIX EUROPE N.V.

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PRESS RELEASE

JETIX EUROPE N.V. ANNOUNCES RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

- Revenue increased 2%¹ to €166.4 million
- EBITDA² increased 11% to €69.4 million
- Operating profit up 33% to €24.5 million
- Net profit attributable to shareholders increased €13.9m to €37.3 million
- Diluted earnings per share up 16.3 cents to 43.9 cents per share
- Channel subscribers increased 3.7 million to 50.5 million households
- Operating cash flow increased €9.5 million to €26.4 million

Amsterdam, The Netherlands and London, UK – Jetix Europe N.V. (Jetix Europe or the Company, “we”, “our”) (AMEX: JETIX; Reuters JETIX.AS; Bloomberg: JETIX.NA), a leading pan-European integrated kids’ entertainment company, today announced its financial results for the year ended September 30, 2007. Revenue increased 2%, compared with the year ended September 30, 2006, to €166.4 million and net profit attributable to shareholders increased €13.9 million to €37.3 million. Subscribers increased by 3.7 million to 50.5 million households in 58 countries as at September 30, 2007.

¹ All comparisons and percentage changes are stated versus the year ended September 30, 2006.

² Consistent with prior years, EBITDA is operating profit stated before programme amortisation, impairment, depreciation, interest and tax.

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Paul Taylor, Chief Executive Officer, said "I am pleased we are announcing another set of good results today. Our continued focus on our long term strategic objectives has delivered strong growth in our profits, with increases in both EBITDA and operating profit in all of our divisions. Throughout this year we have concentrated on putting in place the key assets that will drive the business forward in the future.

We are committed to creating the very best content for our audience. This took a big step forward with the appointment of Marc Buhaj, who joined us in April as Senior Vice-President of Programming. He has already reviewed our development slate, and is increasing our focus on compelling story telling, which allows us to create strong, powerful characters. These characters will engage with our audience, and help us to build the long-term franchises that are at the heart of our success.

We have continued to strengthen our ties with The Walt Disney Company (Disney), our Jetix alliance partner. We are developing some strong new series together, and we have been pleased by the on-air performance of the latest series from Disney's Jetix Animation Concepts, *Yin Yang Yo!*. Alongside our animation co-productions, we are also piloting live action concepts, which will help us to develop and broaden our appeal.

This closer co-operation has been enhanced by the decision to air Disney's flagship property *High School Musical* on Jetix in selected markets. We have been pleased to air this global hit in the Netherlands, Hungary, the Czech Republic and Israel. Following these successes, we have continued to look for programming synergies with Disney shows such as *Lilo and Stitch* and *Kim Possible* airing on Jetix channels in markets where our brand positioning can maximise their impact.

I am also pleased with the continuing development of our new franchises. Following their strong performance on our channels, we have had good sales of *Pucca* and *Yin Yang Yo!* to free-to-air broadcasters across Europe and beyond. The wider reach of free-to-air channels will expose these brands to a broader audience, allowing our consumer products division to build on their popularity. These brands will complement the ongoing success we have with *Power Rangers*, which has had another good year.

Engaging with our audiences across the expanding range of digital media is increasingly important for our business. This year we have reorganised our digital division, and hired a new executive to spearhead our push into these markets. We have developed plans to significantly increase our investment in this area, and next year should see the transformation of our online presence, as well as new content being commissioned specifically for digital distribution.

This is the first year that Jetix has returned funds to shareholders, with a €50 million distribution out of share premium completed in August. Whilst we do not expect this to be a regular event, it is a sign of the continued strength of the business, and follows from the strong cash flow we have been able to achieve in recent years.

Whilst there are certainly short term challenges ahead, I believe that the investments we are making will allow us to compete effectively in the future, and to build upon our current strong market position."

Dene Stratton, Chief Financial Officer, said "Our double digit EBITDA and operating profit growth reflect management's continuing attention to controlling costs, in light of slower revenue growth during the year. We also delivered strong operating cash flow growth, up €9.5 million to €26.4 million during 2007."

OPERATING REVIEW

Channels and Online

- Over 50 million subscribers across Europe and the Middle East
- Major distribution deals renewed in UK, Israel, Poland and Turkey
- Talks with Canalsat in France reopened. Carriage extended to March 2008
- Creation of expanded digital department to drive online and mobile
- Broadband video player rolled out to new markets

This year we have continued to expand the range of media and distribution channels through which our viewers can receive our content. We have increased the number of households that receive our channel through our traditional distribution, direct-to-home satellite and cable operators. Alongside this we are distributing our linear channel through online and mobile partners, and we are repackaging our content for a variety of online, video-on-demand (VOD) and mobile services. We will continue to reach out to our viewers through whatever channels they choose, ensuring they can access our content whenever and wherever they want.

We have grown our subscribers by 8%, to 50.5 million households. Whilst we have seen increases in most territories, the notable highlights were growth across our Eastern European feeds, and a strong performance in France and Spain. Our Central and Eastern European feed (CEE) grew by over a million subscribers, driven by growth in Russia, whilst a strong performance by Polsat helped our Poland feed grow by over 25%. Our Hungary / Czech / Slovak feed also grew strongly, with increases in all of its markets. In France, improved tiering within a cable operator and continued growth from Canalsat helped subscribers increase by 15%, and in Spain we benefited from the merger of cable operators ONO and AUNA when we secured carriage on their combined network.

We have continued our expansion in Eastern Europe with the launch, just after the period end, of a Bulgarian language channel. This is the first kids channel in Bulgaria to broadcast in the local language and has allowed us to secure our Bulgarian distribution, both through extending current deals, and signing a number of new cable deals.

We saw declines in our subscribers in Germany and the UK. In Germany, our channel is exclusive to Premiere, where the loss of key football rights has had an impact, and in the UK we have been affected by a re-tiering on Virgin Media.

Overall subscription revenue grew by 4%. The rate of revenue growth was lower than subscriber growth, as subscriber growth is higher in Eastern Europe, where subscription rates are typically lower than in Western European markets.

We remain one of the most widely distributed kids' channels in Europe and the Middle East. At the period end we were broadcasting in 18 languages to 58 countries through our 15 channel feeds. The launch of our Bulgarian feed after the period end increases the number of languages we broadcast in to 19.

We have renewed a number of our major channel distribution deals during the year. In the UK, we have a new deal with Virgin Media; in France we have secured distribution on the enlarged Numericable cable system, following its acquisition of Noos; and in Israel, we have renewed our deal with Hot. We have also negotiated a new long term deal with Polsat in Poland, and a new multi-year deal with Digiturk in Turkey. Other deals have been agreed to in Spain, Scandinavia and across Eastern Europe.

We have reopened negotiations with Canalsat in France to continue their distribution of our channel. We have agreed to a short term carriage extension, which secures distribution to March 2008, in order to allow time to negotiate a long term deal.

Advertising revenue grew in Italy and Poland, but this was more than offset by declines elsewhere. The gain in Italy was driven by a strong performance from the core Jetix branded channel, and in Poland a substantial improvement in the Jetix channel performance, where we have built on our number one position, was reflected in strong revenue growth. In the Netherlands our spot advertising declined, as competition remained strong, however we are moving to focus on a total communications solution, which complements on-air advertising with other promotions. A good example of this was a Jetix supermarket promotion, which rewarded shoppers with free Jetix branded product. Almost 30 million branded marbles were given away, and Jetix benefited from both on-air advertising of the promotion, and the in-store and on-going brand exposure from the branded products. In the UK, the most crowded kids market in Europe, competitive pressure was reflected in reduced advertising levels.

We have created a new digital department to drive our expansion into this developing sector. This department will build on our online presence, and tailor our programming and product offering on new distribution platforms. We are expanding the resources we devote to this area, and for the first time we are beginning to develop content exclusively for the digital market, as well as increasing our investment in online games.

Our online presence has developed this year, both through the continued roll-out of our online broadband video service and through improved games and applications. Our broadband video service is now in seven markets, with a video-clips service in the UK, Germany, Italy and Israel, and a service which includes full-length episodes in the Netherlands, Spain and Poland. The popularity of our VOD player remains high, and we have reached over 1 million initiated streams per month. Our online game supporting the launch of *Oban Star-Racers* proved particularly popular, with over 4 million game plays to date. The game also provided effective marketing, with over 70% of players recommending the game to their friends.

We continue to reach out to our audience through new technologies. The delivery of our linear channel through IPTV systems has become increasingly popular, and we have deals in almost all of our markets. Interest in VOD, where we make our programming available as individual episodes through a distributor, is also growing rapidly. So far, we have succeeded in securing deals in the UK, France, Spain, Germany, Israel and Switzerland. These systems often allow greater flexibility in how our content is viewed, and allow kids to choose when to watch, and whether to watch on television or online. We are also beginning to distribute our channel, as well as individual programmes, to mobile phones. We have secured deals to include our channel as part of a bouquet of mobile channels in France, Spain, Germany and Israel; and in Spain and Israel we have been distributing either individual programmes, or franchise related content via our mobile partners.

Programme Distribution

- Strong sales from core properties
- US sales continue with new series of *Pucca*
- Six new series commissioned or acquired
- 144 new episodes delivered
- Programme pipeline of 124 episodes

Overall our programme distribution division improved on its performance from fiscal year 2006. The majority of the revenue is generated by the sale of Jetix's programming to third-party free-to-air and cable broadcasters, serviced by Disney-ABC International Television (DAIT), formerly Buena Vista International Television. These sales have been complemented this year by the sale of *Pucca* to our Jetix alliance partner in the US, as well as the commissioning of a local production from Jetix Israel.

Our third-party programme sales have been driven by our major co-productions, which again proved popular. *Power Rangers* was our biggest selling property, closely followed by *W.I.T.C.H.*, *A.T.O.M. Alpha Teens on Machines* and *Yin Yang Yo!*. Our other Jetix led co-productions, *Oban Star-Racers* and *Pucca*, also performed well. These core properties continue to be in demand, as

they deliver strong on-air performances, with all of these programmes ranking as one of the top two shows in their timeslots in all of the markets in which they aired.

We have continued to work closely with our Jetix alliance partner, Disney ABC Cable Networks Group. We have delivered the first series of *Pucca*, which has been performing well on-air in the Jetix block on Toon Disney. Following this success they have acquired the second series, which will be delivered next year.

In Israel we have leveraged our local production expertise to create a new daily drama, targeted at an older audience. This is our first in-house Israeli production commissioned by a third party broadcaster, and following its initial success a second series has been ordered.

During the year we have secured six new series, made up of 175 new episodes. We have continued to produce content with our Jetix alliance partner, commissioning a further series of *Power Rangers*, and a second season of *Yin Yang Yo!*. We have also entered into a new co-production with SIP Animation in Paris. *Combo Ninos* is set in an ancient Latin American city and follows the adventures of four kids with secret superpowers. Accompanied by Latin rhythms, they transform into animal inspired superheroes and use their magic powers to protect the city. We acquired *Urban Vermin*, a new action-comedy from Decode Entertainment, and *Iggy Arbuckle*, a quirky adventure comedy from Blueprint Entertainment. We also acquired the second season of *Captain Flamingo* from Breakthrough Entertainment, building on the success of the first series on our channels.

During the period we have taken delivery of 144 new episodes. These episodes have come from all of our major sources of programming. We have had episodes delivered from two Jetix alliance co-productions, *Power Rangers* and *Yin Yang Yo!*, from our Jetix Europe led co-productions *A.T.O.M. Alpha Teens on Machines* and *W.I.T.C.H.*, and from our acquired series' *Tutenstein*, *Captain Flamingo*, *Urban Vermin* and *Iggy Arbuckle*.

At the end of the period we had 124 episodes in production, up from 93 at the end of the fiscal year 2006.

Consumer Products

- Strong underlying performance of *Power Rangers*
- Master toy license sold for second series of *A.T.O.M. Alpha Teens on Machines*
- *Pucca* continues to perform well, particularly in France
- Strong home entertainment sales from *Power Rangers*
- Consumer products rights secured on major new series

Jetix Europe continues to maximise its consumer products revenue through a two-tiered strategy. *Power Rangers*, our most successful franchise, is outsourced to Disney Consumer Products (DCP), where it benefits from DCP's scale and global presence. Our wide range of other properties are represented by our in-house merchandising and home entertainment teams, through Jetix Consumer Products (JCP).

Our consumer products division has continued to perform well. However, reported revenue has declined as we have changed the terms of Jetix's contract with DCP. In prior years, DCP was Jetix's agent, with revenue being recorded gross and DCP's commission being recorded as an expense. This year, DCP has become Jetix's licensee, and Jetix's revenues are recorded net of DCP's share of revenue. This does not change the economics of the relationship, but allows DCP to include *Power Rangers* in a much wider range of relationships than before. This change was phased in during the first half of fiscal 2007.

Power Rangers, through DCP, has again performed strongly this year. Adjusting for the change in contract discussed above, *Power Rangers* revenues grew by over 15%. The UK remained the most important market, but strong growth was again seen in Italy and Germany as DCP continued to expand the *Power Rangers* presence in these markets. The master toy license with Bandai

also did well, materially contributing to growth, whilst in non-toy categories, apparel was a notably strong performer, particularly in the UK and Italy. The number of licensees also grew substantially as we benefited from the change in our contractual relationship, which allows DCP to negotiate deals which include *Power Rangers* alongside other properties they represent.

JCP has had another successful year with Hasbro, securing a further master toy license for the second series of *A.T.O.M. Alpha Teens on Machines*. As announced in our interim results, this is a material contract for JCP, and as we are not currently planning further series we are not expecting this revenue to recur in fiscal 2008.

JCP's merchandising division has had a good year, with revenue growth driven by a strong performance from *Pucca* and the *Jetix* brand. *Pucca* has performed particularly well in France and, following this success, licensees are looking to expand their representation into other markets. Stationery and fashion remain the most popular *Pucca* categories. We have expanded our *Jetix* brand franchise with the launch of new *Jetix* branded magazines in Italy and Poland, adding to the *Jetix* magazines in the UK, Netherlands and Spain, as well as our two non-*Jetix* branded titles.

Our home entertainment division has maintained its revenue after last year's growth, driven by the continued success of *Power Rangers*. We brought most of the *Power Rangers* home entertainment rights in-house in 2006, and have since seen deals in over 20 markets, with a notably strong performance in Italy and France. In Italy, we secured a successful promotion with the sports newspaper *La Gazzetta dello Sport*, which helped to distribute over 400,000 DVDs. Our performance in Central and Eastern Europe has also been a highlight, with strong sales growth following our appointment of a dedicated sales executive to serve this region. This capitalises on the increasing popularity of our channels in these markets.

We have secured the consumer products rights or entered into agency agreements for all of the six new series which we acquired or began producing this year.

FINANCIAL REVIEW

Revenue

Revenue increased 2% to €166.4 million. Channels and online revenue increased 2% to €122.9 million, with subscription revenue increasing 4% to €80.6 million offset by advertising revenue decreasing 6% to €37.3 million. Other channel and online revenue, including live events, research and interactive, was up €1.8 million at €5.0 million. The primary drivers of the improvement in channels and online revenue were an increase in the number of subscribers, partially offset by the full year impact of the price reduction in the Sky deal for the UK channel signed in the prior year. Advertising revenues decreased, notably in the UK and The Netherlands, offset by increased advertising in Italy and Poland.

Programme distribution revenue increased 11% to €21.0 million. The increase is primarily the result of a programme sale in Israel, partially offset by the appreciation of the Euro versus the US dollar as distribution sales are predominately US dollar based.

Consumer products revenue was €22.5 million, a decrease of €1.1 million. The decrease was due to the change in recording DCP *Power Rangers* revenue on a net basis³. Total consumer products revenue would have increased 10% had revenue been recognised on a consistent basis with the prior year, with both DCP *Power Rangers* and JCP gross revenues increasing year on year.

³ Reported revenue was unfavourably impacted by a change in our *Power Rangers* representation contract with DCP, which resulted in revenue being recorded net of DCP's share of revenue. Measured on a like for like basis against the prior year, impact on revenues was €3.6 million. Revenue had been recorded gross along with the related DCP commissions in marketing, selling and distribution costs under the previous arrangement. This change has been phased in during the first half of fiscal 2007.

Marketing, Selling and Distribution Costs

Marketing, selling and distribution costs decreased 8% to €50.0 million resulting from decreases in costs related to the change in the DCP *Power Rangers* contract³, marketing expenses and music license costs offset by production costs associated with the sale of programming in Israel and higher participation fees.

General and Administrative Costs

General and administrative costs increased 1% to €48.5 million. There was an increase in personnel related costs and bad debt expense, largely related to specific provisions. This was offset by a release of provisions made in the prior year for indirect taxes (unallocated to segments) and lease exit costs charged in the prior year.

EBITDA

EBITDA increased 11% to €69.4 million. Channels and online EBITDA increased 6% to €51.1 million. This was primarily due to the increased revenue as described above on a flat cost structure. Programme distribution EBITDA increased 13% to €13.0 million due to the net impact of the programme sale within Israel and cost savings related to marketing expenses described above. Consumer products EBITDA increased 5% to €12.8 million, primarily driven by strong net growth of *Power Rangers*³ offset by increased costs from participation fees. Shared costs not allocated to segments decreased 21% to €7.5 million due to the release of provisions for indirect taxes and lease exit costs charged in the prior year.

Amortisation and Impairment of Programme Rights

Amortisation and impairment of programme rights (defined as cost of sales in the income statement) increased 3% to €43.4 million primarily due to increased amortisation associated with acquiring the worldwide rights on a number of properties offset by the appreciation of the Euro versus the US dollar, as the programme library is predominately US dollar based.

Finance Income (net)

Finance income (net) increased €2.2m to €5.9 million due to an increase in interest income earned from higher average cash balances during the year and higher interest rates.

Gain on Foreign Exchange

The gain on foreign exchange recognised during the year of €10.8 million primarily relates to gains on inter-company transactions which reflect the exchange risk of doing business with foreign group members where the functional currency is not in Euros⁴.

Profit Before Tax Expense

Profit before tax and minority interest increased by €13.6 million to €43.8 million, resulting from increased EBITDA as discussed above, a gain on foreign exchange and increased financial income.

⁴ Primarily the result of balances between group members denominated in dollars. The Euro to US dollar year end rate has increased from 1.270 to 1.415 in 2006 and 2007, respectively.

Tax Expense

The effective tax rate for the period was 14% compared with 22% in the prior period. This lower rate primarily reflects the differential pattern of profit distribution among the tax jurisdictions in which the group operates and the utilisation of deferred tax losses not previously recognised.

Minority Interest⁵

Net profit attributable to minority interest increased by €0.3 million to €0.5 million resulting from higher profits from the Polish channel.

Earnings per Share

Basic and diluted earnings per share increased to 43.9 cents from 27.7 cents and 27.6 cents, respectively in the prior period.

Cash Flow

Cash and cash equivalents decreased by €27.6 million to €99.5 million from September 30, 2006 primarily as a result of the distribution to shareholders. Net cash generated from operations increased by €9.5 million to €26.4 million as a result of an increase in net profit and a reduction in programming spend, offset by an increase in the net amount due from our parent company, Disney.

OUTLOOK

We are maintaining the guidance for 2008 that we gave with our interim statement. We expect revenue to be adversely affected by a number of specific factors, which could cause revenue to decline by 10 to 15%.

The primary causes of this decline are specific changes in a number of our deals. In channels and online a further per subscriber rate decrease with Sky in the UK and the effect of our anticipated renewal with Canalsat in France will have an impact on subscription revenue. In programme distribution we are expecting a lower overall volume of programming to be delivered, and in consumer products we are not planning a third series of *A.T.O.M. Alpha Teens on Machines*, and therefore the master toy licence sale will not recur.

We are also anticipating that this revenue reduction will feed through to EBITDA, alongside specific cost increases from the end of a rent rebate period on one of our offices and an increased investment in developing our digital activities.

⁵ Minority interest relates to a third party's 20% interest in Jetix Poland Limited.

Jetix Europe N.V.

Consolidated Statements of Income
for the Years Ended September 30, 2007 and September 30, 2006

In Euro' 000 Unaudited	Year ended September 30, 2007	Year ended September 30, 2006	% Change
Revenue	166,444	162,838	2%
Cost of sales	(43,441)	(42,268)	(3%)
Gross Profit	123,003	120,570	2%
Marketing, selling and distribution costs	(50,025)	(54,121)	8%
General and administrative costs	(48,526)	(48,098)	(1%)
Operating profit	24,452	18,351	33%

Analysed as:			
EBITDA	69,392	62,410	11%
Amortisation and impairment of programme rights	(43,441)	(42,268)	(3%)
Depreciation of property and equipment	(659)	(1,016)	35%
Amortisation of other intangibles	(840)	(775)	(8%)
	24,452	18,351	33%

Finance income	11,752	7,093	66%
Finance expense	(5,898)	(3,485)	(69%)
Gain on foreign exchange	10,770	5,874	83%
Share of net profits from joint ventures	2,755	2,367	16%
Profit before tax expense	43,831	30,200	45%
Tax expense	(5,987)	(6,618)	10%
Net profit	37,844	23,582	60%
Attributable to minority interest	(537)	(192)	(180%)
Net profit attributable to shareholders	37,307	23,390	59%

Earnings per share for net profit attributable to the equity shareholders of the Group during the period (expressed in Euro cents per share)

Basic	43.9	27.7
Diluted	43.9	27.6

The notes on pages 15 to 16 are an integral part of the consolidated financial information.

Jetix Europe N.V.

Consolidated Balance Sheets as at September 30, 2007 and 2006

In Euro' 000 Unaudited	September 30, 2007	September 30, 2006
ASSETS		
Non-current assets		
Intangible assets		
Programme rights	81,647	105,029
Goodwill	9,834	9,834
Other	1,896	3,105
Total intangible assets	<u>93,377</u>	<u>117,968</u>
Property and equipment, net	1,022	1,309
Investment in joint ventures	649	366
Deferred tax assets	7,589	8,515
Total non-current assets	<u>102,637</u>	<u>128,158</u>
Current assets		
Trade and other receivables, net	47,053	49,805
Related party receivables	11,278	10,313
Cash and cash equivalents	99,488	127,126
	<u>157,819</u>	<u>187,244</u>
Total assets	<u>260,456</u>	<u>315,402</u>
EQUITY		
Capital and reserves attributable to the Group's equity		
Share capital	21,303	21,199
Share premium	408,948	456,799
Other reserves	(27,906)	(8,508)
Retained losses	(196,951)	(234,258)
	<u>205,394</u>	<u>235,232</u>
Minority interest	<u>1,542</u>	<u>1,627</u>
Total equity	<u>206,936</u>	<u>236,859</u>
LIABILITIES		
Current liabilities		
Trade and other payables	44,913	54,769
Current income tax liabilities	3,159	4,928
Related party payables	3,227	13,518
Other liabilities	-	985
Provisions for other liabilities	2,221	4,343
	<u>53,520</u>	<u>78,543</u>
Total equity and liabilities	<u>260,456</u>	<u>315,402</u>

The notes on pages 15 to 16 are an integral part of the consolidated financial information.

Jetix Europe N.V.

**Consolidated Statement of Changes in Equity for the Years Ended
September 30, 2007 and September 30, 2006**

In Euro '000 Unaudited	Share capital	Share premium	Currency translation adjustment	Other Reserves⁽¹⁾	Share option reserve	Retained (losses)/ earnings	Minority interest	Total equity
Balance at September 30, 2005	20,992	449,197	1,979	-	2,208	(257,648)	1,428	218,156
Currency translation differences	-	-	(13,362)	-	-	-	7	(13,355)
Net profit recognised directly in equity	-	-	(13,362)	-	-	-	7	(13,355)
Profit for the period	-	-	-	-	-	23,390	192	23,582
Total recognised income for period	-	-	(13,362)	-	-	23,390	199	10,227
Employee share option scheme								
Value of employee services	-	-	-	-	667	-	-	667
Proceeds from shares issued	207	7,602	-	-	-	-	-	7,809
Total employee share option scheme	207	7,602	-	-	667	-	-	8,476
Balance at September 30, 2006	21,199	456,799	(11,383)	-	2,875	(234,258)	1,627	236,859
Currency translation differences	-	-	(19,786)	-	-	-	(26)	(19,812)
Net profit recognised directly in equity	-	-	(19,786)	-	-	-	(26)	(19,812)
Profit for the period	-	-	-	-	-	37,307	537	37,844
Total recognised income for period	-	-	(19,786)	-	-	37,307	511	18,032
Distribution of share premium	-	(49,930)	-	-	-	-	-	(49,930)
Employee share option scheme								
Value of employee services	-	-	-	429	210	-	-	639
Proceeds from shares issued	104	2,079	-	-	-	-	-	2,183
Change in settlement from equity to cash for restricted shares	-	-	-	-	(251)	-	-	(251)
Total employee share option scheme	104	2,079	-	429	(41)	-	-	2,571
Redemption of shares	-	-	-	-	-	-	(596)	(596)
Balance at September 30, 2007	21,303	408,948	(31,169)	429	2,834	(196,951)	1,542	206,936

(1) The other reserves represent a capital contribution by Jetix Europe's parent company, The Walt Disney Company, for Disney stock options issued to Jetix Europe employees.

The notes on pages 15 to 16 are an integral part of the consolidated financial information.

Jetix Europe N.V.

**Consolidated Cash Flow Statements for the
Years Ended September 30, 2007 and 2006**

In Euro' 000 Unaudited	Notes	Year ended September 30, 2007	Year ended September 30, 2006
Cash flows from operating activities			
Net profit		37,844	23,582
Depreciation		659	1,016
Amortisation		44,281	42,701
Impairment charge		-	342
Loss on disposal of assets		75	-
Share based compensation charge		1,177	667
Equity in income of joint ventures		(834)	(442)
Interest income		(11,752)	(7,093)
Interest expense		5,898	3,485
Increase in provision for bad and doubtful debts		1,009	441
Increase in intangible assets		-	(2,673)
Decrease in other liabilities		(1,394)	(3,254)
Deferred and current taxation		5,987	6,618
Decrease in amounts due from related parties		985	874
(Decrease)/increase in provisions for other liabilities		(1,381)	584
Operating cash flows before change in working capital		82,554	66,848
Change in working capital	3	(32,428)	(14,900)
Cash generated from operations		50,126	51,948
Purchase of programme rights		(22,804)	(35,903)
Dividends received from joint ventures		510	1,045
Interest received		11,250	7,093
Interest paid		(5,898)	(3,485)
Income tax paid		(6,830)	(3,818)
Net cash generated from operating activities		26,354	16,880
Cash flows from investing activities			
Purchases of property and equipment		(301)	(876)
Purchases of software		(40)	(109)
Net cash from investing activities		(341)	(985)
Cash flows from financing activities			
Proceeds from exercise of employee share options		2,183	7,809
Redemption of shares to minority interests		(596)	-
Distribution of share premium		(49,930)	-
Net cash from financing activities		(48,343)	7,809
(Decrease)/increase in cash and cash equivalents		(22,330)	23,704
Cash and cash equivalents at the beginning of the year		127,126	103,170
Effects of exchange rate changes on cash and cash equivalents		(5,308)	252
Cash and cash equivalents at the end of the year		99,488	127,126

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Jetix Europe N.V.

**Operating Results by Business Segment for the
Years Ended September 30, 2007 and 2006**

In Euro' 000 Unaudited	Year ended September 30, 2007	Year ended September 30, 2006	% Change
<u>BUSINESS SEGMENT</u>			
<u>Segment Revenue</u>			
Channels and online	122,897	120,286	2%
Programme distribution	21,068	18,958	11%
Consumer products	22,479	23,594	(5%)
Total revenue	166,444	162,838	2%
<u>EBITDA</u>			
Channels and online	51,054	48,192	6%
Programme distribution	13,040	11,537	13%
Consumer products	12,772	12,174	5%
Shared costs not allocated to segments	(7,474)	(9,493)	21%
Total EBITDA	69,392	62,410	11%
<u>Segment Result</u>			
Channels and online	19,664	17,885	10%
Programme distribution	5,760	4,108	40%
Consumer products	6,911	6,331	9%
Shared costs not allocated to segments	(7,883)	(9,973)	21%
Operating profit	24,452	18,351	33%

Jetix Europe N.V.

Operating Results by Geographic Segment for the Years Ended September 30, 2007 and 2006

In Euro' 000 Unaudited	Year ended September 30, 2007	Year ended September 30, 2006	% Change
<u>GEOGRAPHIC SEGMENT</u>			
<u>Revenue</u>			
United Kingdom and Ireland	43,952	41,256	7%
Italy	25,381	24,271	5%
France	18,561	19,753	(6%)
Central and Eastern Europe	18,359	15,574	18%
Benelux	18,187	18,642	(2%)
Germany	10,931	13,951	(22%)
Middle East	8,739	7,130	23%
Poland	8,565	5,948	44%
Nordic Region	5,414	5,843	(7%)
Spain and Portugal	4,749	6,519	(27%)
USA	1,171	1,994	(41%)
Other	2,435	1,957	24%
Total revenue	166,444	162,838	2%
<u>EBITDA</u>			
United Kingdom and Ireland	27,312	22,236	23%
Italy	10,620	10,288	3%
France	8,661	8,917	(3%)
Central and Eastern Europe	6,614	5,829	14%
Benelux	5,192	5,675	(9%)
Germany	4,300	6,230	(31%)
Middle East	4,568	3,345	37%
Poland	4,794	2,593	85%
Nordic Region	783	1,008	(22%)
Spain and Portugal	1,848	3,375	(45%)
USA	725	1,213	(40%)
Other	1,449	1,194	21%
Shared costs not allocated to segments	(7,474)	(9,493)	21%
EBITDA	69,392	62,410	11%
Less: amortisation, impairment and depreciation	44,940	44,059	(2%)
Operating profit	24,452	18,351	33%

1 Basis of preparation

The consolidated financial information of the Group has been prepared using accounting policies which, other than those set out in Note 2, are consistent with the policies used in preparing the consolidated financial statements for year ended September 30, 2006.

The consolidated financial information does not include all of the financial statement disclosures included in the annual consolidated financial statement prepared in accordance with International Financial Reporting Standards (IFRS) and therefore should be read in conjunction with the most recent annual consolidated financial statements.

The preparation of financial information requires that management make estimates in reporting amounts of certain revenues and expenses for each financial year and certain assets and liabilities at the end of each financial year. On an ongoing basis, management reviews its estimates, including those related to revenue, accruals for costs incurred but not billed to vendors, bad debts, potential impairment and useful lives of assets, income taxes, certain other accrued liabilities and share-based compensation. Actual results may differ from these estimates.

The consolidated financial information presented in this document is for the twelve months ended September 30, 2007. This period is compared to the corresponding twelve months ended September 30, 2006, unless otherwise stated.

2 Accounting Policies

a) *Share-based compensation* - The Group operates an equity-settled, share-based compensation plan, which includes both share options and restricted share units. However under the plan the restricted share units shall be paid in cash or in shares (or some combination of both) as determined by the Company. Although the Group has no legal or constructive obligation to settle the restricted shares in cash, the Management board has agreed during the period that all restricted share units will be settled in cash.

The fair value of the employee services received in exchange for the grant of the restricted share units is recognised as an expense. The total amount to be expensed over the vesting period and the liability incurred is determined by reference to the fair value of the restricted share units granted. The initial measurement of the liability is recognised over the period that services are rendered. At each balance sheet date, and ultimately at the settlement date, the fair value of the liability is remeasured with any changes in fair value recognised in the profit or loss for the period. The total net cost recognised in respect of the transaction will be the amount paid to settle the liability.

Restricted share units previously presented as equity-settled have now been reclassified in the balance sheet as a liability and revalued as at the balance sheet date. The liability as at September 30, 2007 is €0.5 million, including a reclassification of €0.3 million from share option reserve in the period.

Notes to the consolidated financial information

Unaudited

b) *International Financial Reporting Interpretations Committee (IFRIC)11/ "IFRS 2 – Group and treasury share transactions"* – In November 2006, the IFRIC issued IFRIC 11, which is effective for annual accounting periods beginning on or after March 1, 2007. Jetix Europe has elected to early adopt this interpretation, effective October 1, 2006, related to The Walt Disney Company (Disney) issuing Disney Share Options to various Jetix Europe employees in January 2007.

The interpretation clarifies the accounting for share-based payment arrangements in a subsidiary that has an obligation to provide its employees with parent equity instruments for services it receives from its employees. Provided that the share-based arrangement is accounted for as equity-settled in the consolidated financial statements of the parent, the subsidiary shall measure the service received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, with a corresponding increase recognised in equity as a contribution from the parent. The impact for the twelve months ended September 30, 2007 was €0.4 million. There was no impact to previously reported periods.

3 Change in working capital

	Year ended September 30, 2007 Unaudited	Year ended September 30, 2006 Unaudited
Change in working capital		
(Increase)/decrease in trade and other receivables	(214)	2,789
Increase in amounts due from related parties	(15,445)	(4,765)
(Decrease)/increase in trade and other payables	(9,697)	3,360
Decrease in amounts due to related parties	(7,072)	(14,292)
Decrease in provision for other liabilities	-	(1,992)
	<u>(32,428)</u>	<u>(14,900)</u>

The Consolidated Statement of Cash Flows reflects the cash flows arising from the activities of Group companies as measured in their own currencies, translated to euros at monthly average rates of exchange. Therefore, the cash flows recorded in the Consolidated Statement of Cash Flows exclude both the currency translation differences which arise as a result of translating the assets and liabilities of non-euro Group companies to euro at year-end rates of exchange, with the exception of those arising on cash and cash equivalents. These currency translation differences must therefore be added to the cash flow movements at average rates in order to arrive at the movements derived from the Consolidated Balance Sheet.

4 Earnings per Share

Basic earnings per share (EPS) is net profit attributable to shareholders divided by the weighted average number of shares outstanding. Diluted EPS reflects the potential dilution that would occur if dilutive share options and non-vested restricted shares were exercised. A reconciliation of the weighted average number of shares is as follows:

(000's of shares)	Year ended September 30, 2007 Unaudited	Year ended September 30, 2006 Unaudited
Weighted average number of common shares used in calculated basic EPS	84,899	84,344
Effect of dilutive securities		
- Share options	14	260
- Unvested restricted shares	36	22
Weighted average number of common shares used in calculating diluted EPS	<u>84,949</u>	<u>84,626</u>

ABOUT JETIX EUROPE N.V.

Jetix Europe N.V. is a leading pan-European integrated kids' entertainment company with localised television channels, programme distribution and consumer products businesses. Jetix Europe N.V. is listed on Euronext Amsterdam Stock Exchange and is majority owned (approximately 73%) by The Walt Disney Company. In 2004 Jetix Europe and The Walt Disney Company launched Jetix, a global kids entertainment brand which brings a unique combination of action, adventure and cheeky humour to kids aged 6-14 worldwide.

Channels

Jetix Europe broadcasts 15 channels to 58 countries across Europe and the Middle East, reaching more than 50 million households. These channels are broadcast in 19 languages, with content tailored to suit each market. The 13 Jetix branded channels entertain kids ages 6-14, whilst Jetix Play targets a younger audience, and in Italy, GXT targets teenage boys. Jetix Europe also runs localised websites, which receive almost 100 million page impressions on average per month, supporting all of Jetix Europe's activities by enabling kids to interact with their favourite characters through video-on-demand, games and exclusive content.

Programme Distribution

Jetix Europe owns one of the largest libraries of kids programming in the world with over 6,000 episodes. Distributed to more than 95 terrestrial, cable and satellite channels in over 55 markets across Europe and the Middle East, the library includes major global programming franchises such as *Power Rangers*, *Sonic X*, *Spiderman*, *X-Men* and *W.I.T.C.H.* Jetix Europe also has branded blocks that appear on terrestrial TV channels across Europe, reaching over 100 million households. The Jetix Europe library is serviced by Disney-ABC International Television (DAIT).

Consumer Products

JCP (Jetix Consumer Products International) is Jetix Europe's consumer products and home entertainment business with representation in over 40 European countries including fully integrated offices in the UK, France, Germany, Israel, Italy, Spain and the Netherlands as well as third party agents in other key markets. JCP's properties are sourced from the Jetix Europe library and include *Sonic X* and *A.T.O.M Alpha Teens on Machines* as well as third party representation for properties such as *PUCCA*, and *Totally Spies*.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall" and similar expressions. These statements are subject to risks and uncertainties, and actual results and events could differ materially from what is contemplated by the forward looking statement. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions, competition for viewers and ratings, changes to our channel distribution deals, the popularity of our content and characters, technology issues or changes in the distribution of television, regulatory change, the timing of new programme deliveries and foreign exchange fluctuations. The foregoing list of factors should not be construed as exhaustive. Jetix Europe disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.