

The background is a close-up of a red leather surface with a pebbled texture. The leather is divided into large, rounded, diamond-shaped sections by dark stitching. At the intersections of these sections, there are small, round, gold-colored studs. The lighting is soft, highlighting the texture of the leather and the metallic sheen of the studs.

3-MONTH STATEMENT 2004 **beate uhse**

BEATE UHSE AT A GLANCE

Mio. EUR		3 months 3-31-2003	3 months 3-31-2004	Change %
Sales Growth				
Retail		17.3	20.4	18.2
Mail Order		31.6	36.2	14.4
Wholesale		17.1	17.5	2.4
Entertainment		5.3	4.8	-8.9
Holding Services		-	-	
Total sales		71.4	79.0	10.7
Foreign share of sales	%	52.9	55.8	
Results				
EBITDA		8.3	9.7	17.0
EBIT		6.2	7.2	16.4
EBT		5.6	6.6	16.8
Net profit		3.6	4.6	28.8
Other earnings indicators				
Return on sales before tax	%	7.9	8.3	
Return on sales after tax	%	5.0	5.8	
Return on equity	%	5.3	6.4	
Gross margin	%	63.8	65.9	
Financial position				
Cash flow		7.7	8.8	14.3
Cash flow (operating activities)		3.8	2.5	-34.0
Investments		2.0	2.1	2.4
Depreciation		2.2	2.6	18.8
Dividend		-	-	
Balance sheet data (12-31-2003)				
Total assets		181.2	186.9	3.2
Equity		67.8	72.2	6.5
Ratio of equity to assets	%	37.4	38.6	
Fixed assets		77.9	77.1	-1.0
Current assets		96.2	103.2	7.3
Other disclosures				
Employees	total	1,264	1,450	14.7
Personnel expenses		10.5	12.1	14.7
Cost of materials		25.8	27.0	4.5
Other operating expenses		29.1	34.1	17.4
Shares				
Number of shares	Pieces	47,323,696	47,323,696	
Last share price	EUR	9.86	11.61	17.7
Highst share price	EUR	11.19	13.03	16.4
Lowest share price	EUR	9.30	11.56	24.3
Earnings per share	EUR	0.08	0.10	25.0
Cash flow per share	EUR	0.16	0.19	18.8

FOREWORD OF THE MANAGEMENT BOARD

Ladies and Gentlemen,
Dear Shareholders,

Beate Uhse AG started the 2004 financial year in the same way that it ended 2003 – with rising sales and earnings figures at the upper end of the forecast range. The minor difficulties and challenges encountered in individual divisions and countries were counterbalanced by positive developments seen across all divisions.

We are therefore satisfied with the course of business in the first quarter of 2004. The Group is on course. However, we do not expect 2004 to be an easy year, given that the overall economic situation in various European countries will remain tense. Alongside our key financial figures, the interest in Beate Uhse AG in recent weeks has been focused on four topics, which have also met with considerable public interest. We should therefore like to take this opportunity of informing you of the current state of play at the end of the first quarter and of the latest developments in April 2004, even if – or precisely because – these topics have not impacted on the financial figures for the first quarter.

MAE B.

The launch of the company's new Mae B. shop concept was highly promising. March 2004 saw the opening of a shop-in-shop at the Karstadt department store in Mönkebergstrasse and of a further standalone shop in Hamburg. Further shops based on this concept, which targets female customers, will be opened in Berlin, Frankfurt and Munich in the near future.

The logo for Mae B. features a stylized red and white circular emblem above the text. The text 'Mae B.' is written in a large, elegant, dark red script font. Below it, the words 'by beate uhse' are written in a smaller, dark red, lowercase sans-serif font.

Mae B.
by beate uhse

PENTHOUSE

In 2003, Beate Uhse had submitted a bid for the American publishers General Media, which owns the Penthouse magazine. We considered a bidding price of \$ 62 million to be economically reasonable. In addition to our bid, the court received two further bids from American investors. On 22 April 2004, these two groups of investors presented the New York court with a restructuring and financing plan. We did not consider it appropriate to increase our bidding price for General Media Inc., given that in our opinion the American company does not justify a higher value. Our principal interest was in the globally recognised Penthouse brand, which would have constituted an interesting option for the further internationalisation of our company. We will now investigate other options and continue to work on our successful international expansion on the basis of our own brands.

TV

Premiere, our partner in the TV business, has launched a programme of hard-core pornography. The company erotic media ag, in which we have a 30 percent shareholding, was also granted permission to operate as a so-called telemedia provider by the respective state media authorities in December 2003. This means that, similar to Premiere, erotic media ag is allowed to broadcast hard-core programmes to restricted user groups. We expect to see a great deal of activity in this market in 2004. Beate Uhse will investigate the most promising options with its partners and subsidiaries, Premiere, Beate Uhse TV and erotic media, and launch its own product offering in the market.

CONDOMI

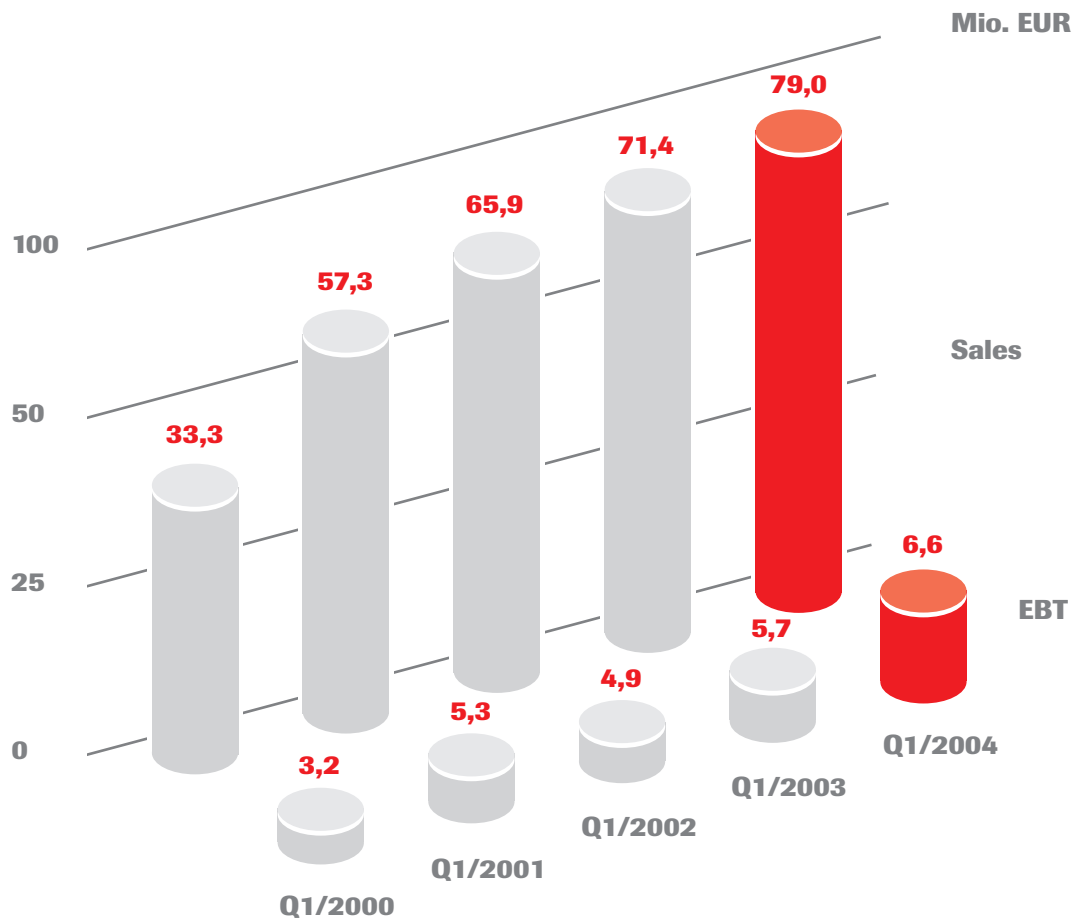
You have probably also seen press reports concerning the latest developments at condomi AG, the large European condom manufacturer. We are interested in investing in this company and are currently negotiating the purchase of a larger block of shares. Just as in our negotiations for Penthouse, economic prudence will be accorded the highest priority. We are primarily interested in the new condomi brand and the sales and marketing structures within the company. In the event of our bid being accepted, the production activities would be taken over by a partner with more experience in that area.

We expect the decision to be made in the second quarter of 2004. We would be very pleased if we could already provide you with further details as to this project, as well as on other promising developments, at our Annual General Meeting in Hamburg on 21 June. At the Annual General Meeting, the Management Board will also propose the distribution of a dividend with a total volume of € 4,656,609.90 on the basis of its resolution dated 17 March 2004. We would be very pleased to welcome you to Hamburg. You might even take the opportunity of visiting Hamburg to form your own opinion as to our new Mae B. shop concept.

Yours faithfully,

Otto Christian Lindemann
Spokesman for the
Management Board, CFO

Gerard Cok
COO

**SALES AND EBT DEVELOPMENT**

ECONOMY AND MARKET

The most important indicators for the sectors of relevance to Beate Uhse and the erotica market in Germany and Europe showed highly uneven developments in the first quarter. According to GfK surveys, there was a decline in consumers' propensity to consume and in consumer confidence towards the end of the quarter, following an initial recovery. The performance of the overall economy and private consumption expenditure figures have so far fallen short of the expectations of the Federal Government and of Economic Research Institutes.

Based on figures compiled by the Federal Statistics Office, the German retail sector saw a decline of 0.9 percent in the first quarter. The mail order business segment was hit even more harshly with a decline of 5.8 percent. With a fall of 3.7 percent, the clothing and personal consumption products segments were particularly severely affected.

In their assessments of the situation, experts do not forecast any significant revival of consumer expenditure in 2004. Beate Uhse therefore expects the erotica market to remain stable. Given that there will be no external impulses for further business development, the company will generate such impulses itself by means of its new product offerings, targeted product ranges and its international growth.

DEVELOPMENT OF SALES

With growth of 10.7 percent, the development shown by sales in the first quarter of 2004 was satisfactory. The increase on the equivalent period in the previous year was primarily the result of excellent sales figures in January and February and a more subdued development in March. In particular, the company's most important national markets showed very pleasing developments. The overall trend towards further internationalisation has been maintained, with international sales amounting to 55.8 percent of overall sales in the first quarter.

SALES BY PROFIT CENTRE

With a 45.8 percent share of overall sales, the mail order business remains the most important pillar of the Group's activities. This division reported pleasing developments, with a 14.4 percent rise in sales, although there were considerable regional variations. The retail division reported even more dynamic growth of 18.2 percent. The wholesale division also reported marginal growth of 2.4 percent and the 8.9 percent decline in sales at the Entertainment division remained within the expected framework.

SALES BY PROFIT CENTRE

Mio. EUR	3 months 3-31-2003	3 months 3-31-2004	Change %
Retail	17.3	20.4	18.2
Mail Order	31.6	36.2	14.4
Wholesale	17.1	17.5	2.4
Entertainment	5.3	4.8	-8.9
Holding Services	-	-	-
	71.4	79.0	10.7

SALES BY REGIONS

Beate Uhse saw consistent growth in all of its most important national markets in the first quarter. In Germany, this development is primarily attributable to the success of the retail and mail order divisions. In the Benelux countries, the growth is mainly a result of consolidation.

In France, now the company's third-largest national market, the growth of 35.1 percent was entirely generated by internal growth in the retail and mail order businesses. The decline in sales in other European countries (minus 23.4 percent) is attributable to the relocation of the warehouse in the Netherlands.

SALES BY REGIONS

Mio. EUR	3 months 3-31-2003	3 months 3-31-2004	Change %
Germany	33.6	34.9	3.9
Netherlands	11.9	13.5	13.6
Belgium	4.8	5.1	8.0
France	5.5	7.4	35.1
Great Britain	3.7	5.1	36.5
Austria	2.7	3.8	37.9
Switzerland	0.7	0.6	-17.5
Scandinavia	2.9	3.4	16.7
Other European countries	4.2	3.2	-23.4
Other regions	1.4	2.0	45.1
	71.4	79.0	10.7

DEVELOPMENT OF EARNINGS

Earnings increased as a proportion of sales at all levels of the income statement in the first quarter of 2004. This development reflects the higher level of integration of the profit centres among each other, the extension of central group solutions in high-synergy areas, such as procurement and logistics, and the smooth integration of newly acquired subsidiaries. Above all, Beate Uhse has once again managed to generate positive earnings contributions at all of its profit centres.

DEVELOPMENT OF OPERATING EARNINGS

In the first quarter of 2004, the Beate Uhse Group improved its gross profit margin by 2.1 percentage points compared with the same period in the previous year up to 65.9 percent. This was primarily the result of a significant relative decline in the cost of materials as a proportion of sales, as well as higher levels of other operating income mainly resulting from currency conversion differences, the sale (50 percent) of shares in the Australian company Gallery Global Networks and interest on arrears at the mail order business. One major reason for this development was the fact that mail order sales continued to rise across the Group. The level of sales input at the mail order business is traditionally lower than that in other business areas.

Continuity has been maintained in the company's depreciation policies. Extraordinary items had no impact. At the same time, Beate Uhse has adjusted its personnel levels to the increased business volume and has reported the employees of its newly consolidated companies in its employee figures. All these factors resulted in earnings before interest and taxes (EBIT) amounting to € 7.2 million, an increase of 16.4 percent on the equivalent figure for the previous year.

EBT

Mio. EUR	3 months 3-31-2003	3 months 3-31-2004	Change %
Retail	1.4	1.8	30.7
Mail Order	2.7	3.1	15.2
Wholesale	2.5	2.2	-12.3
Entertainment	0.4	0.8	73.5
Holding Services	-1.4	-1.3	7.5
	5.6	6.6	16.8

EBIT

Mio. EUR	3 months 3-31-2003	3 months 3-31-2004	Change %
Retail	1.6	2.1	31.6
Mail Order	2.8	3.2	12.7
Wholesale	2.6	2.4	-6.3
Entertainment	0.4	0.8	80.4
Holding Services	-1.3	-1.3	2.5
	6.2	7.2	16.4

EBITDA

Mio. EUR	3 months 3-31-2003	3 months 3-31-2004	Change %
Retail	2.7	3.2	20.8
Mail Order	3.1	3.4	9.5
Wholesale	3.0	3.1	5.4
Entertainment	0.6	0.9	52.8
Holding Services	-1.0	-0.9	10.3
	8.3	9.7	17.0

NET EARNINGS

There was a slight increase in the level of interest expenses in the first three months of the financial year. At the same time, the tax burden could be maintained at a constant level in absolute terms by utilising tax loss carryovers. It was therefore possible to reduce the tax rate by 6.0 percentage points to around 30.0 percent. As a result, net earnings rose by 28.8 percent to € 4.6 million. The post-tax return therefore improved from 5.0 percent in the first quarter of 2003 to 5.8 percent in the current financial year.

DEVELOPMENT OF ASSET AND FINANCIAL SITUATION

The balance sheet total of the Beate Uhse Group increased by 3.1 percent between 31 December 2003 and 31 March 2004. There was a slight decline in fixed assets in both relative and absolute terms. By contrast, current assets rose by 7.3 percent to € 103.2 million and thus constituted 55.2 percent of total assets. This increase was primarily attributable to the high level of receivables resulting from the rise in mail order sales. This development somewhat overshadowed the optimised sales input reflected in the lower level of inventories, which declined by 6.8 percent.

EQUITY

In line with the pleasing development of earnings, the Group's equity rose by 6.5 percent to € 72.2 million, or 38.6 percent of the balance sheet total. Due to a partial sale and devaluation of own shares, the corresponding reserve fell by 7.3 percent, or € 0.8 million. The balance sheet profit increased by € 5.3 million to € 12.1 million as of the reporting date on 31 March. The equity-to-fixed-assets ratio amounted to 93.6 percent.

DEBT CAPITAL

The level of debt capital at the Beate Uhse Group remained broadly stable during the first quarter. The scheduled net repayments of liabilities to banks of around € 1.0 million were balanced by a slight rise in other liabilities. Beate Uhse increased its net level of provisions by € 1.6 million in the first quarter. This rise was attributable to an increase in provisions for returns in line with the sales growth at the mail order division and an adjustment to the regulations governing part-time employment in old age. Debt capital made up 61.4 percent of the balance sheet total at the reporting date. Short-term liabilities with a term of less than one year constitute 87.7 percent of liabilities.

CASH FLOW AND INVESTMENTS

The Beate Uhse Group generated a gross cash flow of € 8.8 million in the first quarter of 2004 (period surplus + depreciation + change in provisions). The inclusion of changes in other assets and liabilities results in an inflow of funds from operating activities which was € 1.3 million below the level in the comparable period in 2003. The main reason for the decline in the operating result was the rise in receivables relating to sales, which over-compensated for the improved earnings and the rise in the gross cash flow.

Of the cash flow from investment activities, almost 40 percent related to projects at the retail division. There was a slight year-on-year increase in investments in the mail order and wholesale divisions compared with the equivalent quarter in the previous year. On a net basis, the level of investment was virtually identical in the first quarters of 2003 and 2004. On account of the different methods of calculation applied, however, there was an increase in the cash flow for investment activities on the equivalent quarter in the previous year. In terms of its financing activities, Beate Uhse reported an outflow of funds resulting from the scheduled repayment of liabilities to banks outlined above.

INVESTMENTS BY PROFIT CENTRE

Mio. EUR	3 months 3-31-2003	3 months 3-31-2004
Retail	1.1	0.8
Mail Order	0.3	0.5
Wholesale	0.4	0.5
Entertainment	0.0	0.2
Holding Services	0.2	0.1
	2.0	2.1

EMPLOYEES

The Beate Uhse Group created further new jobs in the first quarter of 2004. Compared with the end of the 2003 financial year, a total of 68 new jobs was created and 118 additional jobs relating to the consolidated of the two companies Kondomeriet and Christine le Duc were reported for the first time. The year-on-year increase in the number of employees since the first quarter of 2003 amounted to 186.

EMPLOYEES BY REGIONS

	3 months 3-31-2003	3 months 3-31-2004
Germany	706	731
Netherlands	350	455
Belgium	31	32
France	34	40
Great Britain	14	47
Austria	7	13
Scandinavia	65	73
Other European countries	42	38
USA	15	21
	1,264	1,450

EMPLOYEES BY PROFIT CENTRE

	3 months 3-31-2003	3 months 3-31-2004
Retail	637	806
Mail Order	269	299
Wholesale	225	223
Entertainment	88	85
Holding Services	45	37
	1,264	1,450

SHARE

The Beate Uhse AG share is listed in the Prime Standard of the Frankfurt Stock Exchange. Beate Uhse is a member of the SDAX and Classic All Share indices, as well as of the sector index CDAX Retail.

PERFORMANCE AND LIQUIDITY

The price of the Beate Uhse share ranged from € 11.56 to € 13.03 in the first quarter (Xetra). It was not possible to maintain the superb performance seen in the final months of 2003, which resulted in Beate Uhse concluding the year at € 13.25, slightly below its annual high. Beate Uhse opened at € 13.03 on 2 January 2004, the highest price during the quarter, and closed at € 11.61 on 31 March (Xetra). By contrast, the SDAX increased by 10 percent during the first three months of the financial year. The average daily trading volume on the Frankfurt and Xetra exchanges in the first quarter of 2004 amounted to 11,179 shares.

DEVELOPMENT OF SHARE QUOTES

Mio. EUR		3 month 3-31-2003	3 month 3-31-2004
Opening	EUR	11.25	13.00
Close	EUR	9.86	11.61
High	EUR	11.19	13.03
Low	EUR	9.30	11.56
Average	EUR	9.84	12.18
Development	%	-12.75	-12.38

Source: Xetra

INDEX WEIGHTING

The market capitalisation of Beate Uhse AG amounted to € 556.1m on the reporting date on 31 March 2004. In terms of the free float of 34.2 percent, which is used by Deutsche Börse as the basis for calculating index weighting, the market capitalisation amounted to € 190.2 million. Within the SDAX, the weighting of Beate Uhse declined during the first quarter from 3.77 percent to 2.90 percent. The company therefore dropped from fifth position to twelfth position in terms of the most significant shares in the SDAX.

BASIC DATA FOR BEATE UHSE SHARE

		3 months 3-31-2003	3 months 3-31-2004
Capital stock	pieces	47,323,696	47,323,696
SDAX weighting	%	4.3	2.9
Market capitalisation	EUR	466.6	545.9
Market capitalisation free float	EUR	163.3	190.2
Ø Sales / Day	pieces	16,751	11,179
Ø Sales / Day	EUR	164.880	136.104

Source: Xetra/Bloomberg

PROFIT CENTRES

RETAIL

The retail division saw a pleasing start to the 2004 financial year. Its sales rose by 18.2 percent and were therefore in excess of their budget target. Slight shortfalls in the Belgian and Dutch markets were more than compensated for by the superb developments seen in the German and French markets. To build on this success, a further shop has been scheduled for opening in Lyon in the first half of the year. A Christine le Duc shop was opened in Zoetermeer, Netherlands, in the first quarter. The success of Christine le Duc Linie justifies the planned launch of the store chain in the Belgian market. Moreover, an expansion of the specialist store concept is being planned for the Netherlands and France.

The German market reported positive developments in the first quarter. Sales were slightly above budget. The developments seen in margins and cost levels were particularly pleasing and resulted in a clear increase in earnings before tax at the retail division (30.7 percent). At the end of the first quarter, the retail division opened its fourth airport shop in Germany, this time at Stuttgart airport. By far the most successful product group at the Beate Uhse outlets in Germany was that of DVDs / CD ROMs, followed by toys and lingerie.

The Mae B. concept was launched in Germany on 30 March 2004. These shops provide stylish erotica products for women at top retail locations. In Hamburg, the first two shops were opened in Mönckebergstrasse (Karstadt department store) and on Bleichenbrücke. This concept will be extended across the whole of Germany by the end of 2005 and within a short period aims to achieve a level of brand recognition similar to that enjoyed by its parent brand Beate Uhse.

BEATE UHSE SHOPS TO COUNTRIES OWN SHOPS

	3 month 3-31-2003		3 month 3-31-2004	
		%		%
Germany	59	51.3	63	40.1
Netherlands	34	29.6	67	42.7
Belgium	9	7.8	9	5.7
France	8	7.0	8	5.1
Norway	4	3.5	8	5.1
Great Britain	1	0.9	2	1.3
	115	100.0	157	100.0

LICENCE & FRANCHISE

	3 month 3-31-2003		3 month 3-31-2004	
		%		%
Germany	49	46.7	54	40.6
Austria	25	23.8	34	25.6
Switzerland	31	29.5	41	30.8
Norway	-	-	4	3.0
	105	100.0	133	100.0

INVESTMENTS

	3 month 3-31-2003		3 month 3-31-2004	
		%		%
Poland	2	25.0	2	25.0
Italy	6	75.0	6	75.0
	8	100.0	8	100.0

MAIL ORDER

Sales at the mail order division rose by 14.4 percent during the first quarter (EBT: plus 15.2 percent). At the end of March the mail order division was therefore above budget for 2004. In the first quarter of 2004, France (plus 45 percent) was the second-largest market after Germany. Pleasing developments were reported once again for the UK (plus 33 percent) and Belgium (plus 12 percent). The Beate Uhse mail order division sent out 4.6 million copies of its main catalogue to its European target countries in the first quarter. That constitutes an increase of 15 percent compared with the previous year. The level of incoming orders increased by around 4.6 percent compared with the same period in the previous year. The number of new customers remained subdued in the first months of the year and will have to be improved in the coming months. Only France and Belgium were able to meet expectations in this respect.

WHOLESALE

The move to the new central warehouse in Almere, Netherlands, is the most important project in the wholesale division in 2004. On account of a change in the management of Scala B.V. and due to past difficulties, the move will be completed at the end of May 2004. This delay has resulted in an additional burden on earnings at the wholesale division, which had not been accounted for in the budget targets. At the end of the first quarter, the wholesale division had therefore fallen short of expectations and its equivalent figures for the previous year (EBT: minus 12.3 percent).

The company fair held by Scala B.V. in March 2004 was satisfactory in spite of the parallel developments at Almere. There was pleasing growth in the sales of aids and DVDs. In the first quarter, they headed the ranking of the most successful product groups, occupying first and second position respectively.

The subdued level of consumption in the retail sector continued to have a negative impact on German wholesale sales. In Germany, magazines were by far the most important product group in the first quarter, followed by multimedia products, which saw strong growth, and aids.

The focus on core competencies is also expected to be implemented in the Scandinavian market in future in order to improve the position of the wholesale division in that region.

ENTERTAINMENT

At the entertainment profit centre, sales were 8.9 percent below and pre-tax earnings significantly above the equivalent figures for the previous year. The position of the new media continued to be rendered difficult in the first quarter by the dialer issue, a tightening up of legislation in terms of price announcements free of charge for added value service numbers and the discontinuation of the default risk previously borne by Deutsche Telekom AG as of 1 February 2004.

Beate Uhse TV is developing on schedule. The broadcaster makes use of its affiliation with the Beate Uhse Group (30 percent) for its many proprietary productions.

HOLDING SERVICES

The level of expenses at the holding company turned out to be significantly below budget in the first quarter. This development was supported by positive one-off items resulting from exchange rate differences and by the sale of shares in Gallery Global Network, Australia. Beate Uhse had received shares in this Australian erotica company in the context of a transfer of expertise undertaken without financial expenses in 2001.

RISKS

The first quarter has not produced any noteworthy changes to the risks presented in the management report and consolidated financial statements for the 2003 financial year.

OUTLOOK

The Beate Uhse Group plans to increase its sales by 9.0 percent to € 289.6 million in the current financial year. Pre-tax earnings are forecast to rise by 13.0 percent. The EBT is expected to increase to € 21.8 million, equivalent to a pre-tax return of 7.5 percent.

During the first quarter, Beate Uhse was able to generate 27.3 percent of the level of sales targeted for the overall year. In terms of earnings, this figure even amounted to 30.2 percent for the first three months of the financial year. At present, Beate Uhse therefore expects to be able to meet its sales and earnings targets for the financial year.

INVESTMENTS AND INDIVIDUAL PROJECTS IN 2004

Investments in the current financial year are to be focused to an almost equal extent on the retail division (start-up phase of the Mae B. store chain, modernisation of the store chain) and on the mail order and wholesale divisions. While investment activity during the first quarter was almost at the same level as in the previous year, Beate Uhse plans to reduce its level of investment activity in the coming months. Based on current budget plans, a total of around € 5 million is available for investments in the second to fourth quarters.

The most important projects in the coming months and the remaining quarters of 2004 are:

- Multiplication of the new Mae B. store concept in further large German cities following its launch in Hamburg
- Projects aimed at attracting new customers for the mail order business in selected growth markets, such as Germany, the UK and France
- Relocation of the wholesale business in the Netherlands to the new central warehouse in Almere. Ensuring a smooth process transition to the new central warehouse and the gradual transfer of all goods deliveries to the new logistics centre. The earnings of the wholesale division for the 2004 financial year will be reduced, mainly due to this relocation. The scheduled move has already been accounted for in the overall budget plans.
- The potential of erotica TV is to be more vigorously exploited by means of the company's shareholdings in Beate Uhse TV and erotic media ag.

MARKET DEVELOPMENTS

Overall, Beate Uhse expects the level of demand in the erotica market to remain largely stable. The sector is in a phase of reorientation, as is demonstrated by events and the new ownership structures at numerous renowned companies in the sector. On the basis of the information currently available, Beate Uhse expects to be able to reach its budget figures and to meet its growth targets. Additional potential could be released by means of appropriate acquisitions and new investments in the course of the year. These have not been accounted for in the budget targets.

BALANCE SHEET (HGB)

Assets			Liabilities		
TEUR	12-31-2003	3-31-2004	TEUR	12-31-2003	3-31-2004
Intangible assets	23,445	23,429	Capital subscribed	47,324	47,324
Property, plant & equipment	26,657	26,185	Reserve for treasury stock	10,279	9,525
Financial assets	27,778	27,523	Revenue reserves	3,295	3,295
			Adjustment item for currency translation	710	637
			Adjustment item for minority interests	-619	-622
			Retained earnings	6,795	12,050
Anlagevermögen	77,880	77,137	Total equity	67,784	72,209
Inventories	42,020	39,159	Accruals	17,266	18,882
Receivables	33,254	43,762	Liabilities to banks	46,139	45,069
Marketable securities	12,560	11,869	Loan against a promissory note	20,500	20,500
Liquid assets	8,343	8,437	Trade payables	21,010	21,173
			Other liabilities	8,549	9,061
Total current assets	96,177	103,226	Total liabilities	96,198	95,803
Prepaid expenses	5,288	4,758	Deferred income	2	22
Deferred taxes	1,905	1,795			
	181,250	186,916		181,250	186,916

INCOME STATEMENT (HGB)

TEUR	3 months 3-31-2003	3 months 3-31-2004	Change	Change %
Sales	71,360	78,993	7,633	10.7
Other income	2,297	4,399	2,102	91.5
Total operating performance	73,657	83,392	9,735	13.2
Cost of materials	25,807	26,960	1,153	4.5
Personnel expenses	10,526	12,074	1,548	14.7
Depreciation	2,175	2,585	410	18.9
Other operating expenses	29,086	34,141	5,055	17.4
Income from participations	107	-470	-577	-539.3
Net interest position	-524	-568	-44	8.4
Earning before tax (EBT)	5,646	6,594	948	16.8
Income taxes	1,752	1,754	2	0.1
Other taxes	316	231	-85	-26.9
Net income	3,578	4,609	1,031	28.8
Minority interests	228	-9	-237	-103.9
Profit/loss carried forward	5,015	6,795	1,780	35.5
Change to reserve for treasury stock	-	753	753	-
Distribution to minorities	-	-98	-98	-
Retained earnings	8,821	12,050	3,229	36.6

CASH FLOW (HGB)

TEUR	3 month 3-31-2003	3 month 3-31-2004
Net income	3,578	4,609
Depreciation	2,175	2,585
(+/-) Increase / decrease assets	-1,179	-7,574
(-/+) Increase / decrease liabilities	-1,867	673
Other adjustments	1,066	2,196
Cash flow from operating activities	3,773	2,490
Cash flow from investment activities	-1,257	-1,709
Cash flow from financing	10	-613
Change in cash & cash equivalents	2,526	168
(+/-) Change in cash & cash equivalents	-69	-74
Cash/cash equivalents: period start	13,851	8,343
Cash/cash equivalents period end	16,308	8,437

SHAREHOLDERS EQUITY CHANGE ACCOUNT (HGB)

TEUR	Equity			
	Common stock	Revenue reserves		Retained earnings
		Reserves for treasury stock	Other earning reserves	
Status 1-1-2003	47,324	3,425	7,919	5,015
Capital increase				
Net income				3,578
Currency changes				
Earnings/losses minorities				228
Offsetting of goodwill				
Offsetting earnings reserves				
Purchase of treasury stock				
Status 3-31-2003	47,324	3,425	7,919	8,821
Status 1-1-2004	47,324	10,279	3,295	6,795
Net income				4,609
Distribution to minorities				-98
Currency changes				
Earnings / losses minorities				-9
Offsetting Goodwill				
Offsetting earnings reserves				
Purchase of treasury stock		-753		753
Status 3-31-2004	47,324	9,525	3,295	12,050

SEGMENT REPORT (HGB)

Mio. EUR	3 month 2004					Total
	Retail	Mail Order	Wholesale	Entertainment	Holding	
Sales	20.4	36.2	17.6	4.8	-	79.0
Operating result (EBIT)	2.1	3.1	2.5	0.8	-1.3	7.2
Depreciation	1.1	0.3	0.8	0.1	0.3	2.6
Assets	38.0	27.8	35.3	6.2	79.7	187.0
Investments in long-term assets	0.8	0.5	0.5	0.2	0.1	2.1
Trade payables	2.5	7.9	7.4	1.4	1.9	21.1
Accruals	5.1	5.6	3.1	0.7	4.4	18.9
Liabilities to banks	0.5	-	-	-	65.0	65.5
Other liabilities	2.8	4.4	1.5	-0.1	0.5	9.1

Earned shareholders' equity for the group	Adjustment item currency translation	Minority capital Adjustment item minorities	Total equity
16,359	117	795	64,596
			0
			3,578
	35		35
		-269	-41
			0
			0
			0
16,359	152	526	68,168
20,369	710	-619	67,784
4,609			4,609
-98			-98
0	-74		-74
-9		-3	-12
0			0
0			0
0			0
24,871	636	-622	72,209

3 months 2003

Retail	Mail Order	Wholesale	Entertainment	Holding	Total
17.3	31.6	17.1	5.3	-	71.4
1.6	2.8	2.6	0.4	-1.3	6.1
1.1	0.4	0.4	0.1	0.2	2.2
33.8	33.8	32.2	5.1	67.1	172.0
1.1	0.3	0.4	-	0.2	2.0
2.0	6.3	5.0	2.0	0.8	16.1
4.8	5.0	2.2	1.8	2.5	16.3
-	-	5.5	-	55.9	61.4
1.9	5.5	0.8	0.4	0.8	9.4

DISCLOSURES

ACCOUNTING AND VALUATION METHODS

This interim report has been compiled pursuant to the German Commercial Code (HGB) and in accordance with German Accounting Standard 6 (DRS 6).

The accounting and valuations correspond to those applied in the consolidated financial statements for the 2003 financial year.

In the interests of clarity and legibility, individual items in the income statement, balance sheet and cash flow statement have been summarised.

REPORTING ENTITY

There have been no changes to the reporting entity since the compilation of the consolidated financial statements for the 2003 financial year.

SEGMENTAL REPORTING

A detailed representation and explanation has been provided in the report on business developments. There have been no changes in the delineation of the segments or in the calculation of the segment results since 31 December 2003.

EVENTS SUBSEQUENT TO THE REPORTING DATE

In 2003, Beate Uhse AG submitted a take-over bid amounting to \$ 62m for the insolvent American publishers General Media, owners of the Penthouse magazine. A restructuring and financing plan for General Media Inc. was presented by two other bidders to the New York court responsible for the case on 22 April 2004. Beate Uhse AG subsequently withdrew its bid and has indicated that it is not prepared to make any further increase in its offer.

EARNINGS PER SHARE

The earnings per share have been calculated by dividing the Group's net earnings (excluding minority shares) by the number of shares.

EARNINGS PER SHARE

		3 months 3-31-2003	3 months 3-31-2004
Net profit after tax	TEUR	3,578	4,609
Number of shares (diluted)	pieces	47,036,420	46,499,651
Number of shares (undiluted)	pieces	47,018,072	46,524,818
Earnings per share (diluted)	EUR	0.08	0.10
Earnings per share (undiluted)	EUR	0.08	0.10

DISCLOSURES RELATING TO BEATE UHSE AG

Beate Uhse AG has no proprietary operating business. It acts as the holding company for the subsidiaries and investments of the Group. As such, it performs central group management functions including accounting, controlling, financing, human resources, legal and communication services.

The development of earnings at Beate Uhse AG primarily results from the profit and loss transfer agreements concluded with its subsidiaries and from further investment income, as well as from the expenses relating to its holding functions. Beate Uhse AG had 37 employees as at 31 March 2004.

Flensburg, 30 April 2004

The Management Board

FINANCIAL CALENDAR 2004

Annual general meeting 2004	June 21. 2004
Shareholders letter II/2004 (only available in german)	June 25. 2004
6-month statement 2004	August 12. 2004
Shareholders letter III/2004 (only available in german)	October 19. 2004
9-month statement 2004	November 10. 2004
End of financial year	December 31. 2004

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