



**Declaration
of the Management and Supervisory Boards
of IM INTERNATIONALMEDIA AG
of conformity with recommendations of the 'Government Commission
on the German Corporate Governance Code'
pursuant to Article 161 of the Stock Corporation Act (AktG)**

IM Internationalmedia AG approves the efforts of the Government Commission on the German Corporate Governance code aimed at enforcing the financial market's and investors' trust in listed German companies via numerous recommendations and accordant disclosure requirements.

The Executive Board and Supervisory Board of IM Internationalmedia AG hereby declares that the recommendations of the 'Government Commission on the German Corporate Governance Code' published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, in the form in force at the time of this declaration, are being complied with and further disclose which Code recommendations are currently not being applied.

Section 1: IM Internationalmedia AG (IM AG) complies with the preface completely.

Section 2: IM AG complies with the recommendations of section 2.

Section 3: IM AG complies with the recommendations of section 3, except number 3.8 which is related to a reasonable retention of D&O insurance.

Section 4: IM AG complies with the recommendations of section 4, except number 4.2 which is related to the composition of the Management Board. The Management and the Supervisory Board are convinced that the company's present organizational structure justifies the temporary management of a single person. For the first time, IM AG is complying with the recommendation regarding the individualized report of the Management Board compensation, which will be published in the compensation report and the Annual Report 2006, to be released March 30, 2007.

Section 5: IM AG complies with the recommendations of section 5, except number 5.3. Because the Supervisory Board is too small for the formation of committees, such a measure would not increase its efficiency. Therefore, no committees will be formed in the next business year, which is in accordance with the meaning of the Code.

Section 6: IM AG complies with the recommendations of section 6.

Section 7: IM AG complies with the recommendations of section 7.

This statement will be made accessible permanently to shareholders through its incorporation in the respective Annual Report and its publishing on the web page of IM Internationalmedia AG.

Munich, December 2006

Management and Supervisory Board of IM Internationalmedia AG

Structure of the Management Board compensation system

(Number 4.2.3 German Corporate Governance Code)

The overall compensation of the Management Board members is comprised of both a fixed salary and a variable component. The fixed components are linked to the tasks of the respective member of the Management Board and his performance, taking into account the Board's peer companies and the regional environment.

Variable compensation includes bonus payments and stock options. Bonus payments are granted to the Management Board members based upon both achieving personal goals and corporate objectives. Personal goals are associated to the tasks of Management Board members. Corporate objectives include the standard benchmarks such as liquidity and earnings figures. The Management Board members also participate in the stock option plan 2005 of IM Internationalmedia AG.

The stock option plan 2005 of IM Internationalmedia AG provides the possibility of exercising stock options after the expiration of the two-year time limit. The exercise price of granted stock options is calculated as follows: If the share price as of December 31 of the fiscal year of the grant compared to the share price as of January 1 of the fiscal year of the grant increased by at least 50%, the basis price equals 80% of the closing price of the company's shares at the grant date. If the share price as of December 31 of the fiscal year of the grant compared to the share price as of January 1 of the fiscal year of the grant increased 25% to 50%, the basis price equals 90% of the closing price of the company's shares at the grant date. In all other cases, the basis price equals the closing price of the company's shares at the grant date. However, the minimum basis price in each case is the basis value according to § 9 para. 1 AktG.

Name	Fixed annual compensation	Variable compensation	Stock options
Mr. Martin Schuermann (sole member of Management)	\$ 600,000.00 Health insurance coverage for the family		up to 500,000 stock options (none granted to date)
Mr. Christian Boehmer (from March 16, 2006 until October 31, 2006)	€ 200,000.00 Company car	dependent on group result and personal performance up to € 200,000.00 (no variable compensation for fiscal year 2006)	up to 150,000 stock options (none granted to date)
Mr. Andreas Konle (until March 31, 2006)	€ 250,000.00 Company car and accident insurance	dependent on group result and personal performance up to € 100,000.00 (no variable compensation for fiscal year 2006)	up to 250,000 stock options (250,000 granted)

Structure of the Supervisory Board compensation system

(Number 5.4.7 German Corporate Governance Code)

Pursuant to article 14 of the Articles of Association of IM Internationalmedia AG, dated July 12, 2005, Supervisory Board compensation consists of fixed and variable components. The fixed component amounts to a net of € 20,000.00 for a complete fiscal year. The Chairperson of the Supervisory Board receives a net of € 40,000.00. The variable component amount up to 0.25% of the company group's EBIT for a complete fiscal year and is conditioned upon the participation in all ordinary and extraordinary Supervisory Board meetings.

Overall compensation for members of the Supervisory Board is as follows:

Name	Fixed compensation	Variable compensation
Mr. Prof. Dr. Helmut Thoma (Chairperson)	€ 40,000.00	s.a.
Mr. Oliver Kaechele	€ 20,000.00	s.a.
Mr. Konstantin Thoeren	€ 20,000.00	s.a.

Members of the Supervisory Board have rendered the following services to the company since their election in the 2005 fiscal year:

Name (in alphabetical order)	Services	Compensation
Mr. Christian Boehmer	None	n.a.
Mr. Oliver Kaechele	None	n.a.
Mr. Konstantin Thoeren	None	n.a.
Mr. Prof. Dr. Helmut Thoma	None	n.a.

Shareholding by Management Board and Supervisory Board members (Number 6.6 German Corporate Governance Code)

Mr. Martin Schuermann is the sole shareholder of IM Internationalmedia AG, and holds in excess 1 % of the shares issued by the company. Therefore, the entire holding of all members of the Management Board and Supervisory Board exceeds 1% of the shares issued by the company.

Since July 2002, pursuant to article 15 of the Securities Trading Act (Wertpapierhandelsgesetz), all members of the Management Board and Supervisory Board, as well as certain relatives of those on the Boards, are obliged to report to the German Financial Supervisory Authority and to the company all purchases and sales of shares of IM Internationalmedia AG and other related rights exceeding any minimum amount of € 5,000 within the calendar year. All reported transactions will be published on the corporate homepage under 'Directors' Dealings'.

The members of the Management Board and Supervisory Board own the following shares and options as of December 11, 2006:

Name (in alphabetical order)	Shares	Options
Mr. Oliver Kaechele (Supervisory Board - Chairperson)	0	n.a.
Mr. Martin Schuermann (Management Board - Chairman)	2,000,000	-
Mr. Konstantin Thoeren (Supervisory Board)	0	n.a.
Mr. Prof. Dr. Thoma (Supervisory Board - Chairperson)	0	n.a.

Mr. Martin Schuermann bought the shares on October 9, 2005 and announced this properly.