

Edgar Filing: FIRST LOOK MEDIA INC - Form 10-Q

FIRST LOOK MEDIA INC  
Form 10-Q  
May 20, 2002

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 0-25308

FIRST LOOK MEDIA, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware

13-3751702

(State or Other Jurisdiction of  
Incorporation or Organization)

(I.R.S. Employer  
Identification No.)

8000 Sunset Blvd., East Penthouse, Los Angeles, CA

90046

(Address of principal executive offices)

(zip code)

Registrant's Telephone Number, Including Area Code: (323) 337-1000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No \_\_\_

The number of shares of common stock outstanding as of May 15, 2002 was 11,909,139.

FIRST LOOK MEDIA, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST LOOK MEDIA, INC.  
CONSOLIDATED BALANCE SHEETS

March 31,  
2002  
----  
(Unaudited)

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(in

| ASSETS:   |  |    |       |
|---|--|----|-------|
| Cash and cash equivalents   |  | \$ | 4     |
| Accounts receivable, net of allowance for doubtful accounts of \$1,345,000 and \$1,150,000 at March 31, 2002 and December 31, 2001, respectively  |  |    | 23,9  |
| Film costs, net of accumulated amortization   |  |    | 18,9  |
| Other assets  |  |    | 1,7   |
|   |  |    | ----- |
| Total assets  |  | \$ | 45,1  |
|   |  |    | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY:   |  |    |       |
| Accounts payable and accrued expenses   |  | \$ | 2,0   |
| Deferred revenue  |  |    | 6     |
| Accrued interest payable  |  |    | 1     |
| Payable to producers  |  |    | 21,4  |
| Notes payable   |  |    | 15,5  |
|   |  |    | ----- |
| Total liabilities   |  |    | 39,8  |
|   |  |    | ----- |
| Shareholders' equity:   |  |    |       |
| Preferred stock, \$.001 par value, 10,000,000 shares authorized; no shares issued or outstanding at March 31, 2002 and December 31, 2001  |  |    |       |
| Common stock, \$.001 par value, 50,000,000 shares authorized; 11,954,139 and 11,658,848 shares issued; 11,909,139 and 11,613,848 shares outstanding at March 31, 2002 and December 31, 2001, respectively |  |    |       |
| Additional paid in capital  |  |    | 30,4  |
| Accumulated deficit   |  |    | (25,0 |
| Treasury stock at cost, 45,000 shares   |  |    | (     |
|   |  |    | ----- |
| Total shareholders' equity  |  |    | 5,3   |
|   |  |    | ----- |
| Total liabilities and shareholders' equity  |  | \$ | 45,1  |
|   |  |    | ===== |

The accompanying notes are an integral part of these consolidated financial statements.

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FIRST LOOK MEDIA, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

|           |    | Three Months End<br>2002<br>---- |
|-----------|----|----------------------------------|
|           |    | (in thousands except             |
| Revenues  | \$ | 6,781                            |
| Expenses: |    |                                  |

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|  |    |        |
|--|----|--------|
| Film cost amortization                               |    | 3,544  |
| Distribution and marketing                           |    | 1,652  |
| General and administrative                           |    | 1,856  |
|  |    | -----  |
| Total expenses                                       |    | 7,052  |
|  |    | -----  |
| (Loss) income from operations                        |    | (271)  |
|  |    | -----  |
| Other income (expense):                              |    |        |
| Interest income                                      |    | 1      |
| Interest expense                                     |    | (263)  |
| Other income   |    | 25     |
|  |    | -----  |
| Total other expense                                  |    | (237)  |
|  |    | -----  |
| (Loss) income before income taxes                    |    | (508)  |
| Income tax provision                                 |    | 18     |
|  |    | -----  |
| Net (loss) income                                    | \$ | (526)  |
|  |    | =====  |
| Basic and diluted (loss) income per share            | \$ | (0.04) |
|  |    | =====  |
| Weighted average number of common shares outstanding |    | 11,876 |
|  |    | =====  |

The accompanying notes are an integral part of these consolidated financial statements.

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FIRST LOOK MEDIA, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

|  |    |                    |               |
|--|----|--------------------|---------------|
|  |    | Three Months Ended |               |
|  |    | 2002               |               |
|  |    | ----               |               |
|  |    |                    | (in thousand) |
| Cash flows from operating activities:  |    |                    |               |
| Net (loss) income  | \$ | (526)              | \$            |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: |    |                    |               |
| Film cost amortization   |    | 3,544              |               |
| Additions to film costs  |    | (2,091)            |               |
| Payments to producers  |    | (2,600)            |               |
| Changes in operating assets and liabilities:   |    |                    |               |
| Accounts receivable  |    | (322)              |               |
| Other assets   |    | 54                 |               |
| Accounts payable and accrued expenses  |    | 258                |               |
| Deferred revenue   |    | (137)              |               |
|  |    | -----              | -----         |
| Net cash used in operating activities  |    | (1,820)            |               |

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|   |    |         |    |
|---|----|---------|----|
| Cash flows from financing activities:             |    |         |    |
| Net borrowings under credit facility              |    | 1,000   |    |
| Net pay down of subordinated note payable         |    | (180)   |    |
| Equity financing costs                            |    | (195)   |    |
|   |    | -----   |    |
| Net cash provided by financing activities         |    | 625     |    |
|   |    | -----   |    |
| Net decrease in cash and cash equivalents         |    | (1,195) |    |
| Cash and cash equivalents at beginning of period  |    | 1,673   |    |
|   |    | -----   |    |
| Cash and cash equivalents at end of period        | \$ | 478     | \$ |
|   |    | =====   |    |
| Supplemental disclosure of cash flow information: |    |         |    |
| Cash paid during the period for:                  |    |         |    |
| Interest  | \$ | 302     | \$ |
|   |    | =====   |    |
| Income taxes                                      | \$ | 10      | \$ |
|   |    | =====   |    |
| Foreign withholding taxes                         | \$ | 8       | \$ |
|   |    | =====   |    |

The accompanying notes are an integral part of these consolidated financial statements.

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FIRST LOOK MEDIA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

1. General

The accompanying unaudited consolidated financial statements of First Look Media, Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been reflected in these consolidated financial statements. Operating results for the three months ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. Certain reclassifications have been made in the 2001 consolidated financial statements to conform to the 2002 presentation. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

For the two years ended December 31, 2001, the Company had operating losses of \$8,634,000 and its operating activities used \$11,556,000 of cash. During the first quarter of 2002, operating losses totaled \$271,000 and net cash used in operating activities totaled \$1,820,000.

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As of March 31, 2002, the Company had cash and cash equivalents of \$478,000 and, based on its calculations, approximately \$3,676,000 available for borrowing under its Chase Credit Facility. In management's opinion, existing cash and available borrowings, totaling approximately \$4,154,000, along with future cash anticipated to be generated from operations, will provide the Company with sufficient resources to fund operations and execute its current business plan through at least April 1, 2003. If the Company is not successful in generating sufficient future cash flow from operations in accordance with its current business plan, raising additional capital through public or private financings, strategic relationships or other arrangements will be necessary. This additional funding, if needed, might not be available on acceptable terms, or at all. Failure to raise sufficient capital, if and when needed, could have a material adverse effect on the business, results of operations and financial condition of the Company.

Film costs consist of the following:

|  | March 31, 2002 |               |
|--|----------------|---------------|
|  | -----          | D             |
|  |                | (in thousand) |
| Films in release net of accumulated amortization | \$ 16,338      | \$            |
| Films not yet available for release              | 2,563          |               |
|  | -----          | -----         |
|  | \$ 18,901      | \$            |
|  | =====          | =====         |

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### 2. Segment Information

The Company manages its business in two operating segments: Motion Picture Distribution and Television Commercial Production. The segments were determined based upon the types of products and services provided and sold by each segment.

The Motion Picture Distribution segment licenses, distributes, sells and otherwise exploits distribution rights to motion pictures. Activities include direct theatrical, video and DVD distribution in the U.S. as well as licensing of rights to other theatrical, video and DVD distributors and to pay, basic and free television broadcasters throughout the world. The Television Commercial Production segment produces commercials for manufacturers and service providers who use the commercial to promote their products and services. There have been no inter-segment transactions during the reported period. The Company evaluates performance based on income or loss from operations before interest expense and taxes.

Financial information by operating segment is set forth below:

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|   | Three Months Ended and as of March 31, 2002 |  |           | Three Mon         |
|---|---|--|-----------|-------------------|
|   | Motion<br>Pictures                          | Television<br>Commercial<br>Production | Totals    | Motion<br>Picture |
|   | (in thousands)                              |  |           |                   |
| Revenues from external customers  | \$ 6,171                                    | \$ 610                                 | \$ 6,781  | \$ 10             |
| (Loss) income from operations<br>before interest, taxes and other<br>income | \$ (287)                                    | \$ 16                                  | \$ (271)  | \$                |
| Total assets  | \$ 44,656                                   | \$ 485                                 | \$ 45,141 | \$ 42             |

3. Off Balance Sheet Commitments

As of March 31, 2002, the Company was committed to pay minimum guarantees of approximately \$3,898,000 contingent upon delivery of certain films to the Company.

Additionally, the Company has entered into certain arrangements with German film financing partnerships whereby the Company has guaranteed that within three years from the commencement of principal photography of the related film, the licensing and distribution proceeds, net of the Company's fees and expenses, will be no less than sixty to eighty percent (depending upon the specific arrangement) of the amount funded toward the production cost of the related film. These commitments are not recorded as liabilities unless and until management expects that proceeds from the licensing and distribution of the related film, net of the Company's fees and expenses, will be insufficient to cover the guarantee within the agreed upon period for the particular film. As of March 31, 2002, the Company had three such commitments outstanding, whereby the total amount committed was \$10,524,000 and the expected uncovered portion of these commitments (amounts not covered by licensing agreements or pending licensing agreements with minimum guaranteed payments due to the Company), was approximately \$4,467,000. The commitments become due, if at all, between September 2003 and September 2004. Management currently believes that none of these guarantees will be called upon because the existing and projected licensing and distribution proceeds of each film are expected to be sufficient to fully cover each commitment.

4. Subsequent Event

On May 20, 2002, the Company entered into a Securities Purchase Agreement with Seven Hills Pictures, LLC, which provides for Seven Hills to invest \$6,050,000 in exchange for shares of common stock and warrants to be issued on closing. Seven Hills also will provide an additional \$2,000,000 in subordinated debt to the Company, repayable in seven years, which will be used solely to fund a joint venture between Seven Hills and First Look to provide marketing and distribution funds for the theatrical release of motion pictures selected by either Seven Hills or the Company. This transaction is subject to certain customary closing conditions.

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### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### Forward-Looking Statements

When used in this Form 10-Q and in future filings by our company with the Securities and Exchange Commission, the words or phrases "will likely result," "management expects" or "we expect," "will continue," "is anticipated," "estimated" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speak only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. These risks are included in "Item 1: Business," "Item 6: Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Exhibit 99: Risk Factors" included in our Form 10-K for the year ended December 31, 2001. We have no obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

#### General

The operations of the company were established as a private company in February 1980 under the name Overseas Filmgroup, Inc. We were formed in December 1993 under the name "Entertainment/Media Acquisition Corporation" for the purpose of acquiring an operating business in the entertainment and media industry. We acquired the operations of Overseas Filmgroup, Inc. through a merger in October 1996 and we were the surviving corporation in the merger. Immediately following the merger, we changed our name to "Overseas Filmgroup, Inc." and succeeded to the operations of the private company. In January 2001, we changed our name to "First Look Media, Inc." in order to reflect the broadening of our operations beyond foreign distribution of independently produced feature films to additional areas such as theatrical and video distribution in the United States, as well as television commercial production.

Today, we are principally involved in the acquisition and worldwide license or sale of distribution rights to independently produced motion pictures. We directly distribute certain motion pictures in the domestic theatrical market under the name "First Look Pictures" and in the domestic video market under the name "First Look Home Entertainment." Additionally, we have established a television commercial production operation which operates under the name "First Look Artists."

#### Results of Operations

Three Months Ended March 31, 2002 Compared to Three Months Ended March 31, 2001

Revenues decreased by \$3,462,000 (33.8%) to \$6,781,000 for the three months ended March 31, 2002 from \$10,243,000 for the three months ended March 31, 2001. The decrease was primarily due to decreased revenue from the licensing of films (\$4,088,000 for the three months ended March 31, 2002 compared to \$7,982,000 for the three months ended March 31, 2001), decreased airline revenues (\$137,000 for the three months ended March 31, 2002 compared to \$697,000 for the three months ended March 31, 2001) and decreased executive producer fees (no revenue for the three months ended March 31, 2002 compared to \$574,000 for the three months ended March 31, 2001). These decreases were partially offset by increased revenue from the direct distribution of motion



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pictures in the U.S. video market (\$1,513,000 for the three months ended March 31, 2002 compared to \$601,000 for the three months ended March 31, 2001) and increased revenue from the production of television commercials (\$610,000 for the three months ended March 31, 2002 compared to no revenue for the three months ended March 31, 2001).

Film costs as a percentage of revenues decreased to 52.3% for the three months ended March 31, 2002 compared to 71.9% for the three months ended March 31, 2001. Film costs include amortization of capitalized production and acquisition costs as well as current period participation cost accruals. This decrease was primarily due to lower participation expense on films licensed in the three months ended March 31, 2002 compared to the three months ended March 31, 2001.

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Distribution and marketing expenses increased by \$760,000 (85.2%) to \$1,652,000 for the three months ended March 31, 2002 from \$892,000 for the three months ended March 31, 2001. Distribution and marketing expenses as a percentage of revenues increased to 24.4% for the three months ended March 31, 2002 compared to 8.7% for the three months ended March 31, 2001. This increase was primarily due to increased marketing and distribution costs related to the direct distribution of video and DVD in the U.S. (\$496,000 for the three months ended March 31, 2002 compared to \$115,000 for the three months ended March 31, 2001). In accordance with the accounting standards established pursuant to SoP 00-2, we expense all distribution and marketing expenses as incurred.

General and administrative expenses, net of amounts capitalized to film costs, increased by \$199,000 (12.0%) to \$1,856,000 for the three months ended March 31, 2002 from \$1,657,000 for the three months ended March 31, 2001. We capitalize some of our overhead costs incurred in connection with our production activities related to a motion picture by adding these costs to the capitalized film costs of the motion picture. The increase in general and administrative expenses was primarily as a result of increases in:

- o bad debt expense and reserves of \$261,000;
- o consulting fees and contract labor of \$54,000;
- o office supplies of \$26,000;
- o rent of \$58,000; and
- o salaries of \$28,000.

These increases were partially offset by decreases in:

- o legal fees of \$74,000;
- o employee benefits of \$17,000;
- o parking expense of \$14,000;
- o publicity costs of \$30,000; and
- o increased capitalized overhead of \$93,000.

Net other expense was \$237,000 for the quarter ended March 31, 2002 compared to \$188,000 for the quarter ended March 31, 2001. The increase was primarily due to decreased miscellaneous income of \$50,000 for the three months ended March 31, 2002 compared to the three months ended March 31, 2001.

As a result of the above, we had a net loss of \$526,000 for the quarter ended March 31, 2002 (reflecting foreign withholding taxes and state taxes of \$18,000), compared to net income of \$129,000 (reflecting foreign withholding taxes and state taxes of \$16,000) for the quarter ended March 31, 2001.

Liquidity and Capital Resources

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We require substantial capital for the acquisition of film rights, the funding of distribution costs and expenses, the payment of ongoing overhead costs and the repayment of debt. The principal sources of funds for our operations have been cash flow from operations, bank borrowings and equity financings.

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### JP Morgan (or "Chase") Facility

In June 2000, we entered into a \$40 million credit facility with JP Morgan Chase Bank (formerly known as The Chase Manhattan Bank) and other commercial banks and financial institutions. A portion of the proceeds from this credit facility was used to refinance outstanding loans and accrued interest under our previous credit facility with Coutts & Co. and Bankgesellschaft Berlin A.G. The remaining proceeds are available to finance our production, acquisition, distribution and exploitation of feature length motion pictures, television programming, video product and rights and for working capital and general corporate purposes, including our expansion into television commercial production.

Under the Chase facility, we borrow funds through loans evidenced by promissory notes. The loans are made available through a revolving line of credit which may be reduced, partially or in whole, at any time and is to be fully paid on June 20, 2005. The Chase facility also provides for letters of credit to be issued from time to time upon our request. Amounts available for drawing (referred to as the "borrowing base") under the Chase facility are calculated each month, and cannot exceed the \$40 million commitment. The main components of the borrowing base include a library credit (50% of the value of our film library, based upon a third party valuation of future cash flows, which, under the terms of the credit agreement, is required to be updated every twelve months) and an accounts receivable credit (85% of net accounts receivable which are acceptable to Chase). At March 31, 2002, we had borrowed an aggregate of \$15,500,000 under the Chase facility and an additional \$3,676,000 was available to borrow based upon borrowing base calculations provided to Chase.

The amounts drawn down under the Chase facility bear interest, as we may select, at rates based on either LIBOR plus 2% or a rate per annum equal to the greater of (a) the Prime Rate plus 1%, (b) the Base CD Rate plus 2% and (c) the Federal Funds Effective Rate plus 1.5% (as these terms are defined in the credit agreement). In addition to an annual management fee of \$125,000, we pay a commitment fee on the daily average unused portion of the Chase facility at an annual rate of 0.5%. Upon entering the Chase facility, we were required to pay a one-time fee of approximately \$848,000 as a cost of acquiring the Chase facility. Additionally, in 2001 we added one lender (increasing total commitments to \$40,000,000 from \$33,000,000) and paid an additional fee of \$42,000. The Chase facility also restricts the creation or incurrence of indebtedness of additional securities. The Chase facility is collateralized by all of our tangible and intangible assets and future revenues.

### Other Loans

In addition to the amounts outstanding under the Chase facility, during 1998 we borrowed \$2,000,000 from another lender, which we used to acquire rights to a particular film. This subordinated note bore interest at the Prime Rate plus 1.5% and was collateralized by amounts due under distribution agreements from the specific film. We repaid the outstanding balance of the loan in March

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2002.

### Off Balance Sheet Commitments

In addition to direct bank borrowings, we sometimes enter into contractual arrangements whereby we commit to pay certain amounts for the acquisition of distribution rights of a film at a date in the future. These contractual commitments are sometimes used by producers or other rights owners to access production financing with respect to the given film. These commitments are generally subject to certain conditions being met by the rights owner, including delivery by the rights owner to us of certain physical materials, as well as legal documents relating to the film which will enable us to properly exploit the rights we are acquiring. Once these conditions are met, we become obligated under our contract to pay the amounts called for in the given contract. We treat these types of commitments as liabilities, includable in our balance sheet only upon satisfaction of the conditions to our obligation and disclose these obligations as commitments. As of March 31, 2002, these outstanding commitments totaled \$3,898,000.

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Additionally, we have entered into certain arrangements with German film financing partnerships whereby we have guaranteed that within three years from the commencement of principal photography of the related film, the licensing and distribution proceeds, net of our fees and expenses, will be no less than sixty to eighty percent (depending upon the specific arrangement) of the amount funded toward the production cost of the related film. These commitments are not recorded as liabilities unless and until management expects that proceeds from the licensing and distribution of the related film, net of our fees and expenses, will be insufficient to cover the guarantee within the agreed upon period for the particular film. As of March 31, 2002, we had three such commitments outstanding, whereby the total amount committed was \$10,524,000 and the expected uncovered portion of these commitments (amounts not covered by licensing agreements or pending licensing agreements with minimum guaranteed payments due to us), was approximately \$4,467,000. The commitments become due, if at all, between September 2003 and September 2004. We currently believe that none of our guarantees will be called upon because the existing and projected licensing and distribution proceeds of each film are expected to be sufficient to fully cover each commitment.

### Resources

For the two years ended December 31, 2001, we had operating losses of \$8,634,000 and our operating activities used \$11,556,000 of cash. During the first quarter of 2002, operating losses totaled \$271,000 and net cash used in operating activities totaled \$1,820,000. As of March 31, 2002, we had cash and cash equivalents of \$478,000 (compared to \$1,673,000 as of December 31, 2001) and, based on our calculations, approximately \$3,676,000 available for borrowing under our Chase facility. In management's opinion, existing cash and available borrowings, totaling approximately \$4,154,000, along with future cash anticipated to be generated from operations, will provide us with sufficient resources to fund operations and execute our current business plan through at least April 1, 2003. If we are not successful in generating sufficient future cash flow from operations in accordance with our current business plan, raising additional capital through public or private financings, strategic relationships or other arrangements will be necessary. This additional funding, if needed, might not be available on acceptable terms, or at all. Failure to raise sufficient capital, if and when needed, could have a material adverse effect on

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our business, results of operations and financial condition.

On May 20, 2002, we entered into a Securities Purchase Agreement with Seven Hills Pictures, LLC, pursuant to which we agreed to sell to Seven Hills 2,630,434 shares of our common stock and five-year warrants to purchase up to 1,172,422 shares of our common stock at an exercise price of \$3.40 per share for a cash purchase price of \$6,050,000. Seven Hills also will provide an additional \$2,000,000 in subordinated debt to us, repayable in seven years, which will be used solely to fund a joint venture between us and Seven Hills to provide marketing and distribution funds for the theatrical release of motion pictures selected by either Seven Hills or us. Seven Hills also will fund its portion of the joint venture company with \$2,000,000 in cash. Seven Hills will own approximately 18% of our voting securities after consummation of this transaction. The transaction is expected to be consummated in the second quarter of 2002 after the satisfaction of customary closing conditions. No assurance can be given that this transaction will be consummated.

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### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in interest rates. We do not use derivative financial instruments. Because only a small portion of our revenues is denominated in foreign currency, we do not believe there is a significant risk imposed on us due to the fluctuations in foreign currency exchange rates. The table below provides information about our debt obligations as of March 31, 2002, including principal cash flows and related weighted average interest rates by expected maturity dates:

|                                | Expected Maturity Date |      |          |       |
|--------------------------------|------------------------|------|----------|-------|
|                                | (in thousands)         |      |          |       |
|                                | 2003                   | 2004 | 2005     | There |
|                                | ----                   | ---- | ----     | ----- |
| Borrowing under Chase facility | -                      | -    | \$15,500 |       |
| Average interest rate          | 3.9%                   | 3.9% | 3.9%     |       |

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## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are engaged in legal proceedings incidental to our normal business activities. In the opinion of management, none of these proceedings are material in relation to our financial position.

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ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

During the three months ended March 31, 2002, we did not make any sales of unregistered securities.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

None

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 20, 2002

FIRST LOOK MEDIA, INC.

By: /s/ William F. Lischak

-----  
William F. Lischak  
Chief Financial Officer, Chief  
Operating Officer and  
Secretary

