ANNUAL REPORT 2009

eventim

CONTENTS

1. OVERVIEW

KEY GROUP FIGURES

	2009	2008
	[EUR'000]	[EUR'000]
Revenue	466,698	404,348
Gross profit	124,437	97,447
Personnel expenses	44,989	39,484
Operating profit before depreciation and amortization (EBITDA)	79,974	57,830
Depreciation and amortization	8,694	7,547
Operating profit (EBIT)	71,280	50,282
Profit from ordinary business activities (EBT)	71,496	53,377
Net income after non-controlling interest	39,943	29,207
Cash flow	58,258	44,396
	[EUR]	[EUR]
Earnings per share*, undiluted (= diluted)	1.66	1.22
	[Qty.]	[Qty.]
Number of employees**	1,143	1,111
Of which temporary	(159)	(155)

* Number of shares: 24 million
** Number of employees at end of year (active workforce)

2. REPORT BY THE SUPERVISORY BOARD

Edmund Hug
Chairman

Report by the Supervisory Board of CTS EVENTIM AG on the annual financial statements, the consolidated financial statements and the combined management report for the company and the Group as a whole for the financial year from 1 January 2009 to 31 December 2009.

I. The members of the Supervisory Board of the company during the reporting year were Mr. Edmund Hug (Oberstenfeld), Dr. Peter Haßkamp (Bremen, until 14 May 2009), Prof. Jobst W. Plog (Hamburg) and Horst R. Schmidt (Aschaffenburg, from 14 May 2009). Mr. Hug acted as Chairman throughout the year, with Dr. Haßkamp acting as Vice-Chairman until 14 May 2009 and Prof. Plog as Vice-Chairman as from 14 May 2009. No committees were formed.

II. Throughout the year, the Supervisory Board discharged its responsibilities as required by law and the articles of incorporation. It was regularly informed by the Management Board in writing, verbally, promptly and extensively about all issues relevant for corporate planning and strategic development, about the progress of business activities and the situation of the Group, including risks and risk management. The Supervisory Board provided the Management Board with regular advice concerning the management of the company, and monitored how the company and its Group were managed. It ensured that management of the company was lawfully conducted, and was involved in all decisions of fundamental importance for the company. After thorough examination and consultation, the Supervisory Board submitted its opinion on the reports prepared and the resolutions proposed by the Management Board, to the extent that this is required by law and by provisions in the articles of incorporation. The activities of the Supervisory Board during the reporting year also included intensive involvement in acquisitions made by the company, providing advice and deciding, where necessary, on consent for such measures. Decisions were also taken using the written procedure, where so required.

The Supervisory Board was kept informed by the Management Board not only at Supervisory Board meetings but also beyond such meetings – for example when transactions of special importance or urgency were being conducted. In the reporting year, the Supervisory Board met on 24 March 2009 ('financial statements meeting'), 13 May 2009, 14 May 2009 (constitutive meeting after change of a member), 4 September 2009 and 11 November 2009. The Management Board of the company also took part at these meetings and had an opportunity to comment on business activities of importance for the company. On the basis of the submitted reports and other information, the Supervisory Board examined the general business development of the company and its various subsidiaries, in particular the achievement of the budgeted performance figures for revenue and earnings, as well as the growth of cash flow and the main projects carried out by the company and the Group as a whole.

III. At the Annual Shareholders' Meeting of the company held in Bremen on 14 May 2009, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft in Osnabrück, a firm of public auditors, was chosen to audit the annual financial statements and the consolidated financial statements as at 31 December 2009. The audit commission was duly granted by the Supervisory Board Chairman on behalf of all Supervisory Board members.

The 2009 annual financial statements, the 2009 consolidated financial statements, the combined management report and the respective audit reports were submitted by the Management Board of the company to the Supervisory Board in timely manner, and were duly examined by the Supervisory Board.

At the Supervisory Board meeting on 19 March 2010, the annual financial statements and the consolidated financial statements for 2009, as well as the combined management report and the Management Board's proposal for appropriation of profits, were discussed in detail with the Supervisory Board. The Supervisory Board was able to confer with the auditor, who also attended the meeting.

The annual financial statements were prepared by the Management Board in compliance with the statutory regulations and were issued with an unqualified audit opinion by the auditor.

Having examined the audit report, the Supervisory Board approves the annual financial statements as prepared by the Management Board, which are therefore formally adopted in accordance with § 172 AktG (Stock Corporation Act). The Supervisory Board also approves the consolidated financial statements prepared by the Management Board for the 2009 financial year, to which no objections are raised. The Management Board's proposal for appropriation of the balance sheet profit was reviewed and accepted by the Supervisory Board as according with the interests of the company and its shareholders.

IV. In accordance with § 312 AktG, the Management Board has prepared a report for the 1 January – 31 December 2009 financial year on the relationships to affiliated companies, in which it is stated that, judging from the circumstances known at the time legal transactions requiring disclosure were conducted, the company received adequate consideration in each case and that no measures requiring disclosure were either effected or waived in the 2009 business year at the behest or in the interest of affiliated enterprises within the meaning of § 312 AktG.

The auditor provided the following unqualified audit opinion regarding the findings obtained during his audit of the report on dependencies:

'Having audited and assessed the report in accordance with professional standards, we confirm that

(1) the disclosures of fact made in the report are true and correct,

(2) that the performance rendered by the company in connection with the legal transactions detailed in the report are not unreasonably high.'

The Supervisory Board likewise examined the report on dependencies prepared by the Management Board and concurs with the audit findings. According to the conclusive findings of the Supervisory Board in the context of said examination, no objections are raised against the final declaration by the Management Board contained in said report.

V. No changes were made to the composition of the Management Board during the reporting year.

VI. On 19 March 2010, the Supervisory Board and the Management Board issued their most recently updated joint declaration of compliance with the German Corporate Governance Code, in accordance with § 161 AktG; this declaration is published on the company website at www.eventim.de.

The Supervisory Board wishes to thank the Management Board and all employees of the company for the work they performed during the 2009 financial year.

March 2010

Edmund Hug Chairman	Prof. Jobst W. Plog Vice-Chairman	Horst R. Schmidt

3. FOREWORD BY THE MANAGEMENT BOARD

Klaus-Peter Schulenberg
Chief Executive Officer

Ladies and Gentlemen,

2009 saw our company continuing its superb track record of success and growth established in previous years – in both Ticketing and Live Entertainment. In our tenth year on the Frankfurt stock exchange, the share price, revenue and earnings were outstanding, despite the global economic and financial crisis. Most importantly – the fans remained loyal to us in 2009. My explanation for the growth in tickets sold: when the economy is in crisis, people allow themselves small treats such as concerts or sports and cultural events. Thanks to the large number of attractive events, we were able to meet this huge demand.

We are very satisfied with the figures for 2009. Our company generated EUR 466.7 million between 1 January and 31 December 2009 – a year-on-year increase of 15.4%. Earnings before interest and taxes (EBIT) rose by 41.8% to reach a figure of EUR 71.3 million.

EUROPEAN EXPANSION STILL HAS HIGH PRIORITY

The CTS Group continued to extend its leadership of the European market in 2009. Additional market shares were gained in the Netherlands, Finland, Sweden and Hungary, in particular. With the planned joint venture with Ringier AG, Switzerland's biggest private media company, the foundations has now been laid for market growth in that country. At the beginning of 2010, continuation of this strategy led to the takeover of Ticketcorner Holding AG, the leader of the Swiss ticketing market. Systematic growth in other European countries is also planned for the years ahead.

ONLINE TICKETING – OUR GROWTH MARKET

High-margin online ticket selling was another hugely important field of expansion for us. Our websites, especially www.eventim.de and www.getgo.de, logged more than 303 million visitors last year – around 71 million more than the year before. Around 13.4 million tickets were sold online, which is 3.8 million more than in 2008. For the CTS Group, Internet ticketing is an enormous growth market. Our company benefits from decreasing unit costs per ticket sold, i.e. from a leveraged increase in profit margin.

I would like to draw attention in this context to two valuable partnerships that we entered into in the past year. The eventim.de ticket shop and the Fansale.de ticket reselling platform are now directly available to the users of MySpace, the world's leading entertainment and lifestyle platform. All that promoters and bands need to do to sell tickets in this way is to include a ticketing widget in their MySpace profile. The other very promising venture is the partnership with Amazon, iTunes and musicload, the leading music download stores. With these partners, the CTS Group is combining the promotion of albums and tickets while also launching exclusive promotion campaigns for music fans. The aim is to offer exclusive bundles and to reach out to new target groups. We will continuously improve Internet services that offer value-added to web-savvy target groups.

A combination of international stars and attractive cultural and sports events help to reinforce our market leadership position. Our customers know that the CTS Group delivers the full range of entertainment as well as all-round support: beat music fans are just as welcome as lovers of pop, rock or classical music, passionate sports fans just as much as drama, musical and opera lovers. In the months ahead, we continue to offer top acts such as Alicia Keys, Peter Maffay, Green Day, Western-hagen, AC/DC, Pink, Whitney Houston and U2 – and demand for these events is as strong as ever.

TWO THIRDS OF ALL GERMAN FOOTBALL LEAGUE CLUBS WORK WITH EVENTIM SYSTEMS

Our progress in the sports market was also very good. Our services are used by more than 80 clubs, associations and sports promoters in over 20 different disciplines. With football, handball, ice hockey, basketball, tennis, boxing, Formula 1 and the German Touring Masters, our coverage for fans is enormous. In the German first-division football league, for example, almost two-thirds of the clubs work with EVENTIM systems.

All these developments allow me to have a very positive view of the future. We will continue to work hard to rigorously expand our Internet business and to push forward with our international expansion, so that our shares remain an attractive equity investment and dividend-paying security in the future. In the 2010 business year, we aim for further increases in revenue and earnings and hence to continue writing our success story. You are warmly invited to accompany the CTS Group on our way forwards.

Klaus-Peter Schulenberg
Chief Executive Officer

4. CTS SHARES

CTS SHARES – A REWARDING INVESTMENT, EVEN IN TIMES OF CRISIS

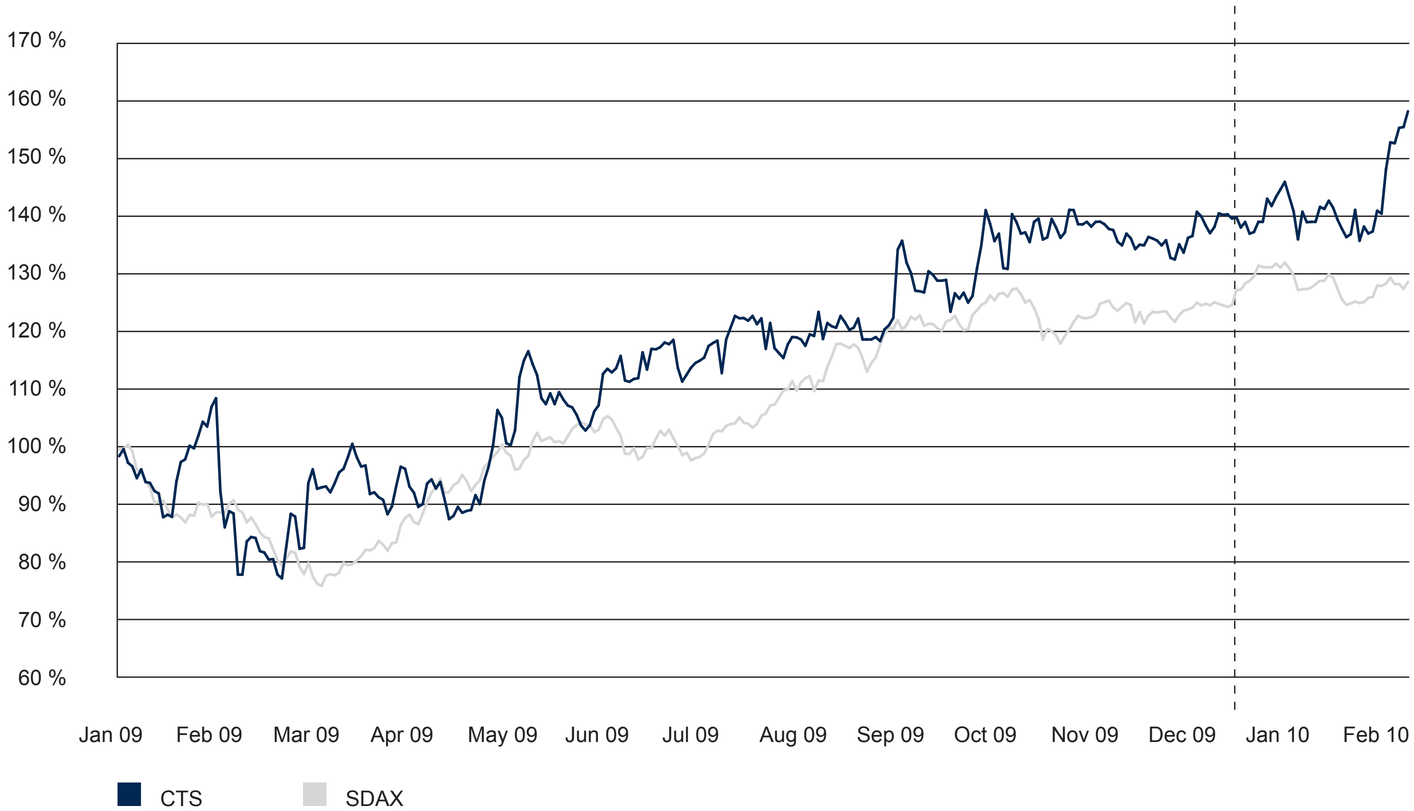
Shares in CTS EVENTIM AG trended strongly upwards in the 2009 financial year; over the year, the share price increased by over 40%, substantially outperforming the SDAX index in which it is listed. The share price benefitted from the fact that CTS EVENTIM AG survived the global economic and financial crisis unscathed – both revenue and Group earnings rose by double digits in the course of 2009.

By the end of December 2009, CTS shares were over EUR 34, almost reaching the all-time high achieved in 2007. For the medium term, analysts see a price target of EUR 44, so the upward trend should continue.

In 2009, CTS EVENTIM AG paid a dividend for the fourth time in succession. At the Shareholders' Meeting on 14 May 2009, the Management Board and Supervisory Board proposed that a dividend of EUR 0.61 per share be paid to shareholders, after EUR 0.49 a year earlier. For 24 million shares, this equates to around EUR 14.6 million in total distribution, compared to EUR 11.8 million the year before.

Analyses of CTS shares are produced not only by the Designated Sponsors – ICF Kursmakler AG on behalf of DZ Bank and Commerzbank AG – inter alia, also by Berenberg Bank, Crédit Agricole Cheuvreux, WestLB, Deutsche Bank, Sal. Oppenheim and Bank of America Merrill Lynch. This means that CTS shares have unusually broad coverage. In the view of many analysts, the unique business model as well as the new, attractive and long-term partnerships make the shares an interesting and profitable investment.

CTS SHARES (01.01.2009 TO 28.02.2010 – INDEXED)



Type of shares	No-par value ordinary bearer shares
Securities code	5 4 7 0 3 0
ISIN number	DE 000 547 030 6
Symbol	EVD
First listed	01.02.2000
Stock exchange segment	Prime Standard
Indices	SDAX; Prime All Share
Sectoral index	Prime Media

	2009 **[EUR]**	**2008** **[EUR]**
Earnings per share	1.66	1.22
Cash flow	58,258,380	44,395,549
High (Xetra)	35.99	31.00
Low (Xetra)	17.03	17.00
Year-end-price (Xetra)	34.14	23.94
Market capitalisation (based on year-end-price)	819,360,000	574,560,000
Shares outstanding on 31.12.	24,000,000	24,000,000
Share capital after IPO	12,000,000	12,000,000

5. CORPORATE GOVERNANCE REPORT OF CTS EVENTIM AG

CTS EVENTIM AG has always complied with nationally and internationally accepted standards of good and responsible enterprise management. For us, Corporate Governance is a fundamental standard applying to all areas of the company. External directorships held by Management and Supervisory Board members are shown under points 18 and 19 in the notes to the consolidated financial statements. Related party disclosures are made under point 16 in the notes section. The Management Board provides the following report on corporate governance within the company – simultaneously on behalf of the Supervisory Board – in accordance with item 3.10 of the German Corporate Governance Code (GCGC):

1. CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 161 AKTG

The Management Board and Supervisory Board submitted another declaration of compliance with the recommendations contained in the GCGC in accordance with § 161 AktG on 19 March 2010. The declaration of compliance reads as follows:

During the period since submission of the previous declaration of conformity, CTS EVENTIM AG fulfilled the recommendations outlined in the GCGC of 6 June 2008 and in large part complies with the recommendations of the GCGC dated 18 June 2009, with the following exceptions.

In compliance with the regulations governing the Prime Standard segment of the Frankfurt Stock Exchange, interim reports are published within 60 days after the end of each reporting period (GCGC, item 7.1.2), since this makes it easier to ensure that reliable figures may also be obtained from the many unlisted corporations in Germany and abroad.

Information relating to third-party companies in which the company holds participations are published when such participations are included in consolidation (GCGC, item 7.1.4), which means that all significant participations are disclosed.

No Supervisory Board committees are formed because the Board consists of only three members. In the estimation of the company, the creation of committees is not conducive to increasing the efficiency of the Supervisory Board's work (items 5.3.1, 5.3.2 and 5.3.3).

Performance-based compensation of Supervisory Board members has been waived for reasons of cost, since such a system would only make sense if accompanied by a substantial increase in the compensation paid to Supervisory Board members (GCGC, item 5.4.6).

An age limit for Management Board members has not been specified by the Supervisory Board as yet (GCGC, item 5.1.2) because the company sees no cause for limiting the options available to the Supervisory Board – and hence to shareholders – when appointing members of the Management Board.

The D&O policies for the Management Board and Supervisory Board do not include any own-risk deductions to date (DCGK, item 3.8). Existing contracts for Management Board members will be adjusted, by 1 July 2010, to the new rules in § 93 (2) sentence 3 AktG introduced by the law limiting executive compensation (Vorstandvergütungsbegrenzungsgesetz), but own contributions by members of the Supervisory Board appears to be neither required, nor appropriate, nor reasonable in view of the moderate amount of compensation paid.

The agenda of the Annual Shareholders' Meeting and possibly some Management Board reports are published on the Internet in addition to the Annual Report, other documents pertaining to agenda items, such as contracts or annual financial statements, are not published in order to protect the company's confidential information. These documents are made available to company shareholders only, in accordance with statutory requirements (GCGC, item 2.3.1).'

In addition, CTS EVENTIM AG already adheres in large measure to the additional GCGC suggestions regarding good corporate governance.

2. OWNERSHIP OF COMPANY SHARES OR FINANCIAL DERIVATIVES RELATING TO SUCH SHARES ON THE PART OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

As at the closing date for the annual financial statements, 31 December 2009, members of the Management Board and Supervisory Board of CTS EVENTIM AG held the following quantities of no-par value bearer shares in the company (ISIN DE0005470306):

	Number of shares [Qty.]	Share [in %]
Members of the Management Board:		
Klaus-Peter Schulenberg (Chief Executive Officer)	12,016,000	50.067%
Volker Bischoff	0	0.000%
Alexander Ruoff	2,000	0.008%
Members of the Supervisory Board:		
Edmund Hug (Chairman)	4,650	0.019%
Horst R. Schmidt	0	0.000%
Prof. Jobst W. Plog	0	0.000%

3. PURCHASE OR SALE OF COMPANY SHARES OR FINANCIAL DERIVATIVES RELATING TO SUCH SHARES BY MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

During the period under review, executive officers of CTS EVENTIM AG did not engage in any transactions involving no-par value bearer shares in the company (ISIN DE0005470306).

4. NOTES TO THE MANAGEMENT BOARD COMPENSATION SYSTEM PURSUANT TO ITEM 4.2.3 GCGC AND DISCLOSURES ON THE INDIVIDUAL COMPENSATION OF MANAGEMENT BOARD MEMBERS, IN ACCORDANCE WITH THE LAW GOVERNING SUCH DISCLOSURES (VORSTANDVERGÜTUNGSOFFENLEGUNGSGESETZ)

The total amount of compensation paid to members of the CTS EVENTIM AG Management Board is disclosed annually in the notes to the annual financial statements of the company, and amounted in the 2009 business year to EUR 2.131 million. Compensation consists of fixed annual emoluments and a variable, performance-based payment. The agreed criteria for granting the variable component, and for the amount paid, are revenue, EBIT (earnings before interest and taxes) and other performance-based key figures, i.e. clearly defined, auditable and relevant success criteria that are continuously monitored by the Supervisory Board. The members of the Management Board also receive payments in kind, specifically in the form of an appropriate company car.

Stock options or similar components of compensation have not been contractually agreed and are not granted to members of the CTS EVENTIM AG Management Board, so no disclosures in this regard need to be made. There are no contractual commitments regarding payments when Board membership ends. The amounts of compensation paid to the individual members of the Management Board and which must be disclosed by law are shown in the following table.

Compensation paid to members of the CTS EVENTIM AG Management Board:

Name	**Fixed salary**	**Benefits**	**Management Bonus**	**Total**
	[EUR]	**[EUR]**	**[EUR]**	**[EUR]**
Klaus-Peter Schulenberg	1,000,000	0	300,000	1,300,000
Volker Bischoff	250,000	11,815	105,000	366,815
Alexander Ruoff	350,000	8,824	105,000	463,824
	1,600,000	**20,639**	**510,000**	**2,130,639**

5. WORKING METHODS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The Management Board and Supervisory Board work closely together for the benefit of the company and maintain regular contact. The Supervisory Board holds four regular meetings a year. The Management Board keeps the Supervisory Board fully and regularly informed in good time of all relevant business developments, plans, potential risks and risk management. The activities of the Management Board and the Supervisory Board are specified in the standing orders. The standing orders of the Management Board provide guidance in particular with regard to the departmental responsibilities of its individual members. The Chief Executive Officer regularly exchanges information with the Chairman of the Supervisory Board.

The Management Board normally meets on a weekly basis. As a rule, its resolutions are adopted by simple majority. In accordance with the Management Board's schedule of responsibilities there are three Board departments: The Chief Executive Officer (CEO), the Chief Finance Officer (CFO) and the Chief Operating Officer (COO).

6. COMBINED MANAGEMENT REPORT

1. PRELIMINARY STATEMENTS

In addition to standalone financial statements for CTS EVENTIM AG (hereinafter ‘CTS AG’) in accordance with the accounting legislation in the German Commercial Code (Handelsgesetzbuch - HGB), the Management Board has also prepared consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), complying thereby with all IFRS and with interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union (EU) on the balance sheet date. Consolidated financial statements reflecting applicable HGB principles were not prepared.

The management report of CTS AG and the Group management report have been combined. Unless stated otherwise, the information contained in this combined management report refers to the financial situation and business development of the Group as a whole. Information on the financial situation and business development of CTS AG as a standalone company are provided in separate sections of this Annual Report or is shown by a reference to ‘CTS AG’.

In order to ensure uniform presentation, receivables relating to ticket monies from pre-sales in the Ticketing segment, which were previously carried as current trade receivables, are accounted for as other current assets as at the balance sheet date of 31 December 2009. The prior year carrying amounts of current trade receivables and other current assets as at 31 December 2008 and as at 1 January 2008 have been adjusted accordingly (see section 7, Consolidated Financial Statements 2009, Consolidated Balance Sheet, page 54).

The accounting policies and consolidation methods are the same as those applied in the consolidated financial statements as at 31 December 2008. The comparative figures included in the income statements relate to the consolidated financial statements as at 31 December 2008, and those in the balance sheet to the adjusted consolidated financial statements as at 31 December 2008.

2. BUSINESS AND MACROENVIRONMENT

2.1 MACROECONOMIC CLIMATE

At the beginning of 2009, the global recession led in Germany to a historically unprecedented decline in exports and capital spending. Although the German economy was able to restabilise itself by mid-2009, gross domestic product fell by 5% relative to the year before.

An even greater fall in output was counteracted by a broad range of programmes implemented by the federal government to stabilise the economy, combined with a significant cut in the prime rate by the European Central Bank. The employment market in Germany was stabilised above all by intensified use of short-time working and by flexible arrangements in collective bargaining agreements.

The current financial crisis had no noticeable impact on the performance of the CTS Group in the past business year. In contrast to general consumer restraint, revenue and EBIT growth were achieved in both the Ticketing segment and the Live Entertainment segment. Demand for live events appears unbroken, even or precisely when the economy is going through difficult times.

2.2 INDUSTRY-SPECIFIC ENVIRONMENT

The Group operates in the leisure events market with its Ticketing and Live Entertainment segments. CTS AG, the parent company of the Group, operates in the field of ticketing and is the dominant player in that segment on account of its sheer importance for the ticketing industry. Statements made in respect of the Ticketing segment therefore apply in particular to CTS AG as well.

Organising and executing events is the primary object of the Live Entertainment business. The situation in this industry is characterised by accelerated globalisation and monopolisation. Owing to its market position, the Group is confronted in the Live Entertainment segment by very few competitors in Germany, Austria and Switzerland.

Promoters of leisure events consider sales of their tickets to be the critical factor for their success. These sales activities are the basic object of the Ticketing segment, which markets events (tickets) through its leading network platform (eventim.net), its in-house ticketing product (eventim.inhouse), a sports ticketing product (eventim.tixx) and a proprietary solution for ticket sales and admission control in stadiums and arenas. Due to the networking and internationalisation of ticketing software at network, web and inhouse level, implemented in 2007, it is also possible for tickets to be offered in a standardised ticketing system (Global Ticketing System).

Besides the German market, the Group also operates in the Ticketing segment in other European countries (Italy, Sweden, the UK, the Czech Republic, Croatia, the Netherlands, Austria, Finland, Poland, Russia, Switzerland, the Slovak Republic, Slovenia, Hungary, Bulgaria, Romania Bosnia-Herzegovina and Serbia), where it competes with domestic and foreign network operators and ticketing software providers.

The events for which tickets are sold using the proprietary CTS ticketing software range from concerts of classical music, through rock and pop, plays, festivals, fairs and exhibitions to sports events, especially football. As the leading ticket supplier, the CTS Group is superbly positioned in the market. That position has been reinforced and extended in the ticketing field by a broad distribution system featuring a full-coverage network of box offices, sales via call centres and Internet ticket shops. By holding participations in leading German tour and concert promoters, the Group's position on this market has been strengthened for the future as well.

The CTS Group competes with national and regional network operators both in Germany and abroad. The company enjoys competitive advantages over competitors, in that the CTS Group operates with full geographic coverage in a variety of market segments using a networked ticketing system, and because it links all sales channels in a common database. Another advantage lies in the Group's alliances with major promoters of live events, thus allowing a large number of different and attractive events to be marketed though all the Group's sales channels. These competitive strengths were further enhanced in the 2009 business year by establishing and growing ticketing companies in other countries – also on the basis of the ticketing partnership deal signed in December 2007 with Live Nation Worldwide Inc. (hereinafter: Live Nation), the world market leader in the live entertainment business.

2.3 GROUP BUSINESS PERFORMANCE

In spite of a global financial crisis, the CTS Group grew with undiminished intensity during the past business year. Key performance figures are shown in the table below:

	2009 [EUR million]	2008 [EUR million]
Revenue (before consolidation between segments)		
Ticketing	152.5	120.1
Live Entertainment	318.7	288.0
Group	466.7	404.3
EBIT		
Ticketing	49.0	34.6
Live Entertainment	22.2	15.7
Group	71.3	50.3
Cash flow	58.3	44.4
Number of employees (at end of year)	1,143	1,111

Ticketing segment operations expanded both in Germany and abroad during the 2009 reporting year, accompanied by substantial growth in Internet sales, thus leading to the anticipated growth in revenue and earnings.

In October 2009, the Organising Committee (OC) of the German Football Association (DFB) concluded an exclusive cooperation agreement with CTS AG for the entire ticketing operation for the first FIFA Women's World Cup, to be held in Germany in 2011.

European expansion included the establishment of two more ticketing companies: Eventim UK Limited in London, and Eventim CZ s.r.o. in Prague.

In December 2009, a joint venture was agreed with Ringier AG, the biggest private media company in Switzerland. The aim of the partnership is to assume market leadership in the Swiss ticketing sector.

In the Live Entertainment segment, significant year-on-year increases in revenue and earnings were achieved with a large number of successful concert events and tours, and by developing new and successful types of events. This segment achieved its best ever earnings since the IPO in 2000.

In the 'Edutainment' field, additional venues for the 'Tutankhamun' exhibition were found, such as Hamburg and Barcelona.

2.4 ORGANISATION AND CORPORATE STRUCTURE

2.4.1 ORGANISATION

In addition to managing its own operative business, the most important tasks of CTS AG as parent company include corporate strategy, risk management and in some respects the financing of the CTS Group.

According to the articles of incorporation, CTS AG as parent company has its registered office in Munich; the administrative head office is in Bremen.

The Group companies are classified into two segments, namely Ticketing and Live Entertainment.

The CTS Group is managed decentrally to allow decisions to be made as close as possible to the market. This means that the subsidiaries have considerable discretion in all market- and customer-related activities. The management and oversight structures as well as the compensation system are compliant with statutory requirements and are geared to long-term business success. For this reason, the compensation packages for members of the Management Board are comprised of various components, specifically the non-performance-based fixed salary and additional benefits in the form of payments in kind and a performance-based bonus. The fixed salary and benefits are paid monthly. Benefits must be taxed as income by the individual Board member. The bonuses paid to each individual member are decided upon by the Supervisory Board on the basis of performance criteria. There are no contractual commitments regarding payments when Board membership ends. No loans are granted to Management Board members or their relatives. Reference is made to point 18 in the notes to the consolidated financial statements and to point 4 in the Corporate Governance report regarding details of individual compensation packages.

For the 2009 business year, the members of the Supervisory Board of CTS AG received emoluments totalling EUR 80 thousand, as well as reimbursed expenses of EUR 5 thousand.

2.4.2 CHANGES IN GROUP STRUCTURE

In addition to CTS AG as parent company, the consolidated financial statements also include all relevant subsidiaries.

In the 2009 reporting period, the following changes occurred in the group of entities included in consolidation.

TICKETING

In January 2009, Eventim UK Limited (hereinafter: Eventim UK) was established with its registered office in London, UK. CTS AG holds 100% of the shares in this company.

In February 2009, Eventim Sports Consulting GmbH, Bremen, was renamed getgo consulting GmbH, Hamburg, and its registered office was relocated to Hamburg. These changes were entered in the commercial register on 22 April 2009.

In March 2009, Cardplus Oy, Helsinki, was merged with Lippupiste Oy, Tampere. The merger was entered in the Finnish register of companies on 31 March 2009.

In April 2009, Zritel o.o.o., Moscow changed its name to CTS Eventim RU o.o.o., Moscow.

In April 2009, Eventim CZ s.r.o. (hereinafter: Eventim CZ) was established with its registered office in Prague, Czech Republic. CTS AG holds 100% of the shares in this company.

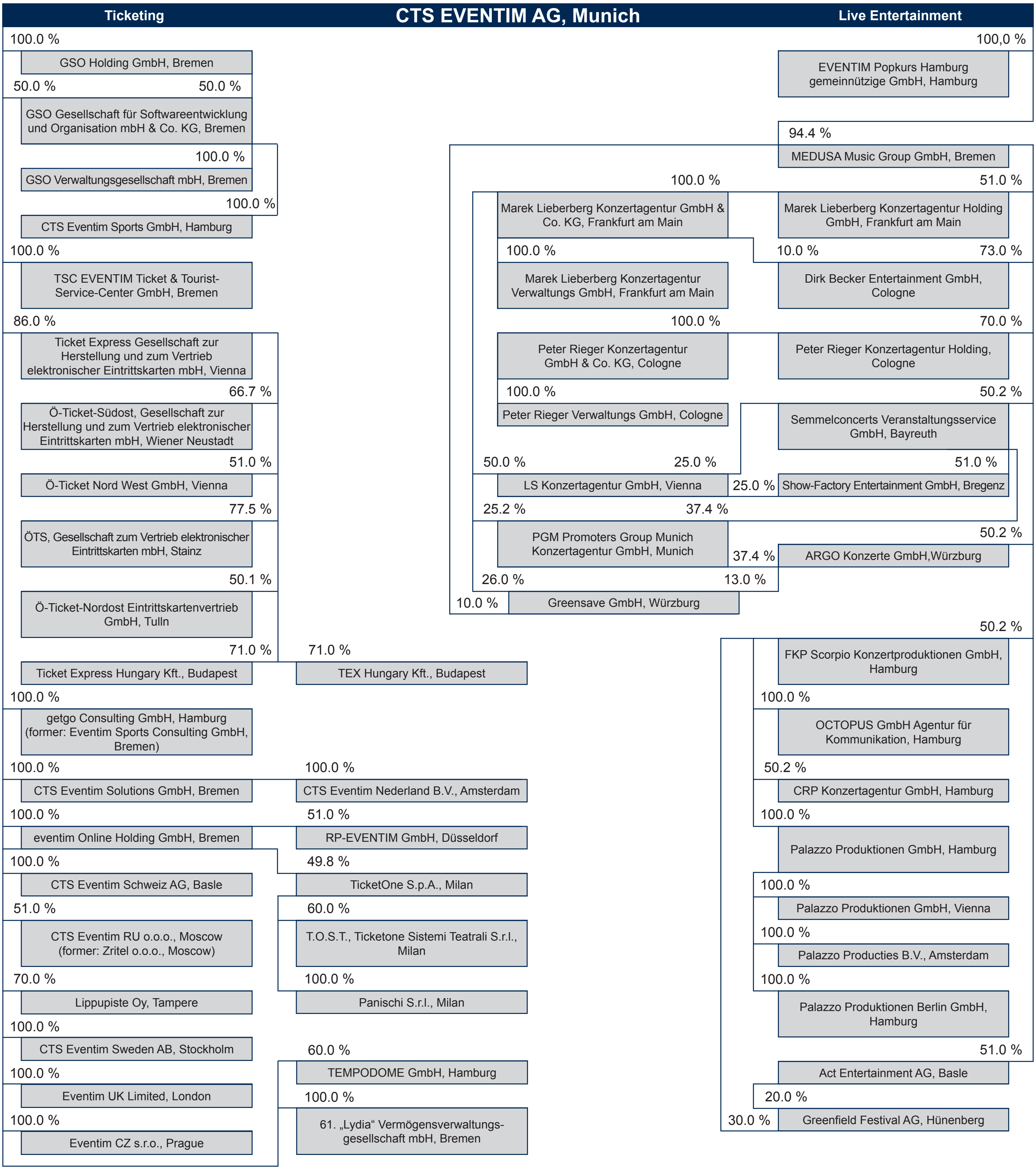
In December 2009, a further 40.48% of the shares in TEMPODOME GmbH, Hamburg, were acquired. CTS AG now holds 60% of the shares in this company. The objects of TEMPODOME GmbH, Hamburg are to develop online-based business models and to create, operate and market Internet platforms for entertainment products for business and final customers.

In December 2009, 100% of the shares in the shelf company Einundsechzigste 'Lydia' Vermögensverwaltungsgesellschaft mbH, Hamburg, were acquired. The registered office of the company has been relocated to Bremen.

LIVE ENTERTAINMENT

In the Live Entertainment segment there were no changes in the companies included in consolidation.

The corporate structure as at 31 December 2009 is shown below:



2.5 CORPORATE MANAGEMENT

Company policy is focused on sustained growth in the value of the company. In order to manage the company according to value-based principles, a system of performance indicators is used to ensure efficient use of funds.

The key criteria for assessing the value growth of the operating business, for each segment, are the sustained increase in EBITDA (earnings before interest, taxes, depreciation and amortization), EBIT (earnings before interest and taxes) and EPS (earnings per share). The Group's earning power is reflected in its ability to improve EBITDA, EBIT and EPS continuously by successfully expanding its business operations.

As a result of its successful strategy of profitable growth, the Group achieved significant year-on-year improvements in its key performance indicators in 2009. At EUR 71.280 million, the Group EBIT was EUR 20.998 million higher that the equivalent figure for the 2008 business year (EUR 50.282 million).

The aim of financial management is to ensure solvency and to maintain financial balance within the Group. Cash reserves, in the form of overdraft facilities and cash, are held.

The CTS Group manages its capital with the aim of maximising profits for shareholders by optimising the debt-to-equity ratio. The Group companies operate under the going concern premise.

The capital structure of the CTS Group comprises debt, cash and cash equivalents and the shareholders´ equity owed to investors in CTS AG. This shareholders´ equity is composed, specifically, of outstanding shares, the capital reserve and balance sheet profit.

A key variable used in capital risk management is the gearing ratio (according to IFRS), i.e. the ratio between net consolidated debt and Group shareholders´ equity. Risk considerations mean that the aim must be to have a healthy net debt/equity ratio.

At the end of the year, the net debt/equity ratio was as follows:

	31.12.2009 **[EUR'000]**	**31.12.2008** **[EUR'000]**
Debts *)	33,179	30,016
Cash and cash equivalents	-229,794	-213,072
Net debts	**-196,615**	**-183,056**
Shareholders´ equity **)	149,864	125,437
Net debts to shareholders´ equity	-131%	-146%

*) Debts are defined as non-current and current financial liabilities
**) Including non-controlling interest

Net debt indicates the amount of debts a company has after all liabilities have been redeemed with current assets. The CTS Group has more cash and cash equivalents than debt. The negative net debt/equity ratio means that the Group is de facto free of debt. The leverage of loan capital has positive effects on the return on equity.

2.6 INTERNAL ACCOUNTING CONTROL SYSTEM

The internal accounting control system (IACS) contains the policies, procedures and measures designed to ensure correct and reliable Group accounting, and is subjected to continuous improvement. The aim of the risk management system is to identify, assess, control and document material risks, as well risks that threaten the continued existence of the company as a going concern. Further descriptions of the risk management system are provided under point 8.1 in the risk report.

Process-integrated and process-independent monitoring measures are the key elements of the internal monitoring system within the CTS Group. In addition to manual process controls – such as the ‘four eyes principle’ – automatic IT controls are also an essential part of the process-integrated measures. The auditor of the Group, and other auditing bodies such as the fiscal auditor, are involved in process-independent auditing activities in the control environment of the CTS Group. The main process-independent monitoring measures for the Group accounting process are the auditing of the consolidated financial statements by the independent Group auditor and the auditing of the financial statements submitted on forms by the companies included in consolidation.

In the standalone financial statements of the subsidiaries of CTS AG, bookkeeping transactions are mainly recorded by the local bookkeeping systems. In order to prepare the consolidated financial statements of the CTS Group, the subsidiaries add to their respective financial statements by submitting further details in standardised reporting packages. All submitted reporting packages are then imported via an interface into the ‘LucaNet Word’ consolidation system to produce the consolidated financial statements. The consolidation software deployed by CTS AG has been used for many years already to prepare the consolidated financial statements. All the consolidation steps involved in preparing the consolidated financial statements – such as capital consolidation, consolidation of debts, or the elimination of intercompany expenses and profits and losses, including equity measurement – are generated and fully documented in ‘LucaNet Word’.

The measures of the internal control system aimed at reliability and correctness of Group accounting ensure that transactions are recorded promptly and fully, in accordance with statutory regulations and the articles of incorporation. They also ensure that the physical inventory is properly conducted, that assets and liabilities are correctly recognised, measured and stated in the consolidated financial statements.

The control activities to ensure that accounting is correct and reliable include, for example, the analysis of facts and trends by conducting specific analyses of key figures. Organisational separation of administrative, executive, settlement and approval functions, and their performance by different persons, reduces the possibility of fraudulent activities. Organisational measures are aimed at promptly and properly recording, in the Group accounting system, any restructuring at enterprise or Group level, and any changes in the operations of individual business units.

The accounting rules applied in the CTS Group, including the accounting rules laid down in the International Financial Reporting Standards (IFRS), stipulate the standard accounting policies for the German and foreign companies included in the consolidated financial statements of the CTS

Group. The CTS accounting rules also stipulate specific formal requirements to be met by the consolidated financial statements. In addition to defining the scope of consolidation, the accounting rules also contain detailed definitions of the specific elements in the reporting packages to be produced by the Group companies. These formal requirements stipulate, inter alia, the mandatory use of a standardised and complete set of forms.

Centralised conducting of impairment tests for the specific cash-generating units (CGUs), from the Group perspective, ensures that common and standardised measurement criteria are applied. The cash generating units correspond to the Group reporting entitites (segments), i.e. Ticketing and Live Entertainment. At Group level, regulation also extends, for example, to centralised definition of the parameters to be applied when measuring pension provisions. Measures at Group level also include the processing and aggregation of additional data in order to prepare external information in the notes section and the combined management report (including significant events after the balance sheet date).

By means of the organisational, control and monitoring systems stipulated within the CTS Group, the internal accounting control and risk management system makes it possible to record, process and analyse company information and to present it properly in the Group accounting system. However, the nature of discretionary personal decisions, errors during checks, criminal acts and other circumstances means that they cannot be excluded entirely, and will result in limitations in the effectiveness and reliability of the internal control and risk management system, with the consequence that even Group-wide application of the deployed systems cannot guarantee absolute security with regard to correct, complete and prompt recording of facts in the Group accounting system.

2.7 SOFTWARE DEVELOPMENT

In order to broaden the range of ticketing-related services, to tap into additional sources of revenue and to continue meeting the requirements of event promoters, box offices and Internet customers, the ticket sales system is being constantly improved and expanded. All software development is predominantly carried out by departments within the Group. In the field of ticketing and software development, the Group has amassed a wealth of expertise. In order to tap into new markets, the Group is planning further advancements in new technologies, such as chip tickets or mobile ticketing. Software development costs are recognised as Group assets if they meet the criteria specified in IAS 38. Costs not eligible for capitalisation are mainly stated as cost of sales.

No expense needs to be stated under research and development.

3. EARNINGS PERFORMANCE AND FINANCIAL POSITION

3.1 EFFECTS OF THE FINANCIAL CRISIS ON THE EARNINGS PERFORMANCE AND FINANCIAL POSITION OF THE CTS GROUP AND OF CTS AG

In the 2009 financial year, no significant negative impacts of the financial crisis on earnings performance and financial position were identified either in the CTS Group or in CTS AG.

Despite the difficulties facing the economy, consumer demand for events was unbroken during the reporting year. Due to the low requirement for external borrowing, changes in banks' lending practices have not had any effects on the Group. Since the CTS Group and CTS AG pursue a very short-term and thus conservative strategy for monetary investments, there was a decline in interest income due to lower interest on cash and bank balances.

3.2 EARNINGS PERFORMANCE

3.2.1 GROUP EARNINGS PERFORMANCE (IFRS)

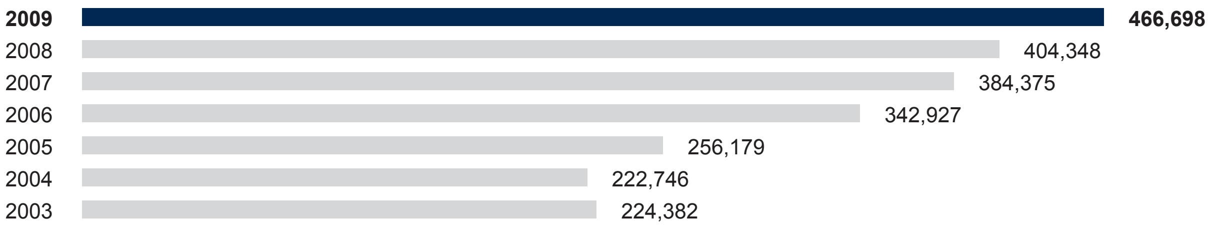
	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	466,698	404,348	62,350	15.4
Cost of sales	-342,261	-306,900	-35,361	11.5
Gross profit	**124,437**	**97,448**	**26,989**	**27.7**
Selling expenses	-34,413	-29,915	-4,498	15.0
General administrative expenses	-19,249	-17,146	-2,103	12.3
Other operating income	8,337	6,941	1,396	20.1
Other operating expenses	-7,832	-7,046	-786	11.2
Operating profit (EBIT)	**71,280**	**50,282**	**20,998**	**41.8**
Financial result	216	3,096	-2,880	-93.0
Profit from ordinary business activities (EBT)	**71,496**	**53,378**	**18,118**	**33.9**
Taxes	-23,307	-17,835	-5,472	30.7
Net income before non-controlling interest	**48,189**	**35,543**	**12,646**	**35.6**
Non-controlling interest	-8,246	-6,336	-1,910	30.1
Net income after non-controlling interest	**39,943**	**29,207**	**10,736**	**36.8**

Expenditures are stated in the earnings statement according to function. The income statements of the subsidiaries are firstly prepared using the type of expenditure method, with costs then being reassigned to the functional expenses of the cost of sales method using conversion codes for the respective cost elements, for integration in the Group financial statements according to IFRS. Using the conversion code, material expenses, personnel expenses, depreciation, amortization and other operating expenses of the individual companies according to the cost of expenditure method are assigned to the cost of sales, selling expenses, general administrative expenses and other operating expenditures.

REVENUE

Group revenue growth over the past seven years is shown in the following table:

in EUR'000



Group revenue rose in the reporting period by EUR 62.350 million or 15.4% from EUR 404.348 million to EUR 466.698 million. Revenue (before consolidation between segments) breaks down into EUR 152.493 million in the Ticketing segment (prior year: EUR 120.130 million) and EUR 318.726 million in the Live Entertainment segment (prior year: 287.994 million).

The Ticketing segment continued its growth in the 2009 business year. Revenue in this segment rose from EUR 120.130 million to EUR 152.493 million (+26.9%). In addition to fast-growing Internet sales, this encouraging trend is also attributable to international expansion in connection with the partnership with Live Nation that was successfully launched at the beginning of the year. In the 2009 reporting period, foreign subsidiaries generated a 39% share of total revenue (prior year: 31%).

In the 2009 business year, around 303 million music and event fans (prior year: 232 million) visited the Group's Internet portals, especially www.eventim.de and www.getgo.de, buying around 13.4 million tickets in total (prior year: 9.6 million). This equates to a year-on-year increase in Internet ticket sales of around 40%.

Revenue in the Live Entertainment segment was increased in the 2009 reporting year by EUR 30.732 million to EUR 318.726 million (+10.7%) as a result of successful tours, a high frequency of events and the creation of new types of events. The concert tours by Tina Turner, PINK, PUR, Depeche Mode and U2 had positive effects on revenue in this segment.

Of the EUR 466.698 million (prior year: EUR 404.348 million) in Group revenue achieved in the reporting year, EUR 364.541 million (prior year: EUR 325.686 million) was generated in Germany, EUR 47.691 million (prior year: EUR 39.163 million) in Austria, EUR 20.335 million (prior year: EUR 16.517 million) in Italy and EUR 34.131 million (prior year: EUR 22.982 million) in other countries.

GROSS PROFIT

A significantly improved gross profit of EUR 124.437 million (prior year: EUR 97.448 million) was generated in the reporting year. The 15.4% increase in Group revenue is offset by a lower proportional increase in cost of sales (11.5%).

The gross margin achieved in the Group as a whole and in the segments developed as follows:

	2009 [in %]	2008 [in %]
Group	26.7	24.1
Ticketing	55.0	55.9
Live Entertainment	12.7	10.6

In the Live Entertainment segment, higher average profit contributions from events led to an improved profit margin, and as a result of this increase consolidated gross margin increased as well. The gross margin in the Ticketing segment showed a year-on-year decrease due, among other factors, to enlargement of the group of entities included in consolidation as a result of international expansion, especially in the course of implementing the Live Nation project.

SELLING EXPENSES

The EUR 4.498 million increase in selling expenses is mainly due to higher personnel expenses (EUR +2.307 million), depreciation and amortization (EUR +774 thousand) and losses on receivables and allowances for doubtful accounts (EUR +404 thousand). As a percentage of revenue, selling expenses remained stable at 7.4%. Reference is made to the 'Personnel' section on page 29f for the development of personnel costs.

GENERAL ADMINISTRATIVE EXPENSES

The EUR 2.103 million increase in general administrative expenses is mainly attributable to increased personnel expenses (EUR +1.438 million), depreciation and amortization (EUR +355 thousand) and costs for levies and insurances (EUR +228 thousand). As a percentage of revenue, general administrative expenses were reduced slightly from 4.2% to 4.1%. Reference is made to the 'Personnel' section on page 29f for the development of personnel costs.

OTHER OPERATING INCOME

Other operating income increased year-on-year by EUR 1.396 million, mainly due to higher marketing and magazine income (EUR +1.223 million), revenue from insurance compensation (EUR 589 thousand) and other income (EUR +1.460 million). These increases are offset by a fall in income mainly from written-off liabilities and written-off receivables (EUR -1.820 million).

OTHER OPERATING EXPENSES

The increase of EUR 786 thousand in other operating expenses is mainly attributable to expenses for third-party services (EUR +714 thousand) and to other expenses (EUR +611 thousand). Currency translation expenses decreased by EUR 435 thousand.

OPERATING PROFIT (EBIT)

Group EBIT increased significantly by 41.8% from EUR 50.282 million to EUR 71.280 million. The EBIT margin was 15.3% (prior year: 12.4%). The percentage of Group EBIT generated by foreign companies rose year-on-year from 11% to 16%.

In the Ticketing segment, the EBIT figure rose significantly by EUR 14.451 million from EUR 34.590 million to EUR 49.041 million (+41.8%). A major contribution to earnings was made by the further increase in ticket volumes sold through the Internet platforms of the CTS Group, both in existing and in new markets. The percentage of Ticketing segment EBIT generated by foreign companies rose year-on-year from 12% to 22%. The EBIT margin improved from 28.8% to 32.2%.

The Live Entertaiment segment achieved its best-ever profit since the IPO in 2000. The EBIT figure increased significantly by 41.6% from EUR 15.695 million to EUR 22.219 million. The EBIT margin was 7.0%, compared to 5.5% in 2008. Growth in this segment was driven by major tours that were nearly or completely sold to capacity, for example the Tina Turner tour in the first quarter of 2009.

FINANCIAL RESULT

The financial result, at EUR 216 thousand (prior year: EUR 3.096 million) includes EUR 8 thousand in income from participations (prior year: EUR 44 thousand), EUR 140 thousand income from investments in associated companies (prior year: EUR 172 thousand), EUR 2.016 million in financial income (prior year: EUR 4.673 million) and EUR 1.948 million in financial expenses (prior year: EUR 1.793 million).

As expected, financial income decreased by EUR 2.657 million due mainly to lower interest rates.

Distribution to non-controlling interests (EUR 93 thousand; prior year: EUR 93 thousand), and the change in the present value of purchase price obligations in respect of put options (EUR 1.017 million; prior year: EUR 904 thousand), were stated as financial expenses in accordance with IAS 32.

TAXES

Tax expenses increased in fiscal 2009 by EUR 5.472 million to EUR 23.307 million. Tax expenses comprise deferred taxes (EUR 559 thousand; prior year: EUR 1.577 million) and the actual tax expenses of the consolidated standalone companies (EUR 22.748 million; prior year: EUR 16.258 million). Deferred tax income and tax expenses were formed on the basis of existing loss carryforwards and for temporary differences, and set-off against tax expenses. Fiscal loss carryforwards for which deferred tax assets were formed in the past are reduced by positive net income of the standalone companies and lead to deferred tax expenses.

The tax rate for the Group as a whole shows the relationship between taxes (including deferred taxes) and the profits from ordinary business activities. The tax rate in fiscal 2009 was 32.6% (prior year: 33.4%).

NON-CONTROLLING INTEREST

According to IAS 32 rules, non-controlling interest needs not be recognised in companies with corresponding put options.

The non-controlling interest stated in the income statement increased by EUR 1.910 million from EUR 6.336 million to EUR 8.246 million. The increase primarily results from stronger contributions to earnings in the Live Entertainment segment.

NET INCOME AFTER NON-CONTROLLING INTEREST

Net income after non-controlling interest increased by EUR 10.736 million (+36.8%) from EUR 29.207 million to EUR 39.943 million. Earnings per share (EPS) for the 2009 business year were EUR 1.66, up from EUR 1.22 for the prior year.

The net income for the year of CTS AG as listed standalone company, in accordance with German Commercial Code ´HGB´, was EUR 27.874 million (prior year: EUR 23.199 million), and was mainly adjusted by goodwill amortisation eliminated under IFRS. The distributable earnings per share for CTS AG were EUR 1.16 in the 2009 financial year (prior year: EUR 0.97).

PERSONNEL

Due to larger workforces, personnel expenses increased year-on-year by EUR 5.505 million from EUR 39.484 million to EUR 44.989 million. This increase in personnel expenses breaks down into EUR 3.687 million in the Ticketing segment and EUR 1.818 million in the Live Entertainment segment. The increased personnel expenses in the Ticketing segment were the result of international expansion, in particular. The increase in personnel expenses in the Live Entertainment segment resulted partly from the expansion of successful new types of event and from higher additions to pension provisions due to a lower discount rate applied in actuarial calculations.

Breakdown of employees by segment (year-end figures):

	2009 [Qty.]	2008 [Qty.]
Ticketing	691	671
Live Entertainment	452	440
Total	**1,143**	**1,111**

At the end of the business year, the Group had a total of 1,143 employees (prior year: 1,111), of whom 652 were employed in Germany (prior year: 654), 184 in Austria (prior year: 165), 69 in Italy (prior year: 98) and 238 in other countries (prior year: 194). Due to the greater number of companies included in consolidation, the size of the Group workforce as at 31 December 2009 was 13 more than a year before.

On average during 2009, the Group had 45 more employees than in the 2008 business year.

DEVELOPMENT OF THE TICKETING AND LIVE ENTERTAINMENT SEGMENTS

TICKETING

Ticketing	**2005** [EUR million]	**2006** [EUR million]	**2007** [EUR million]	**2008** [EUR million]	**2009** [EUR million]
Revenue	64.3	99.3	87.4	120.1	152.5
Gross profit	39.8	62.8	50.1	67.1	83.9
Gross margin	61.9%	63.2%	57.3%	55.9%	55.0%
EBIT	19.3	31.1	26.6	34.6	49.0
EBITDA	23.6	36.8	32.0	40.1	55.4

Of the total revenue in this segment, EUR 84.645 million (prior year: EUR 61.939 million) were generated via the Internet, equivalent to Internet revenue growth of 37%. Revenue generated via the Internet accounted for 56% of total Ticketing segment revenues in the 2009 business year (prior year: 52%).

LIVE ENTERTAINMENT

Live Entertainment	2005	2006	2007	2008	2009
	[EUR million]	[EUR million]	[EUR million]	[EUR million]	[EUR million]
Revenue	194.6	247.2	301.3	288.0	318.7
Gross profit	23.6	26.2	33.4	30.4	40.5
Gross margin	12.1%	10.6%	11.1%	10.6%	12.7%
EBIT	13.5	14.6	20.5	15.7	22.2
EBITDA	13.9	15.2	21.8	17.7	24.5

In the Live Entertainment segment, the best-ever result since the IPO in 2000 was achieved. Sold-to-capacity tours and the expansion of successful new types of event led in the business year 2009 to an improvement in earnings and margin.

3.2.2 RESULTS OF OPERATIONS OF CTS AG (HGB)

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	85,077	71,862	13,215	18.4
Cost of sales	-36,942	-30,503	-6,439	21.1
Gross profit	**48,135**	**41,359**	**6,776**	**16.4**
Selling expenses	-10,934	-11,056	122	-1.1
General administrative expenses	-5,338	-4,625	-713	15.4
Other operating income	3,991	2,821	1,170	41.5
Other operating expenses	-2,826	-2,794	-32	1.1
Operating profit (EBIT)	**33,028**	**25,705**	**7,323**	**28.5**
Financial result	6,372	6,812	-440	-6.5
Profit from ordinary business activities (EBT)	**39,400**	**32,517**	**6,883**	**21.2**
Taxes	-11,526	-9,318	-2,208	23.7
Net income for the year	**27,874**	**23,199**	**4,675**	**20.2**

In the 2009 business year, CTS AG revenue increased markedly by EUR 13.215 million, from EUR 71.862 million to EUR 85.077 million. Fast-growing Internet sales and the partnership with Live Nation in North America were a major factor in this positive revenue growth.

The gross margin is 56.6% (prior year: 57.6%). Margins were reduced, inter alia, by expenditure for implementing the partnership with Live Nation in Europe.

Selling expenses declined slightly by EUR 122 thousand from EUR 11.056 million to EUR 10.934 million. As a percentage of revenue, selling expenses fell from 15.4% in 2008 to 12.9% in 2009.

The EUR 713 thousand increase in general administrative expenses in the reporting year, to EUR 5.338 million, is mainly attributable to higher personnel expenses and higher costs for levies and insurances. As a percentage of revenue, administrative expenses fell from 6.4% in 2008 to 6.3% in 2009.

The EUR 1.170 million increase in other operating income, to EUR 3.991 million, resulted mainly from higher income from the reversal of provisions (EUR +248 thousand), from the reversal of allowances for doubtful accounts (EUR +182 thousand), from insurance compensation (EUR +157 thousand) and from operating expenses passed on to third parties (EUR +351 thousand).

The EUR 32 thousand increase in other operating expenses to EUR 2.826 million results, inter alia, from higher expenses due to exchange differences and expenses for operating expenses passed on to third parties. These are offset by lower expenses relating to other periods.

Earnings before interest and taxes (EBIT) amounts to EUR 33.028 million (previous year: EUR 25.705 million). The EBIT margin rose from 35.8% to 38.8%.

The financial result fell by EUR 440 thousand from EUR 6.812 million in the previous year to EUR 6.372 million. The financial result includes EUR 5.513 million in income in the form of dividends and transferred profits from participations (prior year: EUR 5.100 million), EUR 1.096 million in interest income (prior year: EUR 2.155 million) and interest expenses of EUR 237 thousand (prior year: EUR 442 thousand). Interest expense relates to long-term loans and to other financing expenses. As expected, interest income declined as a result of lower interest rates and lower income from securities.

Due to higher results of operations (EBT), tax expense rose by EUR 2.208 million from EUR 9.318 million to EUR 11.526 million.

At the end of the 2009 financial year, CTS AG had 139 employees on its payroll (prior year: 142). Personnel expenses increased by EUR 1.241 million from EUR 8.187 million to EUR 9.428 million. This rise in personnel expenses for an almost unchanged workforce size results, inter alia, from the relocation of a department with low salaries, with simultaneous creation and expansion of departments with higher salary levels, whose main task was further internationalisation.

3.3 FINANCIAL POSITION
3.3.1 GROUP FINANCIAL POSITION (IFRS)

	31.12.2009		31.12.2008		Change
	[EUR'000]	[in %]	[EUR'000]	[in %]	[EUR'000]
Current assets					
Cash and cash equivalents	229,794	49,8	213,072	52,6	16,722
Trade receivables	19,799	4.3	18,020*	4.4	1,779
Receivables from affiliated companies	3,566	0.8	1,711	0.4	1,855
Inventories	15,571	3.4	12,733	3.1	2,838
Other assets	56,527	12.1	31,008*	7.7	25,519
Total current assets	**325,257**	**70.4**	**276,544**	**68.2**	**48,713**
Non-current assets					
Fixed assets	33,582	7.3	33,586	8.3	-4
Goodwill	96,929	21.0	89,918	22.2	7,011
Trade receivables	1,268	0.3	1,330	0.4	-62
Receivables from affiliated companies	1,186	0.2	1,716	0.4	-530
Other assets	2,303	0.5	64	0.0	2,239
Deferred tax assets	1,360	0.3	1,929	0.5	-569
Total non-current assets	**136,628**	**29.6**	**128,543**	**31.8**	**8,085**
Total assets	**461,885**	**100.0**	**405,087**	**100.0**	**56,798**

* Reclassification of receivables relating to ticket monies from pre-sales in the Ticketing segment (see item 2 in the notes to the consolidated financial statements)

	31.12.2009		31.12.2008		Change
	[EUR'000]	[in %]	[EUR'000]	[in %]	[EUR'000]
Current liabilities					
Short-term financial liabilities and current portion of long-term financial liabilities	25,218	5.5	5,026	1.2	20,192
Trade payables	37,120	8.0	33,126	8.1	3,994
Advance payments received	101,766	22.0	84,086	20.8	17,680
Provisions	11,409	2.5	8,425	2.1	2,984
Other liabilities	125,039	27.1	119,874	29.6	5,165
Total current liabilities	**300,552**	**65.1**	**250,537**	**61.8**	**50,015**
Non-current liabilities					
Medium- and long-term financial liabilities	7,961	1.7	24,990	6.2	-17,029
Other liabilities	12	0.0	1,052	0.2	-1,040
Pension provisions	2,716	0.6	2,247	0.6	469
Deferred tax liabilities	780	0.2	824	0.2	-44
Total non-current liabilities	**11,469**	**2.5**	**29,113**	**7.2**	**-17,644**
Shareholders' equity					
Share capital	24,000	5.2	24,000	5.9	0
Capital reserve	23,311	5.0	23,311	5.8	0
Earnings reserve	278	0.1	119	0.0	159
Balance sheet profit	97,591	21.1	72,445	17.9	25,146
Treasury stock	-52	0.0	-52	0.0	0
Non-controlling interest	4,946	1.1	5,795	1.4	-849
Other comprehensive income	52	0.0	0	0.0	52
Currency differences	-262	-0.1	-181	0.0	-81
Total shareholders' equity	**149,864**	**32.4**	**125,437**	**31.0**	**24,427**
Total shareholders' equity and liabilities	**461,885**	**100.0**	**405,087**	**100.0**	**56,798**

As at 31 December 2009, the balance of current and non-current assets and liabilities compared to 31 December 2008 had improved by EUR 24.427 million, thus having a positive effect on the financial position of the Group. Equity rose accordingly from EUR 125.437 million to EUR 149.864 million.

Current assets increased by EUR 48.713 million to EUR 325.257 million. This is attributable above all to a EUR 16.722 million increase in cash and cash equivalents to EUR 229.794 million and to an increase of EUR 25.519 in other assets to EUR 56.527 million.

Cash and cash equivalents, at EUR 229.794 million (prior year: EUR 213.072 million) include ticket monies from pre-sales for events in 2010 (ticket monies not yet invoiced in the Ticketing segment), which are reported under other liabilities at EUR 94.249 million (prior year: EUR 92.619 million). Other assets also include receivables relating to ticket monies from pre-sales in the Ticketing segment (EUR 27.541 million; prior year: EUR 15.668 million). Taking liabilities to banks, at EUR 5.262 million (prior year: EUR 5.271 million), into account, the resultant net cash amounts to EUR 157.824 million (prior year: EUR 130.850 million).

The increase in other assets is mainly attributable to higher receivables in respect of ticket monies (EUR +11.873 million), to current loans (EUR +4.448 million), to receivables in respect of security deposits (EUR +3.984 million) and to securities (EUR +2.016 million).

Non-current assets increased by EUR 8.085 million to EUR 136.628 million. Significant changes occurred in goodwill and in other assets.

The change in goodwill (EUR 7.011 million) mainly results from an acquisition of shares in a subsidiary in the Live Entertainment segment that was already included in consolidation. Financial addition occurred in the 2009 financial year, whereas legal transfer of the shares was effected in January 2010. Another addition to goodwill results from remeasurement, as at the closing date, of put options in the Ticketing segment, to be recognised in accordance with IAS 32. Goodwill from put options to be recognised in accordance with IAS 32 decreased as a result of fixing a specific purchase price when offering shares in a subsidiary already consolidated in the Ticketing segment, and the acceptance of those shares in December 2009. Legal transfer of the shares will be effected at the beginning of 2010. Investments within the Group were financed from free cash flow.

The EUR 2.239 million increase in other non-current assets is mainly the result of receivables for new types of events.

Assets tied up for the long term account for 29.6% of the balance sheet total (prior year: 31.8%) and is financed entirely with shareholders´equity.

Current liabilities increased by EUR 50.015 million. Changes mainly arose in respect of current financial liabilities and the current portion of non-current financial liabilities (EUR +20.192 million), and in respect of advance payments received (EUR +17.680 million). The increase in current financial liabilities and in the current portion of non-current financial liabilities mainly results from the reclassification of liabilities from the recognition of put options from non-current to current liabilities. The increase in advance payments received results mainly from ticket monies received in the fourth quarter from pre-sales of major tours (inter alia U2 in Germany and AC/DC in Austria). Advance payments received by the Live Entertainment segment are transferred to revenue when the respective events have taken place.

Non-current liabilities were reduced by EUR 17.644 million, mainly due to a decrease in medium- and long-term financial liabilities (EUR -17.029 million). This change arises primarily from the reclassification of liabilities from the recognition of put options (EUR -16.675 million) as current liabilities.

Shareholders´ equity rose by EUR 24.427 million to EUR 149.864 million. This increase mainly results from the EUR 25.146 million change in balance sheet profit. The latter increased due to the EUR 39.943 million in net income after non-controlling interest in 2009, offset primarily by a dividend payment of EUR 14.639 million. Non-controlling interest decreased only slightly by EUR 849 thousand to EUR 4.946 million. The decrease in non-controlling interest results from a distribution of dividends to external shareholders in the 2009 financial year (EUR -8.111 million) and the effects of the aquisition of shares in a subsidiary in the Live Entertainment segment that was already included in consolidation (EUR -984 thousand) offset from shares in net income for 2009 (EUR +8.246 million).

In accordance with IAS 32, the CTS Group has applied the standard to equity instruments of non-controlling shareholders holding put options. The put options held by certain non-controlling shareholders are therefore disclosed under financial liabilities and not as non-controlling interest.

The equity ratio (equity minus non-controlling interest, divided by the balance sheet total) was increased from 29.5% to 31.4%, mainly due to the increase in balance sheet profit.

The return on equity (net income after non-controlling interest divided by equity) is 27.6%, compared to 24.4% in 2008.

3.3.2 FINANCIAL POSITION OF CTS AG (HGB)

	31.12.2009		31.12.2008		Change
	[EUR'000]	[in %]	[EUR'000]	[in %]	[EUR'000]
Current assets					
Cash and cash equivalents	86,732	42.7	88,573	47.7	-1,841
Treasury stock	63	0.0	52	0.0	11
Trade receivables	5,069	2.5	4,551*	2.5	518
Receivables from affiliated companies	18,124	8.9	8,899	4.8	9,225
Inventories	728	0.4	1,270	0.7	-542
Prepaid expenses, accrued income and other assets	15,394	7.6	7,860*	4.2	7,534
Total current assets	**126,110**	**62.1**	**111,205**	**59.9**	**14,905**
Non-current assets					
Fixed assets	73,243	36.0	71,693	38.5	1,550
Goodwill	1,472	0.7	1,799	1.0	-327
Receivables from affiliated companies	1,146	0.6	1,107	0.6	39
Other assets	1,234	0.6	0	0.0	1,234
Total non-current assets	**77,095**	**37.9**	**74,599**	**40.1**	**2,496**
Total assets	**203,205**	**100.0**	**185,804**	**100.0**	**17,401**

* Reclassification of receivables relating to ticket monies from pre-sales (see item 2.1 in the notes to the financial statements of CTS AG)

	31.12.2009		31.12.2008		Change
	[EUR'000]	[in %]	[EUR'000]	[in %]	[EUR'000]
Current liabilities					
Short-term financial liabilities and current portion of long-term financial liabilities	500	0.3	500	0.3	0
Trade payables	5,323	2.6	5,455	2.9	-132
Provisions	8,759	4.3	9,671	5.2	-912
Accrued expenses, deferred income and other liabilities	73,532	36.2	66,771	35.9	6,761
Total current liabilities	**88,114**	**43.4**	**82,397**	**44.3**	**5,717**
Non-current liabilities					
Medium- and long-term financial liabilities	4,000	2.0	4,500	2.4	-500
Other liabilities	0	0.0	1,051	0.6	-1,051
Total non-current liabilities	**4,000**	**2.0**	**5,551**	**3.0**	**-1,551**
Shareholders' equity					
Share capital	24,000	11.8	24,000	12.9	0
Capital reserve	23,821	11.7	23,821	12.8	0
Treasury stock reserve	63	0.0	52	0.0	11
Balance sheet profit	63,207	31.1	49,983	27.0	13,224
Total shareholders' equity	**111,091**	**54.6**	**97,856**	**52.7**	**13,235**
Total shareholders' equity and liabilities	**203,205**	**100.0**	**185,804**	**100.0**	**17,401**

Compared to the prior year, the balance sheet total of CTS AG increased by EUR 17.401 million (+9.4%) to EUR 203.205 million. On the assets side, the main changes were increases in receivables from affiliated companies, in prepaid expenses, accrued income and other assets. The increase on the equity and liabilities side related primarily to accrued expenses, deferred income and other liabilities and to shareholders' equity.

Current assets increased by EUR 14.905 million (+13.4%) to EUR 126.110 million. The changes mainly pertain to the EUR 9.225 million increase in receivables from affiliated companies and to the EUR 7.534 million increase in prepaid expenses, accrued income and other assets. These are offset by a EUR 1.841 million decline in cash and cash equivalents. The increase in receivables from affiliated companies mainly results from higher trade receivables (EUR +2.872 million), from receivables for loans (EUR +2.948 million), from receivables with newly established companies (EUR +1.035 million), and from receivables from distributions of profits for the 2009 financial year (EUR +1.737 million). The increase in prepaid expenses, accrued income and other assets results primarily from higher receivables relating to ticket monies from pre-sales (EUR +2.922 million) and from receivables relating to new types of event (EUR +4.288 million).

Cash and cash equivalents include ticket monies from pre-sales for events in 2010 (tickets not yet invoiced in the Ticketing segment), which are reported under other liabilities at EUR 68.119 million (prior year: EUR 60.951 million). Other assets also include receivables relating to ticket monies from pre-sales (EUR 9.296 million; prior year: EUR 6.374 million). Taking liabilities to banks, at EUR 4.500 million (prior year: EUR 5.000 million), into account, the resultant net cash amounts to EUR 23.409 million (prior year: EUR 28.996 million).

Non-current assets increased by EUR 2.496 million (+3.3%), of which EUR 1.550 million are fixed assets. Additions to fixed assets, at EUR 4.878 million, are offset by EUR 3.173 million in depreciation and amortization and EUR 155 thousand in disposals. Of the total additions to fixed assets, EUR 2.706 million relate to additions to intangible assets, mainly resulting from further development of the Global Ticketing System (EUR 2.335 million). Investments in operating and office equipment amounted to EUR 1.586 million, of which EUR 986 thousand were for IT hardware for operating the Global Ticketing System and EUR 277 thousand for IT hardware for the box offices connected to the CTS ticketing software system. These cash outflows for investments in fixed assets were financed from free cash flow. The EUR 1.234 million increase in other non-current assets is the result of receivables for new types of events.

Current liabilities rose by EUR 5.717 million, mainly due to an increase in other liabilities relating to ticket monies not yet invoiced (EUR +7.168 million). This is offset by a decrease in the residual other current liabilities (EUR -1.863 million). The increase in ticket monies not yet invoiced is, inter alia, due to the pre-sales that were commenced in December 2009 for some major events and tours, but for which the ticket monies will not be paid out until 2010.

Non-current liabilities decreased by EUR 1.551 million. This decrease results from the reclassification of medium- and long-term financial obligations as current financial liabilities (EUR -500 thousand) and from reduced payment obligations relating to the acquisition of distribution rights, on account of scheduled repayment (EUR -1.051 million).

Shareholders´ equity rose by EUR 13.235 million to EUR 111.091 million. This increase resulted from the net income for the year, at EUR 27.874 million, offset by the EUR 14.639 million dividend for the 2008 financial year that was adopted at the Annual Shareholders' Meeting in 2009.

The equity ratio improved, from 52.7% to 54.6%, mainly due to the increase in balance sheet profit.

The return on equity (net income for the year divided by shareholders´ equity) is 25.1%, compared to 23.7% in 2008.

3.4 CASH FLOW

3.4.1 GROUP CASH FLOW (IFRS)

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008	Change
	[EUR‘000]	[EUR‘000]	[EUR‘000]
Cash flow from:			
Operating activities	55,052	105,778	-50,726
Investing activities	-14,971	-19,374	4,403
Financing activities	-23,359	-15,096	-8,263
Net increase / decrease in cash and cash equivalents	**16,722**	**71,308**	**-54,586**
Cash and cash equivalents at beginning of period	213,072	141,764	71,308
Cash and cash equivalents at end of period	**229,794**	**213,072**	**16,722**

The amount of cash and cash equivalents shown in the cash flow statement is equal to the cash and cash equivalents in the balance sheet.

Cash flow from operating activities is derived indirectly from the consolidated net income for the year, whereas cash flow from investing and financing activities is calculated on the basis of payments.

Cash flow from operating activities fell year-on-year by EUR 50.726 million from EUR 105.778 million to EUR 55.052 million. The EUR 50.726 million decrease mainly results from the EUR -40.203 million change in liabilities and the EUR -28.682 million change in receivables and other assets. Stronger Group net income after non-controlling interest (EUR +10.736 million) had positive impacts on cash flow from operating activities.

The EUR 40.203 million decrease in cash flow from liabilities is attributable, in particular, to the EUR 13.660 million decrease in advance payments received by the Live Entertainment segment, and to the EUR 30.483 million decrease in liabilities accruing from ticket monies that have not yet been invoiced.

As at the balance sheet date of 31 December 2008, the liabilities from advance payments received in the Live Entertainment segment increased to an above-average extent due to ticket pre-sales for a major tour in 2009. Due to this large amount of advance payments received as at the 2008 balance sheet date, cash flow in the 2008 financial year increased by EUR +31.340 million. As at the balance sheet date of 31 December 2009, the advance payments received had increased (EUR +17.680 million), but the increase was less than in the 2008 financial year, with the result that a negative cash flow effect of EUR -13.660 million results from changes in the advance payments received.

As at the balance sheet date of 31 December 2008, other liabilities relating to ticket monies not yet invoiced increased due to the high level of ticket pre-sales for a major tour (inter alia AC/DC) that did not take place until the first half of 2009. These ticket monies had not yet been paid to the promoters as at the 2008 balance sheet date. This payment was made at the beginning of the 2009 financial year. The strong increase in these liabilities in respect of ticket monies as at the 2008 balance sheet date resulted in increased cash flow of EUR +32.113 million in the 2008 financial year. As at the balance sheet date of 31 December 2009, the amount of liabilities in respect of ticket monies was almost at the same level as the year before, with the result that the change in liabilities in respect of ticket monies led to a cash flow of only EUR +1.630 million in the 2009 financial year. Thus, the changes in liabilities in respect of ticket monies resulted in a negative cash flow effect of EUR -30.483 million in the business year 2009.

As at the balance sheet date of 31 December 2009, receivables and other assets were at a high level, which is mainly attributable to higher receivables relating to ticket monies from pre-sales and to receivables relating to new types of event. The higher amount of receivables from ticket monies comprise ticket monies receivables due for payment in the short term, inter alia as credit card and direct debit payments. Changes in the receivables from ticket monies and in other receivables result in total in a negative cash flow effect of EUR -28.682 million.

Cash outflow for investing activities fell EUR 4.403 million to EUR 14.971 million. This decline principally results from less investment in intangible assets (TEUR -3.535 million; mainly trademark rights in the Live Entertainment segment) and in acquiring consolidated companies (EUR -1.302 million). This was offset by increased investment in property, plant and equipment (EUR +1.221 million), primarily in IT infrastructure.

Cash outflow for financing activities increased year-on-year by EUR 8.263 million to EUR 23.359 million. This cash outflow primarily includes the dividend payment decided upon at the Annual Shareholders‘ Meeting (EUR 14.639 million) and payments to non-controlling interest (EUR 8.204 million). Distribution to shareholders amounted to EUR 2.880 million more than in the prior year, when external borrowing (EUR 5.000 million) also had a positive impact on cash flow from financing activities.

As at the balance sheet date, the CTS Group has EUR 229.794 million in cash and cash equivalents (prior year: EUR 213.072 million). A separate calculation of net cash is presented in section 3.3.1, Group financial position, on page 35.

With its current funds, the Group is able to meet its financial commitments at all times and to finance its planned investments and ongoing business operations from its own funds.

3.4.2 CASH FLOW CTS AG (HGB)

	01.01.2009 - 31.12.2009 [EUR'000]	01.01.2008 - 31.12.2008 [EUR'000]	Change [EUR'000]
Cash flow from:			
Operating activities	17,993	44,214	-26,221
Investing activities	-4,695	-10,660	5,965
Financing activities	-15,139	-6,759	-8,380
Net increase / decrease in cash and cash equivalents	**-1,841**	**26,795**	**-28,636**
Cash and cash equivalents at beginning of period	88,573	61,778	26,795
Cash and cash equivalents at end of period	**86,732**	**88,573**	**-1,841**

Cash flow from operating activities fell EUR 26.221 million to EUR 17.993 million. The reduction in cash flow derives mainly from the change in receivables from affiliated companies (EUR -6.731 million), in other assets (EUR -8.705 million) and in other liabilities relating to ticket monies not yet invoiced for ticket pre-sales for events in 2010 (EUR -13.115 million). Positive cash flow effects result, inter alia, from the EUR 4.675 million increase in net income for the year.

The increase in receivables from affiliated companies is mainly attributable to receivables from loans, to business with newly established subsidiaries and to receivables in respect of profit distributions for the 2009 financial year. The cash outflow for other assets rose primarily due to receivables for new types of event. The cash flow from liabilities for ticket monies not yet invoiced decreased year-on-year because at 31 December 2008 a substantial amount of liabilities for uninvoiced ticket monies had arisen due to the high level of ticket pre-sales for a major tour, and because these ticket monies were not paid out until the beginning of the 2009 financial year. This large increase up to the balance sheet date of 31 December 2008 resulted in a significantly higher cash flow in the 2008 financial year. As at the balance sheet date of 31 December 2009, the amount of liabilities for uninvoiced ticket monies had risen, but not to the same level as in 2008, so the cash flow from these liabilities was less in the reporting than in the prior year.

Cash outflow for investing activities fell EUR 5.965 million to EUR 4.695 million. This fall is mainly the result of less investments in acquiring shares in subsidiaries (EUR +5.635 million).

Cash outflow for financing activities increased year-on-year by EUR 8.380 million to EUR 15.139 million. An additional EUR 2.880 million was distributed to shareholders than in 2008, when external borrowing (EUR +5.000 million) had a positive impact on cash flow from financing activities.

As at the balance sheet date, the cash and cash equivalents held by CTS AG total EUR 86.732 million (prior year: EUR 88.573 million). A separate calculation of net cash is presented in section 3.3.2, financial position of CTS AG, on page 39.

4. BRIEF ASSESSMENT OF THE BUSINESS YEAR

CTS AG and the Group as a whole achieved very successful results in the year under review. The key figures in both segments once again reached even better values. With these segment results, the CTS Group fully fulfilled the target of improving on the prior year's performance. This means that, even in times of economic and financial crisis, the CTS Group achieved yet another improvement in its financial figures.

The Group and CTS AG continued to implement their growth strategy continuously through organic growth, targeted acquisitions and a broader portfolio of services. This positive trend in the operative business was spurred by the growth in Internet business, combined with tours by pop and rock stars of national and international fame that attracted both public and media attention.

5. APPROPRIATION OF EARNINGS BY CTS AG

In the 2008 financial year, CTS AG generated net income for the year (according to German Commercial Code 'HGB') of EUR 23.199 million. The Shareholders' Meeting on 14 May 2009 passed a resolution to distribute a dividend of EUR 14.639 million (EUR 0.61 per eligible share) to shareholders. Payment of this dividend was effected on 15 May 2009, and the remaining balance sheet profit of EUR 35.344 million was carried forward to the new account.

In the 2009 financial year, CTS AG generated EUR 27.874 million in net income according to German Commercial Code. The Management Board and Supervisory Board propose to the Shareholders' Meeting that a dividend of EUR 19.918 million (EUR 0.83 per eligible share) be distributed and that the remaining EUR 7.956 million be carried forward to the new account.

6. DEPENDENCIES REPORT FOR CTS AG

According to § 17 (1) AktG, a dependent relationship exists at the closing date with the majority shareholder, Mr. Klaus-Peter Schulenberg (the controlling company), and with companies with which he is associated. In accordance with § 312 AktG, a report shall be submitted which shall also be presented for review to the Supervisory Board and the auditor:

The report pursuant to § 312 AktG finishes with the following statement by the Management Board:

'Judging from the circumstances known to the Management Board at the time legal transactions requiring disclosure were conducted, the company received adequate consideration in each case. No measures or legal transactions with third parties requiring disclosure were either effected or waived in the business at the behest of or in the interest of the controlling company or an affiliated company within the meaning of § 312 AktG.'

7. EVENTS AFTER THE BALANCE SHEET DATE

The following special events have occurred since the balance sheet date:

In January 2010, the U.S. Department of Justice granted its consent to the merger of Live Nation, the promoter of live events, and Ticketmaster Entertainment Inc., the ticketing company, subject to certain conditions. It is assumed that the merger will not have any material impact on the existing ticketing partnership agreements between Live Nation and the CTS Group.

In February 2010, CTS AG acquired 100% of the shares in Ticketcorner Holding AG, Zurich, (hereinafter: Ticketcorner) through a subsidiary. Ticketcorner is the undisputed market leader in Switzerland, with a 60% share of the ticketing market. As a result of the takeover, Ticketcorner can now avail of the entire EVENTIM IT infrastructure. In December 2009, CTS AG announced plans to form a joint venture with Ringier AG, the biggest private media company in Switzerland. In future, all ticketing activities in Switzerland are to be pooled in a single joint venture.

There are no other events requiring disclosure.

8. RISK REPORT

8.1 RISK POLICIES AND RISK MANAGEMENT SYSTEM

The Group's risk policy is geared towards systematic and continuous growth in shareholder value. The risk policy is a major component of the business policy. The reputation of CTS AG and the Group, as well as the individual brands are of great importance for the Group.

Reasonable, transparent and manageable risks are accepted if these are related to the expansion and exploitation of the Group's core competencies. The associated rewards must entail an ap-propriate increase in shareholder value.

The Management Board is broadly guided by the following principles of risk policy:

a) achieving business success invariably involves risk,

b) no action or decision may involve a risk to the company as a going concern,

c) risks in respect of earnings must be associated with corresponding returns,

d) risks, to the extent that they are economically acceptable, must be hedged accordingly and

e) residual risks must be controlled by means of the risk management system.

In order to identify, assess, manage and document risks at an early stage, the Group operates a systematic and appropriate risk management system which is tightly integrated with business workflows.

Quarterly risk reports and an internal reporting system ensure that top management is promptly informed about potential risks affecting future development. Risk management instruments, such as a reporting system with consolidated budget calculations, monthly financial statements and regular review meetings, are also used to identify and analyse the various risks, and to inform top management about the course of business in the individual entities. The risk management process is systematically supported by dedicated software – the 'risk compass'.

Thus, the risk management system operated by the CTS Group not only serves the purpose of detecting existential risks at an early stage, as required by the German law governing enterprise control and transparency (KonTraG), but also detects any risks which might materially impair the earnings performance of the Group. In preparing the annual financial statements, sufficient precautions were taken to cover for all discernible risks in the ongoing business, to the extent that the conditions for taking account of such risks in the consolidated financial statements have been met.

Risk is transferred to insurers by taking out insurance policies with appropriate amounts of coverage. These policies mainly cover property damage and third-party liability claims. Some specific operational risks are also covered by insurance policies. In addition, corporate management receives extensive advice from both internal and external experts when important decisions are being taken.

The auditor evaluates the efficiency of our risk management system and reports on his findings to the Management Board and the Supervisory Board after completing his audit of the annual financial statements. These findings are then used to further improve the early detection and management of risks.

8.2 RISK CATEGORIES

The CTS Group classifies risks into six categories:

1. Strategic risks
2. Market risks
3. Performance risks
4. Financial risks
5. Project-related risks
6. Political/legal risks

Of all the identified risks facing the Group, the general and specific risks that, from today's perspective, may have a significant adverse impact on the financial position, cash flow and earnings performance are briefly described below.

8.2.1 STRATEGIC RISKS

RISKS RELATING TO FUTURE MACROECONOMIC TRENDS

The German Council of Economic Experts expects only a moderate upswing for Germany and the Eurozone in the year 2010 (gross domestic product growth rates of +1.6% and +0.7%, respectively).

As past business trends have shown, the events market is relatively independent of economic upswings and downswings.

INDUSTRY, MARKET AND COMPETITION

The Group currently commands a leading market position in ticket sales. It is not certain that this market position can be maintained. In providing their services, the Group companies compete with regional and supraregional providers both in Germany and abroad, as well as with direct ticket sales by event promoters. However, efforts are being made to expand on the company's position as market leader by offering a range of special services, such as an exclusive pre-sales service, VIP package deals, online reservation of specific seats, special business offers, print-at-home solutions and the mobile access control system 'eventim.access'.

Risks also ensue from intensified globalisation and/or monopolisation on the entertainment market.

8.2.2 MARKET RISKS

PRODUCTS, SERVICES AND INNOVATION

Further development of the CTS ticketing software (Global Ticketing System) occurs in a context of very rapid changes in the information technology field, involving a constant flow of new industry standards, new products and new services. There is no certainty that the CTS Group will be able to launch new technologies in a timely manner and without impairing the speed and responsiveness of the system.

The Group's business operations and the shareholder value of its assets in the ticketing sector depend significantly on promoters selling their admission tickets via the CTS sales network and providing a certain proportion of the available tickets. The Group believes that event promoters will continue to use these services in future, on account of the diversified structure of products and their distribution. This risk is minimised by acquiring interests in various well-known concert promoters at regional and supraregional level.

The Group's business operations and the shareholder value of its assets in the live entertainment sector are dependent to a significant degree on promoters continuing to offer artists of national and international renown, thus ensuring high attendance rates at events.

The CTS Group will respond to any competitive and price-related pressures arising by new industry-specific or customer-specific services and sales initiatives.

8.2.3 PERFORMANCE RISKS

STABILITY AND RELIABILITY OF THE IT INFRASTRUCTURE BEING USED

The availability and reliability of the software and hardware used in Germany and other countries are a key prerequisite for business success, in that any malfunctioning or failures may cause sustained damage to the Group's internal and external processes or to the services it performs for its customers.

These risks are countered with many measures that are defined in a security policy adopted by the Management Board.

PROCUREMENT

Being an IT-based service provider, operator and supplier of ticketing systems and a promoter of live events, the CTS Group works together with very different suppliers. Potential risks in this area are countered by establishing quality standards in the supply and procurement process, and by procedures for tendering and project costing.

PERSONNEL RISKS

The financial success achieved to date is attributable in large measure to the activity and special commitment of certain key people with important leadership roles. Financial success will continue to depend on these managers remaining in the employ of the Group, and on whether the Group can continue to recruit new, highly skilled personnel in Germany and abroad. The management development programme provides dedicated support for, and advancement of management potential, as well as incentive systems.

8.2.4 FINANCIAL RISKS

CASH FLOW RISKS

Cash flow risks arise if the payment obligations of the Group cannot be covered with available cash or credit lines.

Cash flow is planned and managed to ensure permanent solvency and financial flexibility. Monies generated by advance ticket sales are deposited in separate service accounts until accounting for the respective event has been completed. Standard credit agreements with various banks are in place, but to a minor extent only. The extension risk is minimised by varying the credit terms. The Group had sufficient cash reserves at the 2009 balance sheet date.

As at 31 December 2009, the Group has bank liabilities of EUR 5.262 million (prior year: EUR 5.271 million).

CREDIT RISKS

Credit risks exist when there is a risk of debtors being unable to settle their debts. The maximum default risk is equal in theory to the fair value of all receivables, minus payables owed to the same debtor if set-off is possible. In the annual financial statements of CTS AG and the Group, allowances for doubtful accounts were made to offset identified credit risks. These are formed on the basis of historical default rates and future expectations for recovery of the receivables. Individual impairments are made as soon as there is an indication that the respective receivable is irrecov-erable in whole or in part. These indications are also based on intensive contact with the respective debtors in the context of accounts receivable management.

There are no significant concentrations of credit risks.

For reconciliation of the impairment accounts and the age structure of receivables, reference is made to the additional disclosures on financial instruments (IFRS 7) in item 3 of the notes to the consolidated financial statements.

In the 2009 business year, security amounting to EUR 11.902 million (prior year: EUR 8.149 million) was provided for Group companies, mainly to hedge the risks in ticket pre-sales by various box offices (EUR 9.112 million, prior year: EUR 7.838 million).

FOREIGN EXCHANGE RISKS

The foreign exchange risks to which the Group is exposed ensue from investments, financing activities and operating activities in foreign currencies. Within the Group, some contracts with performers as well as licensing agreements are transacted in foreign currencies.

Foreign exchange risks which do not affect the cash flow of the Group (i.e. the risks which result from translating the assets and liabilities of foreign entities into the Group reporting currency) remain unsecured, as a basic principle.

A currency risk may also arise when intercompany receivables or liabilities exist in a currency other than the functional currency of the consolidated financial statements. The effects of exchange rate variations on the company are minimal.

In order to disclose financial risk exposure, the CTS Group prepares sensitivity analyses in accordance with IFRS 7, showing the effects that hypothetical appreciation and devaluation of the Euro in relation to other currencies will have on consolidated net income after tax and on shareholders' equity, where relevant. The periodic effects are determined by relating the hypothetical changes in foreign exchange rates to the financial instruments in place at the closing date. It is assumed that the volume of such instruments at the closing date is representative for the year as a whole. Foreign exchange risks within the meaning of IFRS 7 ensue when financial instruments are denominated in a currency other than the functional currency and are of a monetary nature; currency translation differences relating to the translation of financial statements into the functional currency of the Group are ignored in this regard.

If the Euro had appreciated (or decreased) in value by 10% against all other currencies as at 31 December 2009, the consolidated net income after tax would have been EUR 189 thousand higher (or lower, respectively) (prior year: EUR 66 higher (lower)). The hypothetical effect on net income after tax, at EUR 189 thousand, results mainly from the currency sensitivities EUR/USD (EUR +253 thousand) and EUR/GBP (EUR -45 thousand).

INTEREST RISKS

Fixed interest rate agreements are primarily in place for long-term loans, and short-term credit lines are not used continuously throughout the year, with the result that potential interest rate increases do not pose a significant risk to the Group. Financial derivatives for hedging interest rates are therefore not used.

Changes in the market interest rates of original financial instruments with fixed interest rates affect earnings only when these are recognised at fair value. Accordingly, all financial instruments with fixed interest rates and recognised at amortized costs are not exposed to any interest risks within the meaning of IFRS 7.

If the level of market interest rates had been 100 base points higher (lower) as at 31 December 2009, consolidated net income after tax would have been EUR 15 thousand lower (higher) (prior year: EUR 1 thousand). The hypothetical EUR 15 thousand effect on consolidated income results from the potential effects of original cash and cash equivalents and financial debts of EUR 4.482 million that are subject to variable interest rates.

OTHER PRICE RISKS

The securities held by the CTS Group are subject to market price risks. In accordance with IFRS 7, these market price risks are presented in the form of sensitivity analyses by calculating the effects that hypothetical changes in market prices will have on the recognition of available-for sale financial assets stated under investments or other financial assets.

If market prices as at 31 December 2009 had been higher (lower) by one standard deviation from the historical relative changes in value over the financial year, shareholders' equity would have been EUR 4 thousand higher (lower).

TAXES

Different opinions on fiscal matters may lead to subsequent tax demands being imposed that have adverse impacts on the financial situation. A fiscal audit of the Group was conducted during the reporting year in respect of the years 2000 to 2004. The audit will not have any material effects.

LITIGATION AND CLAIMS FOR DAMAGES

Pending litigation and damages claims are reported under item 12 in the notes to the consolidated financial statements.

CAPITAL MANAGEMENT

The aim of capital management is to ensure that the Group is able to achieve its aims and strategies in the interest of shareholders. Maximum growth in the value of the Group and its subsidiaries is striven for. The financial system within the CTS Group is geared to continuous and sustained growth of the Group's value. In order to optimise and safeguard the allocation of financial resources within the Group, the Group seeks to control the associated financial market risks in a foresighted manner.

In the 2009 financial year, no significant negative impacts of the financial crisis were identified either in the CTS Group or in CTS AG. Demand for live events appears unbroken, even when the economy is going through difficult times. Due to the low requirement for external borrowing, changes in banks' lending practices have not had any effects on the Group.

8.2.5 PROJECT-RELATED RISKS

Risks may arise in conjunction with larger projects, in particular. These risks are primarily quality risks, i.e. the risk that the goals of projects are not met in full, but may also take the form of cost risks and risks relating to deadlines. Examples are IT projects in the context of international expansion, or new types of event. Project-related risks are identified and managed with an appropriate system of project management.

8.2.6 POLITICAL/LEGAL RISKS

Political/legal risks may arise when conditions are stipulated or modified by government activities, in particular by legislation. Examples are developments in commercial and tax law, market regulation measures, or risks deriving from the influence of consumer protection organisations.

8.3 NO RISKS TO THE CONTINUED EXISTENCE OF CTS AG AND THE GROUP AS A GOING CONCERN

An overview of risks shows that the Group is mainly exposed to market and performance risks. The Management Board currently assumes that the risks are limited and transparent on the whole and that they do not jeopardise CTS AG and the Group as a going concern. Nor are there any identifiable risks that might jeopardise their continued existence as a going concern.

9. MANAGEMENT BOARD REPORT PURSUANT TO § 120 (3) SENTENCE 2 AKTG, ON THE DISCLOSURES MADE IN ACCORDANCE WITH §§ 289 (4) AND 315 (4) HGB

The registered capital of CTS AG is EUR 24,000,000, divided into 24,000,000 no-par bearer shares. Each share entitles the bearer to one vote.

The Management Board of the Company is not aware of any restrictions on voting rights or on the transfer of shares.

Mr. Klaus-Peter Schulenberg, Bremen, holds 50.067% of the voting rights. The Company has no knowledge of any other shareholdings, direct or indirect, that exceed 10% of the voting rights.

Shares with special controlling rights (‘golden shares’) do not exist.

There are no special procedures for monitoring voting rights in the event that employees hold shares in the Company’s capital.

Appointment and dismissal of Management Board members is governed by §§ 84 and 85 AktG and by § 5 III 3 of the Company’s articles of incorporation, according to which the members of the Management Board are appointed (and dismissed) by the Supervisory Board for a maximum of five years. Re-appointments are permissible. According to § 5 I of the articles, the Management Board comprises two or more persons; the number of members is determined by the Supervisory Board, which may also nominate a member of the Management Board as its Chairperson pursuant to § 84 AktG.

According to § 179 (1) AktG, the articles of incorporation may be amended by a shareholder resolution, which requires a majority equal to at least three quarters of the registered capital present at voting (§ 179 (2) AktG). § 8 (8) of the CTS AG articles of incorporation avails of the option provided for in § 179 (2) AktG, and defines that resolutions may be adopted with a simple majority of votes cast and, if a majority of share capital is required, with a simple majority of the share capital. Shareholder resolutions for which a qualified majority of votes or share capital is required by law are adopted at the Shareholders' Meeting by a two-thirds majority unless otherwise stipulated by mandatory statutory provisions.

The Management Board has been authorised to increase the registered capital by up to EUR 12,000,000 by 13 May 2014, contingent on Supervisory Board approval, by issuing up to 12,000,000 new bearer shares against cash contributions or contributions in kind (approved capital, 2009). The Management Board has also been authorised to increase the share capital by up to EUR 360,000, contingent on Supervisory Board approval, by issuing up to 360,000 bearer shares to holders exercising options issued under the Stock Option Plan on the basis of the authorisation granted on 21 January 2000 (contingent capital 2001/1).

The Management Board has also been authorised to issue stock options and convertible bonds to a total value of up to EUR 275 million and with a maximum term of 20 years, conditional on Supervisory Board approval, by 14 May 2013, to grant the holders option and conversion rights to up to 11,000,000 new no-par bearer shares in the company, equal to share capital of up to EUR 11,000,000, and to exclude shareholders, within legally permitted limits, from subscribing to the convertible bonds under certain conditions. In view of the possible issue of shares to holders of option and conversion rights on the basis of this authorisation, an additional EUR 11,000,000 in contingent capital has been created ('contingent capital 2008').

The company is authorised to purchase, by 13 November 2010 and as treasury stock, up to 10% of the 24,000,000 no-par value bearer shares forming the registered share capital of the company, at the price and subject to the conditions defined in the authorisation resolution dated 14 May 2009, and to use these treasury shares for certain purposes, partially also with exclusion of subscription rights for shareholders.

No disclosures need to be made regarding material agreements concluded by the Company which are contingent on a change of control following a takeover bid, or regarding the effects ensuing therefrom.

There are no compensation agreements with members of the Management Board or employees that shall take effect in the event of a takeover bid.

10. CORPORATE GOVERNANCE DECLARATION

The executive bodies of CTS AG are guided in their actions by the principles of responsible and good corporate governance. The Management Board submits a report on corporate governance in a declaration of compliance, in accordance with § 289a (1) HGB. The current and all previous declarations of compliance are permanently available on the Internet at the www.eventim.de website (http://www.eventim.de/cgi-bin/tinfo.dll?doc=invre/eng/corporate_governance/corporate_03&id=EVG).

11. OUTLOOK

11.1. ECONOMIC MACROENVIRONMENT

A moderate upswing is expected for 2010, given the stabilisation of overall economic trends since mid-2009. The export sector will grow as the global economy progressively recovers, and the first and second stimulation packages adopted by the German government are leading to an increase in public-sector investment in construction. However, the upward trend in the broader economy will be hampered by the anticipated downturn in private consumption resulting from increasing unemployment. The German Council of Economic Experts generally expects gross domestic product to grow at a rate of 1.6% in the year 2010, with the risks of lower growth outweighing the likelihood of stronger growth. The Eurozone and the European Union are expected to show a moderate recovery in 2010, with gross domestic product growing by 0.7%.

11.2. DEVELOPMENT OF EARNINGS PERFORMANCE

The success of the CTS Group will continue to be influenced in large measure by its business model, namely the combination of Ticketing and Live Entertainment segments.

TICKETING

In the Ticketing segment, the CTS Group will continue in the years ahead to pursue its basic strategic direction as leader of the European ticketing market. In addition to organic growth, efforts will also remain focused on international expansion.

In existing markets, it is planned to increase the total volume of tickets sold by developing Internet ticketing more strongly than the market as a whole. The main focus of this growth strategy will be the development of new technologies and products, including partnerships in the field of social media and Web 2.0. Exclusive pre-sales, mobile shop & Ticketing, cross & upselling, VIP package deals, online reservation of specific seats, special business offers, print-at-home solutions and the mobile mobile access control system ‘eventim.access’ round off the product range.

As part of its strategy of international expansion, the Ticketing segment of the CTS Group was successfully launched on the UK ticketing market at the beginning of February 2010. Contracts to acquire Ticketcorner, the leader of the Swiss ticketing market, were signed in Zurich on 19 February 2010. In new markets also, priority is attached to increasing the total volume of tickets sold by concentrating on Internet ticketing while simultaneously exploiting the synergies made possible by standardising IT systems.

The growth strategy of increasing ticket volume in both existing and in new markets is expected to result in further earnings improvements due to the anticipated scale effects.

LIVE ENTERTAINMENT

In the Live Entertainment segment, the CTS Group is excellently positioned with its subsidiaries and investments. Successful business development is planned for this segment also, by means of world-class tours, events, festivals and new types of event.

11.3. DEVELOPMENT OF THE FINANCIAL POSITION

The Group is de facto free of debt due to a negative debt/equity ratio. The strategy of international expansion can be implemented using the Group's existing cash funds. Owing to current conditions on the lending market for debt-free companies with good creditworthiness ratings, external borrowing will be considered as a means of financing acquisitions and retaining cash funds.

11.4. OVERALL VIEW OF PROSPECTIVE DEVELOPMENT

If business expectations and strategic plans, based on an events market that is independent of ups and downs in the economy come to fruition, further business advancement as well as further improvement in revenue and earnings can be expected in 2010 and 2011. Global uncertainties brought about by the impacts of the financial and economic crises may nevertheless have adverse effects on the events market and hence on the business development of the CTS Group.

The amount of any dividend will continue to be based on earnings and on the strategic development of the Group.

FORWARD-LOOKING STATEMENTS

In addition to historical financial data, this Report may contain forward-looking statements using terms such as 'believe', 'assume', 'expect' and the like. Such statements may deviate, by their very nature, from actual future events or developments.

Bremen, 19 March 2010

CTS EVENTIM Aktiengesellschaft

The Management Board

7. CONSOLIDATED FINANCIAL STATEMENTS 2009

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009 (IFRS)

ASSETS		31.12.2009	31.12.2008	01.01.2008
		[EUR]	[EUR]	[EUR]
Current assets				
Cash and cash equivalents	(1)	229,793,885	213,072,414	141,764,029
Trade receivables	(2)	19,798,749	18,019,775*	18,029,861*
Receivables from affiliated companies	(3)	3,566,038	1,710,616	1,197,624
Inventories	(4)	15,571,215	12,732,614	13,193,872
Receivables from income tax	(5)	8,805,184	6,974,903	3,991,762
Other assets	(6)	47,721,828	24,033,914*	24,691,843*
Total current assets		**325,256,899**	**276,544,236**	**202,868,991**
Non-current assets				
Property, plant and equipment	(7)	11,239,833	9,165,178	7,795,323
Intangible assets	(8)	20,491,706	21,176,175	15,051,394
Investments	(9)	1,020,810	1,155,619	998,334
Investments stated at equity	(10)	343,089	224,484	32,816
Loans	(11)	486,188	1,864,798	2,298,373
Trade receivables	(12)	1,267,880	1,329,820	602
Receivables from affiliated companies	(13)	1,186,397	1,716,063	662,784
Other assets	(14)	2,303,139	63,704	49,347
Goodwill	(15)	96,928,983	89,917,550	79,488,696
Deferred tax assets	(16)	1,359,580	1,929,144	3,968,358
Total non-current assets		**136,627,605**	**128,542,535**	**110,346,027**
Total assets		**461,884,504**	**405,086,771**	**313,215,018**

* Reclassification of receivables relating to ticket monies from pre-sales in the Ticketing segment (see item 2 in the notes to the consolidated financial statements)

SHAREHOLDERS' EQUITY AND LIABILITIES		31.12.2009	31.12.2008	01.01.2008
		[EUR]	[EUR]	[EUR]
Current liabilities				
Short-term financial liabilities and current portion of long-term financial liabilities	(17)	25,217,733	5,026,156	2,932,391
Trade payables	(18)	35,889,823	31,692,689	26,036,589
Payables to affiliated companies	(19)	1,230,496	1,432,502	286,860
Advance payments received	(20)	101,766,084	84,085,940	52,746,177
Other provisions	(21)	1,331,234	1,159,968	1,121,725
Tax provisions	(22)	10,077,558	7,265,149	10,143,003
Other liabilities	(23)	125,038,530	119,874,519	85,408,291
Total current liabilities		**300,551,458**	**250,536,923**	**178,675,036**
Non-current liabilities				
Medium- and long-term financial liabilities	(24)	7,961,533	24,989,406	19,810,751
Other liabilities	(25)	12,211	1,052,324	2,102,000
Pension provisions	(26)	2,715,559	2,247,016	2,521,589
Deferred tax liabilities	(27)	780,013	824,047	658,180
Total non-current liabilities		**11,469,316**	**29,112,793**	**25,092,520**
Shareholders' equity	(28)			
Share capital		24,000,000	24,000,000	24,000,000
Capital reserve		23,310,940	23,310,940	23,306,832
Earnings reserve		277,467	118,626	22,296
Balance sheet profit		97,591,309	72,445,380	55,063,582
Treasury stock		-52,070	-52,070	-57,638
Non-controlling interest		4,945,973	5,794,783	7,152,876
Total comprehensive income		52,078	0	0
Currency differences		-261,967	-180,604	-40,486
Total shareholders' equity		**149,863,730**	**125,437,055**	**109,447,462**
Total shareholders' equity and liabilities		**461,884,504**	**405,086,771**	**313,215,018**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2009 (IFRS)

		01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
		[EUR]	[EUR]
Revenue	(1)	466,697,634	404,347,753
Cost of sales	(2)	-342,260,250	-306,900,351
Gross profit		**124,437,384**	**97,447,402**
Selling expenses	(3)	-34,413,065	-29,914,455
General administrative expenses	(4)	-19,248,835	-17,146,159
Other operating income	(5)	8,336,827	6,941,325
Other operating expenses	(6)	-7,832,104	-7,045,616
Operating profit (EBIT)		**71,280,207**	**50,282,497**
Income / expenses from participations	(7)	7,800	44,080
Income / expenses from investments stated at equity	(8)	140,205	172,206
Financial income	(9)	2,016,048	4,671,834
Financial expenses	(10)	-1,948,697	-1,793,434
Profit from ordinary business activities (EBT)		**71,495,563**	**53,377,183**
Taxes	(11)	-23,306,514	-17,834,712
Net income before non-controlling interest		**48,189,049**	**35,542,471**
Non-controlling interest	(12)	-8,245,606	-6,335,823
Net income after non-controlling interest		**39,943,443**	**29,206,648**
Earnings per share (in EUR); undiluted (= diluted)		1.66	1.22
Average number of shares in circulation; undiluted (= diluted)		24,000,000	24,000,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2009 (IFRS)

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
	[EUR]	[EUR]
Net income before non-controlling interest	48,189,049	35,542,471
Exchange differences on translating foreign subsidiaries	-81,363	-140,118
Available-for-sale financial assets	52,078	0
Other results	**-29,285**	**-140,118**
Total comprehensive income	**48,159,764**	**35,402,353**
Total comprehensive income attributable to		
Shareholders of CTS AG	39,916,433	29,051,370
Non-controlling interest	8,243,331	6,350,983

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS´ EQUITY (IFRS)

	Share capital	Capital reserve	Earnings reserve	Balance sheet profit	Treasury stock	Non-controlling interest	Other comprehensive income	Currency differences	Total shareholders' equity (28)
	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]
Status 01.01.2008	**24,000,000**	**23,306,832**	**22,296**	**55,063,582**	**-57,638**	**7,152,876**	**0**	**-40,486**	**109,447,462**
Change in the scope of consoli-dation	0	0	0	0	0	-429,600	0	0	-429,600
Change in treasury stock	0	0	0	0	5,568	0	0	0	5,568
Allocation to capital reserve	0	4,108	0	0	0	0	0	0	4,108
Allocation to earnings reserve	0	0	96,330	-65,916	0	0	0	0	30,414
Change in non-controlling interest (put option)	0	0	0	0	0	74,744	0	0	74,744
Dividends	0	0	0	-11,758,934	0	-7,339,060	0	0	-19,097,994
Total comprehen-sive income	0	0	0	29,206,648	0	6,335,823	0	-140,118	35,402,353
Status 31.12.2008	**24,000,000**	**23,310,940**	**118,626**	**72,445,380**	**-52,070**	**5,794,783**	**0**	**-180,604**	**125,437,055**
Change in the scope of consolidation	0	0	0	0	0	-983,746	0	0	-983,746
Allocation to earnings reserve	0	0	175,039	-175,039	0	0	0	0	0
Transfers from earnings reserve	0	0	-16,198	16,198	0	0	0	0	0
Dividends	0	0	0	-14,638,673	0	-8,110,670	0	0	-22,749,343
Total comprehen-sive income	0	0	0	39,943,443	0	8,245,606	52,078	-81,363	48,159,764
Status 31.12.2009	**24,000,000**	**23,310,940**	**277,467**	**97,591,309**	**-52,070**	**4,945,973**	**52,078**	**-261,967**	**149,863,730**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2009 (IFRS)

	01.01.2009 -31.12.2009	01.01.2008 31.12.2008
The following cash flow statement shows the flows of funds from operating activities, investing activities and financing activities of the Group, and the resultant change in cash and cash equivalents:	[EUR]	[EUR]
A. Cash flow from operating activities		
Net income after non-controlling interest	39,943,443	29,206,648
Non-controlling interest	8,245,606	6,335,823
Depreciation and amortization on fixed assets	9,042,152	7,550,677
Changes in pension provisions	468,543	-274,573
Deferred tax expenses / income	558,636	1,576,974
Cash flow	**58,258,380**	**44,395,549**
Other non-cash expenses / income	2,818,044	712,133
Book profit / loss from disposal of fixed assets	42,190	-14,701
Interest income	-1,995,408	-4,246,173
Interest expenses	1,600,305	1,790,202
Income tax expenses	22,747,878	16,257,737
Interest received	1,782,142	4,182,477
Interest paid	-818,488	-755,600
Income tax paid	-20,863,793	-22,000,608
Increase (-) / decrease (+) in inventories; payments on account	-2,838,601	492,090
Increase (-) / decrease (+) in receivables and other assets	-31,913,719	-3,231,658
Increase (+) / decrease (-) in provisions	1,130,577	2,891,488
Increase (+) / decrease (-) in liabilities	25,102,882	65,305,742
Cash flow from operating activities (1)	**55,052,389**	**105,778,678**
B. Cash flow from investing activities		
Payments for investments in intangible assets	-4,302,192	-7,837,667
Payments for investments in property, plant and equipment	-5,936,198	-4,715,219
Payments for investments in non-current financial assets	-16,758	-204,885
Proceeds from sales of property, plant and equipment	99,577	176,800
Proceeds from sales of non-current financial assets	1,168,241	475,323
Payments for acquisition of consolidated companies	-5,983,917	-7,286,325
Proceeds from sales of shares in consolidated companies	0	17,805
Cash flow from investing activities (2)	**-14,971,247**	**-19,374,168**
C. Cash flow from financing activities		
Payments for redemption of financing loans	-823,591	-910,449
Proceeds from borrowing financing loans	306,510	5,000,000
Dividend payments to non-controlling interest	-8,203,917	-7,426,742
Dividend payments to shareholders	-14,638,673	-11,758,934
Cash flow from financing activities (3)	**-23,359,671**	**-15,096,125**
D. Net increase / decrease in cash and cash equivalents	**16,721,471**	**71,308,385**
Cash and cash equivalents at beginning of period	213,072,414	141,764,029
E. Cash and cash equivalents at end of period	**229,793,885**	**213,072,414**
F. Composition of cash and cash equivalents		
Cash and cash equivalents	229,793,885	213,072,414
Cash and cash equivalents at end of period	**229,793,885**	**213,072,414**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR FROM 1 JANUARY – 31 DECEMBER 2009 (IFRS)

1. PRINCIPLES

1.1 STRUCTURE AND BUSINESS OPERATIONS OF THE GROUP

The company is registered as CTS EVENTIM AG (hereinafter: CTS AG), Dingolfingerstrasse 6, D-81673 Munich, Germany, in the Commercial Register at Munich Local Court under no. HRB 156963. The company's head office is in Bremen, Germany. Shares in CTS AG are traded under securities code 547030 in the SDAX segment of the Frankfurt Stock Exchange.

The objects of the company in the Ticketing segment are the production, sale, brokering, distribution and marketing of tickets for concerts, theatre, art, sports and other events in Germany and abroad, particularly in the Federal Republic of Germany and other European countries, in particular by using electronic data processing and modern communication and data transmission technologies. Further objects of the company are the production, sale, brokering, distribution and marketing of merchandising articles and travel, as well as direct marketing activities of all kinds. The company competes for the provision of its services not only with supraregional providers of similar services in Germany and other countries, but also with regional enterprises and with direct ticket selling by the respective promoters. The objects of the Live Entertainment segment are the planning, preparation and execution of events, in particular music events and concerts, and the marketing of music productions.

The annual financial statements of CTS AG and the consolidated financial statements of CTS AG, bearing the unqualified audit opinion of PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Osnabrück, are published in the electronic Federal Gazette (Bundesanzeiger).

These consolidated financial statements and the combined management report were approved by the Management Board of CTS AG on 19 March 2010, for presentation to the Supervisory Board.

1.2 ACCOUNTING PRINCIPLES

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), in the form applicable within the European Union (EU), and in accordance with the supplementary accounting regulations pursuant to § 315a (1) of the German Commercial Code (HGB). All IFRS issued by the International Accounting Standards Board (IASB) and applicable when these consolidated financial statements were prepared have been adopted by the European Commission for use in the EU. The consolidated financial statements were prepared using the historical cost convention, limited by the recognition of financial assets carried at fair value but not through profit or loss.

The layout of the balance sheet conforms to IAS 1. A distinction is made in the balance sheet between current and non-current assets and liabilities, some of which are disclosed in detail in the Notes, according to time to recovery or settlement. The layout of the income statement is based on the 'cost of sales' method. Expenses incurred are set in relation to the revenue generated and are classified according to their function as costs of sales, selling expenses and general administrative expenses.

The consolidated financial statements are denominated in Euros. The amounts in the annual report are rounded to the nearest thousand Euros. This may lead to minor deviations on addition.

1.3 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The IASB and the International Financial Reporting Interpretations Committee (IFRIC) have adopted additional standards and interpretations that are not yet mandatory for the 2009 financial year and which have not been applied to the consolidated annual financial statements as at 31 December 2009.

Adopted by the EU:

- IFRS 1 ‘First time Adoption of International Financial Reporting Standards’ (applicable on or after 1 July 2009)
- IFRS 3 ‘Business Ccombinations’ and IAS 27 ‘Consolidated and Separate Financial Statements’ (applicable on or after 1 July 2009)
- IAS 32 ‘Classification of Rights Issues’ (applicable on or after 1 February 2010)
- IAS 39 ‘Financial Instruments: Recognition and Measurement – Eligible Hedged Items’ (applicable on or after 1 July 2009)
- IFRIC 12 ‘Service Concession Arrangements’ (applicable on or after 30 March 2009)
- IFRIC 15 ‘Agreements for the Construction of Real Estate’ (applicable on or after 1 January 2010)
- IFRIC 16 ‘Hedges of a Net Investment in a Foreign Operation’ (applicable on or after 30 June 2009)
- IFRIC 17 ‘Distributions of Non-cash Assets to Owners’ (applicable on or after 31 October 2009)
- IFRIC 18 ‘Transfers of Assets from Customers’ (applicable on or after 31 October 2009)

Not yet adopted by the EU:

- IFRS 1 ‘Additional Exemptions for First-time Adopters’ (applicable on or after 1 January 2010)
- IFRS 2 ‘Group Cash-settled Share-based Payment Transactions’ (applicable on or after 1 January 2010)
- IFRS 9 ‘Financial Instruments’ (applicable on or after 1 January 2013)
- IAS 24 ‘Related Party Disclosures’ (applicable on or after 1 January 2011)

- IFRIC 14 'Prepayments of a Minimum Funding Requirement' (applicable on or after 1 January 2011)

- IFRS 19 'Extinguishing Financial Liabilities with Equity Instruments' (applicable on or after 1 July 2010)

Standards that are not applicable until after the balance sheet date have not been prematurely applied. The effects of the standards on the earnings performance and financial position of the CTS Group are still being reviewed.

1.4 NEW AND AMENDED STANDARDS WITH MANDATORY APPLICATION IN 2009

The following new and amended standards and interpretation were applied for the first time as from 1 January 2009:

- IFRS 1 / IAS 27 'Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate'

- IFRS 2 'Share-based Payment – Vesting Conditions and Cancellations'

- IFRS 7 'Improving Disclosures about Financial Instruments'

- IFRS 8 'Operating Segments'

- IAS 1 'Presentation of Financial Statements'

- IAS 23 'Borrowing Costs'

- IAS 32 / IAS 1 'Puttable Financial Instruments and Obligations Arising on Liquidation'

- IFRIC 9 / IAS 39 'Embedded Derivatives'

- IFRIC 13 'Customer Loyalty Programs'

- IFRIC 14 / IAS 19 'The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'

All accounting standards mandatory from the 2009 financial year onwards were applied. These mainly comprise IAS 1 on the presentation of financial statements and IFRS 8 on segment reporting. The amendments to IAS 1 result in a new presentation format of the primary financial statements. The amendments to IFRS 8 did not have any material effects. The other accounting standards mandatory for the first time in fiscal 2009 also have no material impacts on the presentation of the earnings performance and financial position of the CTS Group.

1.5 DISCLOSURES CONCERNING CONSOLIDATION POLICIES

All relevant subsidiaries are included in the consolidated financial statements. Some smaller regional subsidiaries, in both the Ticketing segment and the Live Entertainment segment, have not been included in the consolidated financial statements because of their insignificance for establishing a true and fair view of the Group's earnings performance and financial position. The revenue of capitalised investments not included in the consolidated financial statements due to insignificance is less than 1.5% of Group revenue.

As a basic principle, the financial statements of the companies included in the consolidated financial statements are prepared in accordance with uniform accounting policies.

The balance sheet date of the consolidated companies is identical to that of the parent.

Capital consolidation is effected using the acquisition method by offsetting the carrying amount of the investment against the revalued equity of the subsidiary at the time of acquisition ('purchase accounting'). The cost of the acquisition is equal to the fair value of the transferred assets and liabilities assumed at the time of transaction, plus the cost directly attributable to the acquisition. Assets, liabilities and contingent liabilities which can be identified in the context of a corporate merger are recognised at their respective fair values at the time of acquisition when first included in consolidation. Any amount by which the cost exceeds the Group's share in the fair value of net assets is recognised as goodwill. According to IFRS 3 and IAS 36, goodwill must be reviewed annually with regard to carrying value and any indications of impairment.

Consolidation is carried out as at the time of acquisition, when control is acquired, or when the minimum significance levels for inclusion in consolidation are exceeded.

Investments in companies over which significant influence can be exercised are measured by the equity method; a significant influence can be exercised if the share of voting rights is between 20% and 50% ('associates'). Investments measured at equity are carried at the proportionate adjusted interest in the investee's equity. Changes in the proportionate equity value with effects on net income are recognised in the income statement as profit or loss from investments stated at equity. If the Group's share in losses from an associate is equal to or greater that the Group's share in that company, the Group does not post any further losses unless it has entered into obligations in respect of the associate, or has made payments for the associate.

Through a subsidiary, CTS AG holds 49.8% of the shares in TicketOne S.p.A., Milan (hereinafter: TicketOne). TicketOne and its subsidiaries are fully consolidated. CTS AG exercises 'control', within the meaning of IAS 27, through contractual agreements. An agreed purchase option ensures that CTS AG can increase its shareholding in TicketOne in the medium term.

Revenue, interim results, expenses and income, as well as receivables and payables are eliminated between consolidated companies.

1.6 BUSINESS COMBINATIONS

1.6.1 BUSINESS COMBINATIONS IN THE TICKETING SEGMENT

With effect from 28 January 2009, Eventim UK Limited (hereinafter: Eventim UK) was established with its registered office in London, Great Britain. CTS AG holds 100% of the shares in said company. Eventim UK was formed in the course of implementing the partnership with Live Nation. Since initial consolidation, the company has generated no revenue and negative earnings of EUR -399 thousand.

In February 2009, Eventim Sports Consulting GmbH, Bremen, was renamed getgo consulting GmbH and its registered office was relocated to Hamburg. The changes were entered in the register of companies on 22 April 2009.

In March 2009, Cardplus Oy, Helsinki, was merged with Lippupiste Oy, Tampere. The merger was entered in the Finnish register of companies on 31 March 2009.

In April 2009, Zritel o.o.o., Moscow, changed its name to CTS Eventim RU o.o.o., Moscow.

With effect from 20 April 2009, Eventim CZ s.r.o. (hereinafter: Eventim CZ) was established with its registered office in Prague, Czech Republic. CTS AG holds 100% of the shares in said company. Eventim CZ was formed in the course of implementing the partnership with Live Nation. Since initial consolidation, the company has generated EUR 3 thousand in revenue and negative earnings of EUR -166 thousand.

With effect from 22 December 2009, a further 40.48% of the shares in TEMPODOME GmbH, Hamburg, were acquired. The price paid for the shares was EUR 25 thousand. CTS AG now holds a total 60% of the shares in said company. The objects of TEMPODOME GmbH, Hamburg, are to develop online-based business models and to create, operate and market Internet platforms for entertainment products for business and final customers. Since initial consolidation, the company has generated no revenue and no significant earnings. If the company had been acquired before 1 January 2009, revenue in the reporting period would have been EUR 526 thousand higher in the reporting period, and consolidated net income would have been EUR 3 thousand more than the revenue and consolidated net income figures actually being reported. As a result of this investment, cash and cash equivalents amounting to EUR 28 thousand were acquired.

With effect from 22 December 2009, 100% of the shares in the shelf company Einundsechzigste 'Lydia' Vermögensverwaltungsgesellschaft mbH, Hamburg, were acquired. The price paid for the shares was EUR 29 thousand. The registered office of the company has been moved to Bremen. The company has not generated any revenue or significant income in the current financial year.

1.6.2 BUSINESS COMBINATIONS IN THE LIVE ENTERTAINMENT SEGMENT

In the Live Entertainment segment there were no changes in the scope of consolidation during the reporting year.

1.7 LIST OF INVESTMENTS

A list of shareholdings is published in the electronic Federal Gazette.

1.8 CURRENCY TRANSLATION PRINCIPLES

Business transactions which are made by Group companies in currencies other than the local currency are translated at the rate applying on the date of transaction.

The financial statements of foreign subsidiaries whose currency is not the Euro are translated using the functional method. The functional currency used for those parts of the company outside Germany is the local currency in each case. Accordingly, assets and liabilities of entities outside Germany or outside the Eurozone are translated to Euro using the rate of exchange on the balance sheet date. Revenue and expenses are translated using the average exchange rate for the respective financial year. Currency translation differences are disclosed as a separate item in shareholders' equity.

1.9 MAIN ACCOUNTING POLICIES

ACCOUNTING POLICIES

The following accounting policies remained unchanged compared to the year before.

When preparing the consolidated financial statements, it is necessary to a certain degree to make estimates and assumptions that affect the assets and liabilities, the disclosure of contingent liabilities as at the balance sheet date and the statement of income and expenditure during the financial year. In particular, it is necessary to make assumptions when performing the annual impairment test on goodwill and when recognising deferred tax assets in respect of loss carryforwards. The actual amounts may deviate from the respective estimates.

NOTE CONCERNING RECOGNITION IN ACCORDANCE WITH IAS 32

In accordance with IAS 32, contracts which obligate a company to purchase its own equity instruments are recognised as financial liabilities carried at the present value of the purchase price. This principle also applies when the obligation to purchase such instruments is conditional on the contractual partner exercising an option, and is independent of the probability of such option being exercised. In compliance with changes in international accounting practice, this principle is also applicable to the forward purchase of non-controlling shares and to put options granted to non-controlling interests in the CTS Group. In order to calculate the potential purchase price obligations, it was necessary to reclassify these non-controlling shares as liabilities instead of equity. In addition, goodwill is capitalised to the amount of difference between the present value of the liabilities and the carrying amount of the non-controlling shares, provided that the purchase price obligations resulting from put options are for a fixed strike price and all the opportunities and risks deriving from the put option are kept within the CTS Group.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances and cash in hand. Bank balances and cash in hand are measured at their nominal value at the balance sheet date.

RECEIVABLES

Receivables and other assets are carried at nominal value minus adjustments for discernible risks. The Group is fundamentally exposed to potential default risks in respect of receivables and other assets. Adequate consideration was given to these risks by making appropriate allowances for doubtful accounts.

INVENTORIES

Inventories are carried at cost of purchase, taking ancillary expenses into account and deducting any bonuses or discounts received, or at cost of sales, or at the net realisable value on the balance sheet date. Borrowing costs for loan capital are not capitalised.

FINANCING INSTRUMENTS

The stated values of the Group's financing instruments, which include cash and cash equivalents, loans, investments, trade receivables and payables, receivables from and payables to affiliated companies, other assets and liabilities, and financial liabilities are compliant with the accounting principles in IAS 39.

As a basic principle, financial assets are classified into the following categories in accordance with IAS 39:

- loans and receivables
- financial assets carried at fair value through profit or loss,
- held-to-maturity investments
- available-for-sale financial assets.

Financial liabilities are recorded at amortized costs using the effective interest method.

Classification depends on the respective purpose for which the financial assets were acquired. Management determines how financial assets are to be classified when they are initially recognised, and reviews this classification at every closing date.

In the reporting year, the Group did not classify any financial instruments as 'held-to-maturity investments' or 'financial assets carried at fair value through profit or loss'. Some financial assets classified as 'loans and receivables' and as 'available-for-sale financial assets' are held.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor without any intention to trade the receivables. Loans and receivables are carried in the balance sheet under cash and cash equivalents, loans, trade receivables, receivables from affiliated companies and under other assets. Loans and receivables are carried at their current purchase cost. At each reporting date, the carrying values of financial assets are reviewed to determine whether there are any objective material indications of impairment. Any impairment expense is carried through profit or loss.

The available-for-sale financial assets include participations and securities. Participations are stated at their respective cost of purchase because there is no active market for these companies, and because present fair values cannot reasonably be calculated with any reliability. If there are any indications that fair values are lower, these are applied accordingly. Securities are initially recognised at their fair value on the settlement date. Gains and losses derived from securities are recognised in equity, not through profit and loss.

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets with a determinate useful life and fixed assets are carried at their cost of purchase or cost of sales, minus systematic straight-line depreciation and amortization. Financing costs are not included. There are no finance lease agreements of any significance.

Development costs for proprietary software are recognised as assets if they meet the criteria specified in IAS 38.

Systematic depreciation and amortization of intangible assets and property, plant and equipment is mainly based on the following useful economic lives:

- Software, licences: 3 - 12 years
- Trademarks: 5 - 10 years
- Customer base: 4 - 10 years
- Other property, plant and office equipment: 3 - 14 years

In accordance with IFRS 3, goodwill with an indeterminate useful life is not amortized systematically, but is reviewed for impairment on the basis of the recoverable amount for the cash-generating unit to which the goodwill is allocated. For the impairment test, the goodwill is subdivided and allocated to cash-generating units. The goodwill is allocated to those cash-generating units expected to derive benefits from the business combination in which the goodwill arose.

The Group tests its goodwill for impairment at least once a year on the balance sheet date, or if significant events or changes in circumstances indicate that the fair value of a reporting entity within the Group might be lower than its carrying amount. Impairments of goodwill may not be reversed.

In compliance with IAS 36, the Group routinely assesses the carrying values of all assets for possible impairment. If events or changes in circumstances provide grounds for believing that the carrying value of such an asset might no longer reach the applicable amount, the Group makes a comparison between the recoverable amount and the carrying value of the particular asset (impairment test). If the asset is impaired, the Group records an impairment loss so that the asset is written down to the recoverable amount. In no case did the carrying values of reporting entities exceed the respective fair value, so there were no indications of impairments to the stated value of any reporting entity in the 2009 financial year.

DEFERRED TAXES

Deferred tax assets and liabilities are recognised in compliance with IAS 12, according to which deferred taxes are reported using the balance sheet liabilities method.

Deferred tax assets and liabilities are formed for temporary differences between the carrying amounts in the consolidated balance sheet and in the fiscal balance sheet, as well as for fiscal loss carryforwards. Deferred tax assets are recognised if it is likely that taxable earnings will be available against which the deductible temporary difference can be applied. Deferred tax assets were formed on existing loss carryforwards only to the extent that it is likely, taking current budgeting into account, that these can be realised. Deferred tax assets and liabilities are valued at the applicable taxation rates that must prospectively be applied to the taxable income in those years in which the temporary differences are expected to be recovered or settled. The impact of a changed taxation rate on deferred assets and liabilities is carried as tax income or expense.

LIABILITIES

Liabilities are recognised at amortized cost using the effective interest method, where necessary. Their composition and remaining terms are shown in the analysis of liabilities.

PROVISIONS

In accordance with IAS 37, other provisions were formed when commitments towards third parties exist that are reasonably likely to require settlement. The probable amounts of such obligations were estimated according to the state of knowledge when the balance sheet was prepared.

Provisions for pensions and similar obligations are formed for defined benefit plans. These are obligations on the part of the company resulting from pension expectancies and ongoing benefits paid to active employees who are eligible for benefits. Pension obligations are dependent on years of service and the pay level of the respective employee.

Provisions for defined benefit plans are calculated using the projected unit credit method. This latter method takes account not only of the pensions and acquired benefits known on the reporting date, but also any anticipated increases in salaries and pensions. The calculation is based on actuarial expertises, taking biometric factors into account. Actuarial gains and losses resulting from adjustments and amendments of actuarial assumptions in line with experience are included in the income statement.

If reinsurance policies exist for pension commitments and can only be used to cover the benefits due under the pension commitments, and the insurance policy is pledged to the beneficiary employee, these are treated as qualifying insurance policies in accordance with IAS 19. The coverage values are treated as plan assets and are offset against the respective pension provisions in the balance sheet.

NON-CONTROLLING INTEREST

Transactions with non-controlling interest are treated as transactions with parties external to the Group. Disposals of shares to non-controlling interest result in gains and losses in the consolidated financial statements. Conversely, purchases of shares in non-controlling interest result in recognition of goodwill, to an amount equal to the difference between the purchase price and the proportional present value of the subsidiary's net assets.

RECOGNITION OF REVENUE

Revenue and other income are recognised when a contract has been concluded with legal effect, delivery has been made or the service has been performed, a price is fixed and determinable, and it can be assumed that the price will be paid. Revenue is stated less discounts, price reductions, customer bonuses and rebates. Price reductions reduce revenue as soon as the respective revenue is recognised.

Revenue in the Ticketing segment that relates to the sale of tickets to final customers is realised when the respective CTS ticketing company delivers the tickets to the final customer. In the Live Entertainment segment, ticket revenue generated in the pre-sales period is posted by the promoter on the liabilities side as advance payments received. When the event is subsequently held, these advance payments received are transferred to revenue and the profits are realised.

EXPENSE RECOGNITION

Expenses are recognised as such when they are incurred.

Software development services are recognised as expense if they do not meet the requirements of IAS 38, and are mostly included in cost of sales.

LEASING ARRANGEMENTS

Leasing instalments for operating leasing arrangements are recognised in the income statement for the term of the respective leasing arrangement.

2. DISCLOSURE OF RECEIVABLES RELATING TO TICKET MONIES IN THE BALANCE SHEET

In order to ensure uniform presentation, receivables relating to ticket monies from pre-sales in the Ticketing segment, which were previously carried as current trade receivables, are accounted for as other current assets as at the balance sheet date of 31 December 2009. The prior year carrying amounts of current trade receivables and other current assets as at 31 December 2008 and as at 1 January 2008 have been adjusted accordingly.

The following table provides an overview of the changes resulting from this reclassification:

	31.12.2008			01.01.2008		
	After reclassi-fication	Before reclassi-fication	Change	After reclassi-fication	Before reclassi-fication	Change
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Current assets						
Trade receivables	18,020	27,236	-9,216	18,030	24,202	-6,172
Other assets	24,034	14,818	9,216	24,692	18,520	6,172

3. NOTES TO THE CONSOLIDATED BALANCE SHEET

CASH AND CASH EQUIVALENTS (1)

Cash and cash equivalents of EUR 229.794 million (prior year: EUR 213.072 million) are predominantly bank balances.

A separate calculation of net cash is presented in section 3.3.1, financial position, on page 35 of the combined management report.

TRADE RECEIVABLES (CURRENT) (2)

Current trade receivables totalling EUR 19.799 million (prior year: EUR 18.020 million) are payable within one year. The prior year carrying amounts of current trade receivables were adjusted (see section 2 on the disclosure of receivables relating to ticket monies in the balance sheet).

RECEIVABLES FROM AFFILIATED COMPANIES (CURRENT) (3)

The EUR 3.566 million in current receivables from affiliated companies (prior year: EUR 1.711 million) relate principally to receivables from subsidiaries in eastern Europe that are not consolidated due to insignificance (EUR 3.291 million; prior year: EUR 1.253 million). The increase resulted especially from growing receivables due to intensified operations. EUR 6 thousand in receivables from associated companies are also included (prior year: EUR 19 thousand).

INVENTORIES (4)

Inventories comprised the following items:

	31.12.2009	31.12.2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Raw materials and supplies	471	514	-43
Finished goods and merchandise	1,471	1,905	-434
Payments on account for events	13,629	10,314	3,315
	15,571	**12,733**	**2,838**

Raw materials and supplies include, inter alia, blank tickets and catering stocks. Finished goods and merchandise mainly related to IT hardware, merchandising articles and tickets.

Payments on account pertain to prepaid production costs (e.g. artists' fees) for events taking place in 2010.

No impairments of inventories were made.

RECEIVABLES FROM INCOME TAX (CURRENT) (5)

The receivables from income tax relate to tax refund entitlements amounting to EUR 8.805 million (prior year: EUR 6.975 million).

OTHER ASSETS (CURRENT) (6)

Other assets, at EUR 47.722 million (prior year: EUR 24.034 million) comprise financial assets (EUR 43.580 million, prior year: EUR 19.432 million) and non-financial assets (EUR 4.142 million, prior year: EUR 4.602 million). The prior year carrying amounts of other current assets were adjusted (see section 2 on the disclosure of receivables relating to ticket monies in the balance sheet).

Other financial assets relate, inter alia, to receivables from ticket pre-sales at EUR 27.541 million (prior year: EUR 15.668 million), to current loans at EUR 5.735 million (prior year: EUR 1.287 million), to receivables in respect of security deposits at EUR 4.429 million (prior year: EUR 445 thousand), and securities measured at fair value but not through profit and loss at EUR 2.016 million (prior year: EUR 0 thousand).

The other, non-financial assets relate to refund claims in respect of sales tax and other taxes, at EUR 1.495 million (prior year: EUR 1.932 million) and other receivables amounting to EUR 407 thousand (prior year: EUR 829 thousand). Other, non-financial assets also include a deferred expense item at EUR 2.240 million (prior year: EUR 1.841 million) that mainly relates to costs for future events.

In the 2009 business year, collateral amounting to EUR 688 thousand (prior year: EUR 746 thousand) were provided by Group companies, in particular EUR 249 thousand for rental deposits (prior year: EUR 317 thousand).

PROPERTY, PLANT AND EQUIPMENT (7)

The composition and development is shown in the following table:

	Other real estate, land rights and buildings, including buildings on third-party properties	Technical equipment and machinery	Other facilities, operating and office equipment	Payments on account	Total
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Historical cost					
1 January 2008	153	749	17,561	1,898	20,361
Change in scope of consolidation	0	70	36	0	106
Additions	0	32	4,025	657	4,714
Disposals	-34	0	-866	0	-900
Reclassifications	0	0	1,897	-1,897	0
Currency differences	-1	0	-28	0	-29
Adjustments due to tax audit	0	0	31	0	31
31 December 2008	**118**	**851**	**22,656**	**658**	**24,283**
Change in scope of consolidation	0	0	10	0	10
Additions	145	92	4,934	765	5,936
Disposals	0	-119	-414	0	-533
Reclassifications	0	0	660	-660	0
Currency differences	0	0	-8	0	-8
31 December 2009	**263**	**824**	**27,838**	**763**	**29,688**
Accumulated depreciation and amortization					
1 January 2008	65	315	12,186	0	12,566
Additions	13	180	3,147	0	3,340
Disposals	-34	0	-723	0	-757
Currency differences	-1	0	-30	0	-31
31 December 2008	**43**	**495**	**14,580**	**0**	**15,118**
Additions	36	124	3,575	0	3,735
Disposals	0	-30	-373	0	-403
Currency differences	0	0	-2	0	-2
31 December 2009	**79**	**589**	**17,780**	**0**	**18,448**
Carrying value					
1 January 2008	88	434	5,375	1,898	7,795
31 December 2008	75	356	8,076	658	9,165
31 December 2009	**184**	**235**	**10,058**	**763**	**11,240**

INTANGIBLE ASSETS (8), GOODWILL (15)

The composition and development is shown in the following table:

	Concessions, industrial property rights and similar rights and assets, and licences to such rights and assets	Goodwill	Customer base	Payments on account / Proprietary software in progress	Total
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Historical cost					
1 January 2008	35,004	84,356	10,736	364	130,460
Change in scope of consolidation	931	0	1,595	0	2,526
Additions	6,886	10,429	0	952	18,267
Disposals	-1,160	0	0	0	-1,160
Reclassification	304	0	0	-304	0
Currency differences	-14	0	0	-2	-16
December 2008	**41,951**	**94,785**	**12,331**	**1,010**	**150,077**
Change in scope of consolidation	2	0	0	0	2
Additions	3,825	8,232	26	452	12,535
Disposals	-420	-1,221	0	0	-1,641
Reclassification	727	0	0	-727	0
Currency differences	-21	0	0	-1	-22
December 2009	**46,064**	**101,796**	**12,357**	**734**	**160,951**
Accumulated depreciation and amortization					
1 January 2008	25,275	4,867	5,778	0	35,920
Additions	3,335	0	873	0	4,208
Disposals	-1,137	0	0	0	-1,137
Currency differences	-8	0	0	0	-8
31 December 2008	**27,465**	**4,867**	**6,651**	**0**	**38,983**
Additions	4,210	0	748	0	4,958
Disposals	-407	0	0	0	-407
Currency differences	-4	0	0	0	-4
31 December 2009	**31,264**	**4,867**	**7,399**	**0**	**43,530**
Carrying values					
1 January 2008	9,729	79,489	4,958	364	94,540
31 December 2008	14,486	89,918	5,680	1,010	111,094
31 December 2009	**14,800**	**96,929**	**4,958**	**734**	**117,421**

Investments in intangible assets and goodwill, at EUR 12.535 million, relate to additions for software and licences (EUR 1.781 million), capitalized development expenditure (EUR 2.462 million), trademarks and similar rights (EUR 34 thousand), customer base (EUR 26 thousand) and goodwill (EUR 8.232 million).

Investments amounting to EUR 2.265 million were made in the CTS 'Global Ticketing System' software for further advancement and networking of additional software systems (network, web, in-house) to meet international requirements. Of those investments, EUR 2.082 million were for proprietary software and EUR 183 thousand for external software development.

Notes on the development of goodwill are presented below under 'Goodwill (15)'.

With the exception of goodwill, there are no intangible assets with unlimited useful life.

INVESTMENTS (9), INVESTMENTS STATED AT EQUITY (10), LOANS (11)

The composition and development is shown in the following table:

	Shares in affiliated companies	Participations	Investments stated at equity	Loans due to affiliated companies	Security investments	Other loans	Total
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Historical cost							
1 January 2008	326	866	33	884	33	1,851	3,993
Additions	30	149	172	25	0	0	376
Disposals	-56	0	0	-479	0	-433	-968
Reclassifications	0	-19	19	0	0	0	0
Currency differences	0	0	0	17	0	0	17
31 December 2008	**300**	**996**	**224**	**447**	**33**	**1,418**	**3,418**
Additions	15	1	119	0	0	1	136
Disposals	0	-131	0	-369	0	-668	-1,168
Reclassifications	0	-12	0	0	0	0	-12
Currency differences	0	0	0	-2	0	0	-2
31 December 2009	**315**	**854**	**343**	**76**	**33**	**751**	**2,372**
Accumulated depreciation and amortization							
1 January 2008	69	156	0	437	2	0	664
Additions	0	0	0	0	3	0	3
Disposals	-56	0	0	-437	0	0	-493
31 December 2008	**13**	**156**	**0**	**0**	**5**	**0**	**174**
Additions	0	7	0	0	0	341	348
31 December 2009	**13**	**163**	**0**	**0**	**5**	**341**	**522**
Carrying values							
1 January 2008	257	710	33	447	31	1,851	3,329
31 December 2008	287	840	224	447	28	1,418	3,244
31 December 2009	**302**	**691**	**343**	**76**	**28**	**410**	**1,850**

INVESTMENTS (9)

Investments, at EUR 691 thousand (prior year: EUR 840 thousand) relate primarily to participations.

INVESTMENTS STATED AT EQUITY (10)

The adjusted carrying value of the interest in Greensave GmbH, Würzburg, is EUR 63 thousand (prior year: EUR 35 thousand). As at 31 December 2009, this company discloses a balance sheet total of EUR 196 thousand (prior year: EUR 188 thousand), revenue of EUR 387 thousand (prior year: EUR 218 thousand) and net income for the year of EUR 98 thousand (prior year: of EUR 9 thousand). The Group's share in the assets of Greensave GmbH is carried at EUR 55 thousand (prior year: EUR 53 thousand), and the share in debts at EUR 14 thousand (prior year: EUR 23 thousand).

The adjusted carrying value of the interest in Greenfield Festival AG, Hünenberg, is EUR 280 thousand (prior year: EUR 189 thousand). As at 31 December 2009, this company discloses a balance sheet total of EUR 516 thousand (prior year: EUR 1.006 million), revenue of EUR 4.075 million (prior year: EUR 4.534 million) and net income for the year of EUR 92 thousand (prior year: EUR 718 thousand). The Group's share in the assets of Greensave Festival AG is carried at EUR 123 thousand (prior year: EUR 240 thousand), and the share in debts at EUR 97 thousand (prior year: EUR 236 thousand).

LOANS (11)

Loans include loan receivables from associates, at EUR 51 thousand (prior year: EUR 422 thousand), and from affiliated companies, at EUR 25 thousand (prior year: EUR 25 thousand). Loans to third parties amount to EUR 410 thousand (prior year: EUR 1.418 million).

TRADE RECEIVABLES (NON-CURRENT) (12)

Non-current trade receivables, at EUR 1.268 million (prior year: EUR 1.330 million), have a remaining term of between one and five years. These receivables result from medium- to long-term partnerships with promoters in the Live Entertainment segment.

Non-current trade receivables are neither impaired nor overdue as at the closing date.

RECEIVABLES FROM AFFILIATED COMPANIES (NON-CURRENT) (13)

Non-current receivables from affiliated companies include loans granted to subsidiaries in eastern Europe, at EUR 1.146 million (prior year: EUR 1.716 million), and receivables from associates, at EUR 40 thousand (prior year: EUR 0 thousand). These receivables have a remaining term of between one and five years.

OTHER ASSETS (NON-CURRENT) (14)

Of the non-current other assets, at EUR 2.303 million (prior year: EUR 64 thousand), EUR 2.302 million (prior year: EUR 49 thousand) are financial assets and mainly relate to receivables for new types of event, at EUR 2.254 million (prior year: EUR 0 thousand).

GOODWILL (15)

The disclosed goodwill totalling EUR 96.929 million (prior year: EUR 89.918 million) breaks down into EUR 61.025 million in the Ticketing segment (prior year: EUR 59.172 million) and EUR 35.904 million in the Live Entertainment segment (prior year: EUR 30.746 million). Of that disclosed goodwill, EUR 20.690 million (prior year: EUR 18.839 million) relates to goodwill from put options; the latter figure breaks down into EUR 19.206 million in the Ticketing segment (prior year: EUR 17.286 million) and EUR 1.484 million in the Live Entertainment segment (prior year: EUR 1.553 million).

In the Ticketing segment, goodwill increased by EUR 1.853 million in the reporting year. The change mainly relates to goodwill from put options to be recognised in accordance with IAS 32. An addition of EUR 2.957 million resulted from a change in measured carrying amount at the balance-sheet date, based on variable purchase price obligations. This was offset by derecognition of EUR 1.036 million in goodwill as a result of fixing a specific purchase price when offering shares in a subsidiary that was already included in consolidation, and the acceptance of those shares in December 2009. The legal transfer of those shares will be effected at the beginning of 2010.

The change in goodwill in the Live Entertainment segment (EUR 5.158 million) principally involves an addition in goodwill resulting from the acquisition of shares in a subsidiary that was already included in consolidation. Financial addition occurred in the 2009 financial year, whereas legal transfer of the shares was effected in January 2010.

This goodwill is allocated to the cash generating units (CGUs) of the Group. The cash generating units correspond to the Group reporting entities (segments), i.e. Ticketing und Live Entertainment. Impairment tests are performed on goodwill to determine the recoverable amount of a CGU, equal to the fair value minus costs of sale. The fair value is the best possible estimate of the amount for which an independent third party would acquire the cash generating unit on the balance sheet date, minus the costs of sale. The fair value is calculated on the basis of a company valuation model. This procedure and the basic assumptions apply to all CGUs with goodwill that is subject to impairment tests. These calculations are based on forecast cash flows derived from five-year planning. When determining budget figures, the management took into account current and future likelihoods, business and economic trends, economic development and other circumstances. The cash flows in the year of perpetuity correspond to the cash flow in the last year of five-year planning. A discount rate of 8.4% was applied for this purpose. The discount rates used are interest rates after tax and reflect the specific risks to which the respective CGUs are exposed. The Group applies constant growth rates of 1% to extrapolate cash flows. This growth rate is derived from past experience and does not exceed the long-term growth of the respective markets in which the entity operates. No impairment of goodwill, sub-divided according to segment, was required in the 2009 financial year.

DEFERRED TAX ASSETS (16)

The deferred tax assets, at EUR 1.360 million, pertain to the following:

	31.12.2009	31.12.2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Tax loss carryforwards	595	1,345	-750
Temporary differences	765	584	181
	1,360	**1,929**	**-569**

As at 31 December 2009, the view of the Group is that, in the case of the deferred tax assets including the assets recognised from use of the loss carryforwards amounting to EUR 595 thousand (prior year: EUR 1.345 million), there is a likelihood that the Group companies will generate profits of least the same amount in future periods.

No deferred tax assets were stated for EUR 4.693 million in loss carryforwards for municipal trade tax purposes (prior year: EUR 2.464 million), and for EUR 4.851 million in loss carryforwards for corporation tax purposes (prior year: EUR 2.588 million), and for EUR 2.087 million in other loss carryforwards for foreign taxation purposes (prior year: EUR 964 thousand). According to IAS 12 deferred tax assets are not to be formed in respect of the aforementioned loss carryforwards since it is not expected at present that the tax refund claims will be realised in the near term.

The rate of deferred domestic taxation averaged 31%. This rate includes corporation tax at 15%, the solidarity supplement at 5.5% of the corporation tax and an average 15.2% rate of municipal trade tax. The respectively applicable tax rates were applied to foreign subsidiaries.

The deferred tax assets and liabilities relate to the following balance sheet items and loss carry-forwards:

	31.12.2009		31.12.2008	
	Deferred tax assets [EUR‘000]	Deferred tax liabilities [EUR‘000]	Deferred tax assets [EUR‘000]	Deferred tax liabilities [EUR‘000]
Cash and cash equivalents	0	0	143	0
Trade receivables	467	195	215	61
Other assets	156	231	1	239
Current assets	**623**	**426**	**359**	**300**
Property, plant and equipment	0	64	1	81
Intangible assets	296	702	397	839
Loans	307	0	320	0
Non-current assets	**603**	**766**	**718**	**920**
Other provisions	14	0	49	0
Other liabilities	36	3	33	3
Current liabilities	**50**	**3**	**82**	**3**
Pension provisions	3	99	0	176
Non-current liabilities	**3**	**99**	**0**	**176**
Loss carryforwards	595	0	1,345	0
Total	**1,874**	**1,294**	**2,504**	**1,399**
Offset	-514	-514	-575	-575
Deferred tax assets / liabilities	**1,360**	**780**	**1,929**	**824**

SHORT-TERM FINANCIAL LIABILITIES AND CURRENT PORTION OF LONG-TERM FINANCIAL LIABILITIES (17)

The short-term financial liabilities and the current portions of long-term financial liabilities relate to short-term purchase price obligations deriving from put options granted, which had to be recognised at EUR 22.430 million in accordance with IAS 32 (prior year: EUR 4.370 million), to purchase price obligations deriving from the acquisition of shares in subsidiaries already included in consolidation, at EUR 1.725 million (prior year: EUR 0 thousand), and to liabilities to banks, at EUR 1.063 million (prior year: EUR 656 thousand).

Liabilities to banks were subject to interest at normal market rates. The interest effects caused by compounding purchase price obligations for put options were stated as EUR 1.017 million (prior year: EUR 904 thousand) in the financial result.

TRADE PAYABLES (18)

Trade payables, at EUR 35.890 million (prior year: EUR 31.693 million) are payable within one year.

PAYABLES TO AFFILIATED COMPANIES (19)

Payables to affiliated companies result from supplies and services and are broken down into EUR 1.016 million for the Ticketing segment (prior year: EUR 1.268 million) and EUR 214 thousand for the Live Entertainment segment (prior year: EUR 165 thousand).

ADVANCE PAYMENTS RECEIVED (20)

The advance payments received, at EUR 101.766 million (prior year: EUR 84.086 million), result from ticket monies already received for future events in the Live Entertainment segment. These advance payments are posted to revenue after the respective events have taken place and accounts have been settled.

OTHER PROVISIONS (21)

Changes in other provisions are shown in the following table:

	01.01.2009	Change in consolidated companies	Consumption	Reversal	Addition	31.12.2009
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Other provisions	**1,160**	**-4**	**-707**	**-59**	**941**	**1,331**

The other provisions relate to many matters, with individual carrying amounts of only secondary importance, such as commission and litigation risks.

TAX PROVISIONS (22)

Changes in tax provisions are shown in the following table:

	01.01.2009	Change in consolidated companies	Consumption	Reversal	Currency differences	Addition	31.12.2009
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Tax provisions	**7,265**	**-8**	**-6,358**	**-80**	**-13**	**9,272**	**10,078**

OTHER LIABILITIES (CURRENT) (23)

Other liabilities comprise EUR 98.413 million in financial liabilities (prior year: EUR 96.961 million) and EUR 26.626 million in non-financial liabilities (prior year: EUR 22.913 million).

The financial liabilities include liabilities from ticketing monies not yet invoiced, at EUR 94.249 million (prior year: EUR 92.619 million), liabilities from purchase price obligations, at EUR 151 thousand (prior year: EUR 1.662 million), liabilities from third-party concerts, at EUR 1.396 million (prior year: EUR 977 thousand), and EUR 2.617 in other financial liabilities (prior year: EUR 1.703 million).

The non-financial liabilities result from tax liabilities, at EUR 12.298 million (prior year: EUR 10.124 million), social insurance liabilities, at EUR 2.588 million (prior year: EUR 2.406 million), liabilities to personnel, at EUR 6.629 million (prior year: EUR 5.918 million), credit voucher liabilities, at EUR 3.223 million (prior year: EUR 2.234 million), deferred revenue, at EUR 602 thousand (prior year: EUR 296 thousand), and other non-financial liabilities, at EUR 1.286 million (prior year: EUR 1.935 million).

MEDIUM- AND LONG-TERM FINANCIAL LIABILITIES (24)

As at the balance sheet date, medium- and long-term financial liabilities amounting to EUR 7.961 million were carried (prior year: EUR 24.990 million). Of that total, EUR 3.762 million (prior year: EUR 3.701 million) relate to a purchase price obligation for acquisition of additional shares in a subsidiary already included in consolidation and recognised at present value, and EUR 4.199 million to bank loans (prior year: EUR 4.614 million). The purchase price obligations deriving from put options and recognised in the previous year at present value under the medium- and long-term financial liabilities (EUR 16.675 million) were reclassified as current financial liabilities on account of their payment terms.

OTHER LIABILITIES (NON-CURRENT) (25)

Other non-current liabilities, at EUR 12 thousand, result from loan liabilities (prior year: EUR 1.052 million). The decline relative to the year before is mainly due to the redemption of liabilities for the acquisition of distribution rights. These liabilities are due in one to five years.

The composition and remaining term of the liabilities as at 31 December 2009 are shown in the following statement of liabilities:

Statement of liabilities	**Total**	**Remaining term**		
		Up to one year	Between one and five years	1) from taxes 2) for social security
	[EUR]	**[EUR]**	**[EUR]**	**[EUR]**
Financial liabilities	33,179,266 (2008: EUR 30.016 m)	25,217,733 (2008: EUR 5.026 m)	7,961,533 (2008: EUR 24.989 m)	
Advance payments received for events	101,766,084 (2008: EUR 84.086 m)	101,766,084 (2008: EUR 84.086 m)		
Trade payables	35,889,823 (2008: EUR 31.693 m)	35,889,823 (2008: EUR 31.693 m)		
Payables to affiliated companies	1,230,496 (2008: EUR 1.433 m)	1,230,496 (2008: EUR 1.433 m)		
Other liabilities	125,050,741 (2008: EUR 120.927 m)	125,038,530 (2008: EUR 119.875 m)	12,211 (2008: EUR 1.052 m)	1) 12,298,214 (2008: EUR 10.124 m) 2) 2,587,819 (2008: EUR 2.406 m)
Liabilities, total	**297,116,410**	**289,142,666**	**7,973,744**	

PENSION PROVISIONS (26)

The subsidiaries Marek Lieberberg Konzertagentur GmbH & Co. KG, TicketOne S.p.A., T.O.S.T. Ticketone Sistemi Teatrali S.r.l. and CTS Eventim Sports GmbH have made direct and individual pension commitments to selected beneficiaries. In the 2009 financial year, benefits amounting to EUR 63 thousand were paid out of pension obligations to beneficiaries (prior year: EUR 52 thousand). The current 2005 G Heubeck Tables are applicable when accounting for pension obligations. Reinsurance benefits which have been pledged to beneficiary employees on the basis of pension commitments are recognised as plan assets and were offset against pension provisions.

	31.12.2009 [EUR'000]	31.12.2008 [EUR'000]
Composition of pension provisions:		
Current market value of the plan assets	-952	-939
Present value of the non-fund-financed obligations	3,668	3,186
Pension provisions	**2,716**	**2,247**
The following amounts were included in the income statement:		
Regular service costs	167	143
Interest expenses	193	195
Expected income from plan assets	-30	-27
Actuarial losses / gains in the current year	202	-510
Total amount included in personnel expenses	**532**	**-199**
The amount of provisions included in the balance sheet developed as follows:		
Beginning of the year	2,247	2,521
Total expense / income included in the income statement	532	-199
Deferred beneficiaries; transfer to other companies	0	-23
Amounts paid	-63	-52
End of year	**2,716**	**2,247**
The following essential actuarial assumptions were made:		
Discount rate	5.3%	6.0%
Expected income from plan assets	4.1%	4.2%
Future salary increases	2.0% - 2.5%	2.0% - 3.5%
Future pension increases	1.0% - 3.0%	1.9% - 3.0%

Changes in plan assets are shown in the table below. Plan assets are reinsurance policies used to cover pension obligations. In combination with the income generated in past years and the associated expectations regarding future gains, an average of 4.1% is taken as the expected long-term rate of return.

	2009	2008
	[EUR'000]	[EUR'000]
Plan assets 1 January	939	857
Income from plan assets	13	82
Plan assets 31 December	**952**	**939**

DEFERRED TAX LIABILITIES (27)

Deferred tax liabilities, at EUR 780 thousand (prior year: EUR 824 thousand), result from temporary differences in the carrying amounts stated in the consolidated balance sheet and in the fiscal balance sheet.

SHAREHOLDERS' EQUITY (28)

The parent company of the Group is organised as a public limited company. As a basic principle, the shareholders therefore bear liability only to the amount of their capital contribution.

Reference is made to the consolidated statement of changes in equity.

The Annual Shareholders' Meeting of the company held on 23 August 2005 resolved to increase the share capital of CTS AG, previously amounting to EUR 12,000,000, by adding an additional EUR 12,000,000 from reserves. The share capital increase was registered at the Munich Local Court on 6 October 2005, and the new no-par value bearer shares were credited to shareholder depots on 30 October 2005. As at the closing date, the company had thus issued 24,000,000 no-par value bearer shares. Each share represents an arithmetic share in the share capital of EUR 1.00.

As at the closing date, authorised capital amounted to EUR 12,000,000 (authorised capital 2009). It is granted until 13 May 2014. By resolution of the Shareholders' Meeting on 14 May 2009, the Management Board is authorised to increase the share capital of the company on one or more occasions in the period up to 13 May 2014, contingent on Supervisory Board approval, by issuing new shares against cash deposits or contributions in kind, the total increase not to exceed EUR 12,000,000. The shareholders must be granted subscription rights to such new shares, but the Management Board is authorised to exclude such subscription rights in certain cases, subject to Supervisory Board approval. No use has been made so far of this authorisation.

At the Shareholders' Meeting on 21 January 2000, a contingent share capital increase of EUR 180,000 was agreed (contingent capital 2000/1). This increase shall be effected only to the extent that holders of options issued under the Stock Option Plan on the basis of the authorisation granted on 21 January 2000 exercise their stock options. The new shares participate in the profits of the company from the beginning of the financial year in which the stock options are exercised. The

Management Board is authorised, subject to approval by the Supervisory Board, to specify the further details of the contingent capital increase and its implementation. As a consequence of the shareholders' resolution on 23 August 2005 to increase the share capital to EUR 24,000,000, this contingent share capital has increased accordingly to EUR 360,000 in accordance with § 218 sentence 1 AktG.

The Annual Shareholders' Meeting held on 15 May 2008 authorised the Management Board to issue stock options and convertible bonds to a total value of up to EUR 275 million and with a maximum term of 20 years, conditional on Supervisory Board approval, by 14 May 2013, to grant the holders option and conversion rights to up to 11,000,000 new no-par bearer shares in the company, equal to share capital of up to EUR 11,000,000, and to exclude shareholders, within legally permitted limits, from subscribing to the convertible bonds under certain conditions. In view of the possible issue of shares to holders of option and conversion rights on the basis of this authorisation, the company's articles of incorporation were amended simultaneously to create an additional EUR 11,000,000 in contingent capital ('contingent capital 2008'). No use has been made so far of this authorisation.

By resolution of the Shareholders' Meeting held on 14 May 2009, the company was also authorised under § 71 (1) No. 8 AktG to purchase treasury stock amounting to up to 10% of the registered share capital as at the date of resolution, by 13 November 2010, and to use these for specific purposes as detailed in the resolution, partially with exclusion of subscription rights for shareholders. The countervalue paid for these shares may not exceed or fall below the traded price by more than 10%. The applicable share price is defined as the mean closing price for shares on the XETRA trading platform during the last five trading days before publication of the offer to purchase the shares.

The volume of the offering may be limited. If the total subscription to the bid exceeds said volume, quotas shall be allocated in proportion to the number of shares offered in each case. The authorisation to repurchase own shares may be exercised under the aforementioned restrictions in partial amounts, on one or more occasions, and to pursue one or more aims.

The premium (§ 272 (2) No. 1 HGB) for the shares issued on the stock exchange is disclosed under capital reserve. As part of the share capital increase implemented in October 2005, EUR 12,000,000 of the capital reserve was converted to share capital, and 12,000,000 new no-par value bearer shares were issued.

NON-CONTROLLING INTEREST

The non-controlling interest comprises the shares held by third parties in the equity of the consolidated subsidiaries. In accordance with IAS 1, non-controlling interest is presented separately within shareholders' equity. The non-controlling interest decreased from EUR 5.795 million to EUR 4.946 million. This change mainly results from profit distributions to non-controlling interest (EUR -8.111 million) in the 2009 financial year and the results from the acquisition of shares in a subsidiary that was already included in consolidation in the Live Entertainment segment (EUR -984 thousand), balanced against proportionate shares in the consolidated net income for 2009 (EUR +8.246 million).

In accordance with IAS 32, the CTS Group has applied said standard to equity instruments of non-controlling shareholders holding put options. The put options held by certain non-controlling shareholders are therefore disclosed under financial liabilities.

4. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS (IFRS 7)

4.1 FINANCIAL ASSETS

The following table shows the structure of financial assets according to age as at 31 December 2009:

	Carrying value 31.12.2009	Of which: neither impaired nor overdue at the balance sheet date	Of which: not impaired but overdue at the balance sheet date: Less than 30 days	Between 30 - 90 days	Between 90 - 180 days	More than 180 days
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Trade receivables	21,067	17,540	697	372	574	647
Receivables from affiliated companies	4,705	2,364	179	265	283	1,614
Other financial assets	43,865	42,320	693	163	113	478
Other financial assets (at fair value not through profit and loss)	2,016	2,016	0	0	0	0
Investments (at fair value not through profit and loss)	28	28	0	0	0	0
Investments (at cost)	992	992	0	0	0	0
Loans	435	435	0	0	0	0
	73,108	**65,695**	**1,569**	**800**	**970**	**2,739**

The following table shows the structure of financial assets according to age as at 31 December 2008:

	Carrying value 31.12.2008	Of which: neither impaired nor overdue at the balance sheet date	Of which: not impaired but overdue at the balance sheet date: Less than 30 days	Between 30 - 90 days	Between 90 - 180 days	More than 180 days
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Trade receivables	19,350*	15,189	785	873	621	1,370
Receivables from affiliated companies	3,427	3,107	0	0	196	7
Other financial assets	19,481*	17,076	1,297	311	123	533
Investments (at fair value not through profit and loss)	28	28	0	0	0	0
Investments (at cost)	1,128	1,128	0	0	0	0
Loans	1,865	1,865	0	0	0	0
	45,279	**38,393**	**2,082**	**1,184**	**940**	**1,910**

* Reclassification of receivables relating to ticket monies from pre-sales in the Ticketing segment (see item 2 in the notes to the consolidated financial statements)

With regard to receivables that are neither impaired nor overdue, there are no indications as at the closing date that debtors are not honouring their obligations.

Allowances for doubtful accounts changed as follows:

	2009 [EUR'000]	2008 [EUR'000]
Allowances for doubtful accounts as at 1 January	4,314	3,694
Change in consolidated companies	-1	0
Consumption	-582	-715
Reversal	-397	-433
Additions	2,461	1,748
Currency differences	-1	20
Allowances for doubtful accounts as at 31 December	**5,794**	**4,314**

4.2 FINANCIAL LIABILITIES

The following table shows the contractually agreed (undiscounted) redemptions and interest payments in respect of the original financial liabilities, as at 31 December 2009:

	Carrying value 31.12.2009 [EUR'000]	Redemption < 1 year [EUR'000]	Interest < 1 year [EUR'000]	Redemption 1 - 2 years [EUR'000]	Interest 1 - 2 years [EUR'000]	Redemption 3 - 4 years [EUR'000]	Interest 3 - 4 years [EUR'000]
Financial liabilities	33,179	-23,490	-204	-3,051	-328	-7,344	-28
Trade payables	35,890	-35,873	-1	-11	0	-6	0
Payables to affiliated companies	1,230	-1,193	0	-25	0	-12	0
Other financial liabilities	98,425	-98,425	-19	0	0	0	0
	168,724	**-158,981**	**-224**	**-3,087**	**-328**	**-7,362**	**-28**

The following table shows the contractually agreed (undiscounted) redemptions and interest payments in respect of the original financial liabilities, as at 31 December 2008:

	Carrying value 31.12.2008 [EUR'000]	Redemption < 1 year [EUR'000]	Interest < 1 year [EUR'000]	Redemption 1 - 2 years [EUR'000]	Interest 1 - 2 years [EUR'000]	Redemption 3 - 4 years [EUR'000]	Interest 3 - 4 years [EUR'000]
Financial liabilities	30,016	-5,078	-226	-18,594	-376	-7,965	-174
Trade payables	31,693	-31,693	0	0	0	0	0
Payables to affiliated companies	1,433	-1,433	0	0	0	0	0
Other financial liabilities	98,013	-96,961	0	-1,052	0	0	0
	161,155	**-135,165**	**-226**	**-19,646**	**-376**	**-7,965**	**-174**

The above includes all instruments in place as at the balance sheet date and for which payments had already been contractually agreed. Budget figures for future liabilities are not included. Foreign currency amounts are converted at the spot rates applying on the closing date. The variable interest payments in respect of the financial instruments were calculated using the interest rates fixed most recently prior to 31 December 2009. Financial liabilities that are repayable at any time are always allocated to the earliest timeframe.

4.3 ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying values, recognition and fair values for the 2009 financial year are shown in the following table according to recognition categories:

	Balance sheet value according to IAS 39				
	Carrying value 31.12.2009	At amortized cost	At fair value not through profit and loss	Purchase cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS					
Cash and cash equivalents	229,794	229,794			229,794
Trade receivables	21,067	21,067			20,810
Receivables from affiliated companies	4,705	4,705			4,705
Other financial assets	43,865	43,865			44,131
Other financial assets (at fair value not through profit and loss)	2,016		2,016		2,016
Investments (at fair value not through profit and loss)	28		28		28
Investments (at cost)	992			992	
Loans	435	435			492
LIABILITIES					
Short-term financial liabilities and current portion of long-term financial liabilities	25,218	25,218			25,286
Medium- and long-term financial liabilities	7,961	7,961			7,822
Trade payables	35,890	35,890			35,441
Payables to affiliated companies	1,230	1,230			1,215
Other financial liabilties	98,425	98,425			97,195
Categories according to IAS 39:					
Loans and receivables	299,866	299,866			299,932
Financial liabilities at amortized cost	168,724	168,724			166,959
Available-for-sale financial assets	3,036		2,044	992	2,044

Carrying values, recognition and fair values for the 2008 financial year are shown in the following table according to recognition categories:

		Balance sheet value according to IAS 39			
	Carrying value 31.12.2008	At amortized cost	At fair value not through profit and loss	Purchase cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS					
Cash and cash equivalents	213,072	213,072			213,072
Trade receivables	19,350*	19,350			19,350
Receivables from affiliated companies	3,427	3,427			3,778
Other financial assets	19,481*	19,481			19,563
Investments (at fair value not through profit and loss)	28		28		28
Investments (at cost)	1,128			1,128	
Loans	1,865	1,865			1,877
LIABILITIES					
Short-term financial liabilities and current portion of long-term financial liabilities	5,026	5,026			5,026
Medium- and long-term financial liabilities	24,990	24,990			24,990
Trade payables	31,693	31,693			31,693
Payables to affiliated companies	1,433	1,433			1,441
Other financial liabilties	98,013	98,013			98,013
Categories according to IAS 39:					
Loans and receivables	257,195	257,195			257,640
Financial liabilities at amortized cost	161,155	161,155			161,163
Available-for-sale financial assets	1,156		28	1,128	28

* Reclassification of receivables relating to ticket monies from pre-sales in the Ticketing segment (see item 2 in the notes to the consolidated financial statements)

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

If financial instruments are listed on an active market, like fund shares, in particular, the respective listed price signifies the fair value on that market. In the case of unlisted financing instruments, the fair value is calculated as the present value of the future cash flows, taking interest rate curves and the rating-dependent credit risk premium of the CTS Group into account.

For cash and cash equivalents, current trade receivables, receivables from affiliated companies, other financial assets, financial liabilities, payables to affiliated companies and other financial liabilities, the carrying values are substantially equal to the fair values, due to their short remaining term.

The fair values of non-current trade receivables, receivables from affiliated companies, other financial assets, financial liabilities, payables to affiliated companies and other financial liabilities are equal to the present value of the cash flows associated with the financing instruments.

Due to the absence of an active market, the fair values for shares and participations in other companies cannot be measured reliably. These financial investments are measured at cost.

Of the total available-for-sale financial assets, EUR 2.044 million are accounted for at fair value but not through profit and loss, and EUR 992 thousand are accounted for at cost. Since the fair values (EUR 2.044 million) correspond to observable market prices, they qualify as level-one in the IFRS 7 fair value hierarchy.

The available-for-sale financial assets developed as follows:

	2009 [EUR'000]
Available-for-sale financial assets as at 1 January	1,156
Additions	1,978
Disposals	-150
Accumulated other comprehensive income	52
Available-for-sale financial assets as at 31 December	**3,036**

NET PROFIT / LOSS FROM FINANCIAL INSTRUMENTS

	2009 [EUR'000]	**2008 [EUR'000]**
Loans and receivables	-37	3,535
Financial assets at fair value through profit and loss	0	400
Available-for-sale financial assets	60	216
Financial liabilities	-1,632	-2,244
	-1,609	**1,907**

The net profits / losses in the recognition categories loans and receivables and financial liabilities mainly comprise interest income / expense and allowances for doubtful accounts. The gains and losses of available-for-sale financial assets are mainly stated in shareholders' equity.

FINANCIAL RISKS

Disclosures regarding the risks ensuing from financing instruments are presented in the risk report in section 8 of the management report, in accordance with IFRS 7.B6.

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

REVENUE (1)

Group revenue was increased year-on-year by 15.4%, or EUR 62.350 million, from EUR 404.348 million to EUR 466.698 million. Revenue (before consolidation between segments) breaks down into EUR 152.493 million in the Ticketing segment (prior year: EUR 120.130 million) and EUR 318.726 million in the Live Entertainment segment (prior year: 287.994 million).

COST OF SALES (2)

Expenses are stated in the income statement according to function. The income statements of the subsidiaries are firstly prepared using the type of expenditure method, with costs then being reassigned to the functional expenses of the cost of sales method using conversion codes for the respective cost elements, for integration in the Group financial statements according to IFRS. Cost elements are assigned either to 100% or on the basis of workforce number and personnel expenses. Using this conversion code, material expenses, personnel expenses, depreciation and amortization and other operating expenses of the individual companies according to the cost of expenditure method are assigned to cost of sales, selling expenses, general administrative expenses and other operating expenses.

Cost of sales comprises all material expenses as well as proportional personnel expenses, depreciation and amortization and other operating expenses.

In the following, material expenses, personnel expenses, depreciation and amortization and other operating expenses are presented using the type of expenditure method.

Material expenses (according to type of expenditure method)	**2009**	**2008**	**Change**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**
Cost of materials, supplies and purchased merchandise	20,827	20,251	576
Cost of purchased services	296,177	263,468	32,709
	317,004	**283,719**	**33,285**

Material expenses calculated using the type of expenditure method are allocated in full to cost of sales using the cost of sales method.

Personnel expenses (according to type of expenditure method)	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Wages and salaries	37,711	34,681	3,030
Social insurance contributions and expenses for pension and employee support	7,278	4,803	2,475
	44,989	**39,484**	**5,505**

Personnel expenses calculated using the type of expenditure method are allocated on a percentage basis to cost of sales, selling expenses and general administrative expenses using the cost of sales method. Of total personnel expenses, EUR 17.140 million were recognised as cost of sales (prior year: EUR 15.380 million), EUR 16.571 million as selling expenses (prior year: EUR 14.264 million) and EUR 11.278 million as general administrative expenses (prior year: EUR 9.840 million).

Employer contributions to pension insurance were 9.95% in the 2009 financial year. Statutory pension insurance is a defined contribution plan.

Depreciation and amortization (according to type of expenditure method)	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Depreciation and amortization on intangible assets and property, plant and equipment	8,694	7,547	1,147
	8,694	**7,547**	**1,147**

Depreciation and amortization calculated using the type of expenditure method are allocated on a percentage basis to cost of sales, selling expenses and general administrative expenses using the cost of sales method. EUR 2.571 million in depreciation and amortization were recognised as cost of sales (prior year: EUR 2.553 million), EUR 4.054 million as selling expenses (prior year: EUR 3.280 million) and EUR 2.069 million as general administrative expenses (prior year: EUR 1.714 million). Depreciation and amortization of financial assets amounted to EUR 348 thousand (prior year: EUR 3 thousand) and were included in the financial result.

Other operating expenses (according to type of expenditure method)	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Other operating expenses	33,106	30,309	2,797
	33,106	**30,309**	**2,797**

Other operating expenses calculated using the type of expenditure method are allocated on a percentage basis to cost of sales, selling expenses, general administrative expenses and other operating expenses using the cost of sales method. Of the other operating expenses, EUR 5.584 million were recognised as cost of sales (prior year: EUR 5.301 million), EUR 13.786 million as selling expenses (prior year: EUR 12.369 million) and EUR 5.904 million as general administrative expenses (prior year: EUR 5.593 million). The remaining EUR 7.832 million (prior year: EUR 7.046 million) is allocated to other operating expenses.

SELLING EXPENSES (3)

Selling expenses include expenditures for sales, advertising and marketing. The EUR 4.498 million increase in selling expenses is mainly due to higher personnel expenses (EUR +2.307 million), depreciation and amortization (EUR +774 thousand) and losses on receivables and allowances for doubtful accounts (EUR +404 thousand).

GENERAL ADMINISTRATIVE EXPENSES (4)

The EUR 2.103 million increase in general administrative expenses is mainly attributable to increased personnel expenses (EUR +1.438 million), depreciation and amortization (EUR +355 thousand) and costs for levies and insurances (EUR +228 thousand). General administrative expenses include those expenses for administration which are not allocated to sales department.

OTHER OPERATING INCOME (5)

Other operating income comprises the following items:

	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Marketing	2,111	888	1,223
Income from insurance compensation	775	186	589
Income from charged expenses	671	513	158
Payments of damages	466	237	229
Income from the reversal of allowances for doubtful accounts	397	433	-36
Income from currency translation	350	513	-163
Income relating to other periods	309	414	-105
Income from written-off liabilities / written-off receivables	277	2,097	-1,820
Income from the reversal of provisions	59	198	-139
Other operating income	2,922	1,462	1,460
	8,337	**6,941**	**1,396**

Other operating income includes income from receivables collection, ticket insurances and logistics services other than ticketing.

OTHER OPERATING EXPENSES (6)

Other operating expenses comprise the following items:

	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Expenses for third-party services	2,040	1,326	714
Expenses passed on to third parties	774	724	50
Currency translation expenses	587	1,022	-435
Leases / rent	509	540	-31
Expenses relating to other periods / non-operating costs	467	705	-238
Maintenance expenses	282	237	45
Donations	216	171	45
Cost for the supply of goods sold	95	101	-6
Loss from disposal of fixed assets	84	53	31
Other operating expenses	2,778	2,167	611
	7,832	**7,046**	**786**

Other operating expenses include, inter alia, postal losses, uncancellable tickets and expenses for logistics services other than ticketing.

INCOME / EXPENSES FROM PARTICIPATIONS (7)

Income from participations, at EUR 8 thousand, relates primarily to a participation by ARGO Konzerte GmbH, Würzburg (prior year: EUR 30 thousand).

INCOME / EXPENSES FROM INVESTMENTS STATED AT EQUITY (8)

Of the income from investments stated at equity, EUR 91 thousand was attributable to Greenfield Festival AG, Hünenberg (prior year: EUR 169 thousand), and EUR 49 thousand to Greensave GmbH, Würzburg (prior year: EUR 3 thousand).

FINANCIAL INCOME (9)

Financial income comprises EUR 1.995 million in interest (prior year: EUR 4.246 million) and EUR 21 thousand (prior year: EUR 426 thousand) in other financial income. As expected, financial income mainly declined as a result of lower interest rates.

FINANCIAL EXPENSES (10)

Distributions to non-controlling interests, at EUR 93 thousand (prior year: EUR 93 thousand), and the change in the present value of purchase price obligations in respect of put options, at EUR 1.017 million (prior year: EUR 904 thousand), were stated as financial expenses in accordance with IAS 32.

Apart from that, financial expenses mainly comprise interest expense of EUR 313 thousand (prior year: EUR 740 thousand).

TAXES (11)

The total disclosed tax expenses are comprised as follows:

	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Income tax	22,748	16,258	6,490
Deferred tax	559	1,577	-1,018
	23,307	**17,835**	**5,472**

Current tax expenses are calculated by applying the taxation rules of the respective countries in which the subsidiaries operate and generate taxable income, as applicable on the balance sheet date or which will be applicable in the near future.

Deferred tax expenses (net) result from the creation and/or reversal of temporary differences between IFRS carrying values and fiscal carrying values, and from the formation and consumption of deferred taxes for fiscal loss carryforwards.

Deferred tax expenses developed as follows:

	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Deferred tax	559	1,577	-1,018
of which:			
from temporary differences	-191	9	-200
from tax loss carryforwards	750	1,568	-818

The following table shows the reconciliation of the tax expense expected in the respective financial year and the tax expense as actually disclosed. To determine the expected tax expense for 2009, an average tax rate of 31% (prior year: 31%) was multiplied by the pre-tax profit.

	2009	2008
	[EUR'000]	[EUR'000]
Profit from ordinary business activities	71,496	53,378
Adjustments to tax expenses		
Expected income tax	**22,164**	**16,547**
Deviation due to basis of calculation for municipal trade tax	-138	-213
Deviations from expected tax rate	-563	0
Changes in value adjustment of deferred tax assets / liabilties	0	477
Losses without the formation of deferred tax assets	863	694
Changes of deferred taxes due to changes of tax rates and tax law	0	4
Non-taxable income and non-deductible expenses	627	482
Other tax effects	354	-156
Income tax according to income statement	**23,307**	**17,835**

NON-CONTROLLING INTEREST (12)

According to IAS 32, non-controlling interest needs not be recognised in companies with corresponding put options.

The non-controlling interest in the net income for 2009 is EUR 8.246 million (prior year: EUR 6.336 million). The increase results primarily from stronger contributions to earnings in the Live Entertainment segment.

6. NOTES TO THE CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES (1)

Cash flow from operating activities fell year-on-year by EUR 50.726 million from EUR 105.778 million to EUR 55.052 million. The EUR 50.726 million decrease mainly results from the EUR -40.203 million change in liabilities and the EUR -28.682 million change in receivables and other assets. Stronger Group net income after non-controlling interest (EUR +10.736 million) had positive impacts on cash flow from operating activities.

The EUR 40.203 million decrease in cash flow from liabilities is attributable, in particular, to the EUR 13.660 million decrease in advance payments received by the Live Entertainment segment, and to the EUR 30.483 million decrease in liabilities accruing from ticket monies that have not yet been invoiced.

As at the balance sheet date of 31 December 2008, the liabilities from advance payments received in the Live Entertainment segment increased to an above-average extent due to ticket pre-sales for a major tour in 2009. Due to this large amount of advance payments received as at the 2008 balance sheet date, cash flow in the 2008 financial year increased by EUR +31.340 million. As at the balance sheet date of 31 December 2009, the advance payments received have increased (EUR +17.680 million), but the increase was less than in the 2008 financial year, with the result that a negative cash flow effect of EUR -13.660 million results from changes in the advance payments received.

As at the balance sheet date of 31 December 2008, other liabilities relating to ticket monies not yet invoiced increased due the high level of ticket pre-sales for a major tour (inter alia AC/DC) that was held in the first half of 2009. These ticket monies had not yet been paid to the promoters as at the 2008 balance sheet date. This payment was made at the beginning of the 2009 financial year. The strong increase in these liabilities in respect of ticket monies as at the 2008 balance sheet date resulted in increased cash flow of EUR +32.113 million in the 2008 financial year. As at the balance sheet date of 31 December 2009, the amount of liabilities in respect of ticket monies was almost at the same level as the year before, with the result that the change in liabilities in respect of ticket monies led to a cash flow of only EUR +1.630 million in the 2009 financial year. Thus, the changes in liabilities in respect of ticket monies resulted in a negative cash flow effect of EUR -30.483 million in the past financial year.

As at the balance sheet date of 31 December 2009, receivables and other assets were at a high level, which is mainly attributable to higher receivables relating to ticket monies from pre-sales and to receivables relating to new types of events. The higher amount of receivables from ticket monies comprise ticket money receivables due for payment in the short term, inter alia as credit card and direct debit payments. Changes in the receivables and other assets result in total in a negative cash flow effect of EUR -28.682 million.

CASH FLOW FROM INVESTING ACTIVITIES (2)

Cash outflow for investing activities fell EUR 4.403 million to EUR 14.971 million. This decline mainly results from less investment in intangible assets (EUR -3.535 million) and in connection with the acquisition of consolidated entities (EUR -1.302 million); these decreases were offset by increased investment (EUR +1.221 million) in property, plant and equipment, particularly in IT infrastructure.

CASH FLOW FROM FINANCING ACTIVITIES (3)

Cash outflow for financing activities increased year-on-year by EUR 8.263 million to EUR 23.359 million. This cash outflow primarily includes the dividend payment decided upon at the Annual Shareholders‘ Meeting (EUR 14.639 million) and payments to non-controlling interests (EUR 8.204 million). Distribution to shareholders amounted to EUR 2.880 million more than in the prior year, when external borrowing (EUR 5.000 million) also had a positive impact on cash flow from financing activities.

7. EARNINGS PER SHARE

Earnings per share were calculated according to IAS 33 by dividing the consolidated net income for the year, after deduction of non-controlling interest, by the number of shares outstanding (basic earnings per share). As at the balance sheet date, there is no dilution as a result of convertible bonds, stock options or similar instruments (potential common stock).

The earnings per share are determined as follows:

	31.12.2009 [EUR]	31.12.2008 [EUR]
Net income after non-controlling interest	39,943,443	29,206,648
Quantity of shares	24,000,000	24,000,000
Earnings per share	**1.66**	**1.22**

8. SEGMENT REPORTING

The Group operates in the leisure events market with its Ticketing and Live Entertainment divisions. CTS AG, the parent company of the Group, operates in the field of ticketing and is the one company that sets the pace in this particular segment. Statements made in respect of the Ticketing segment apply also and especially to CTS AG. Selling tickets for leisure events is the basic object of the Ticketing segment, which markets events (tickets) using its market-leading network platform (eventim.net), the in-house ticketing product (eventim.inhouse), the sport ticketing product (eventim.tixx) and a solution for ticket sales and admission control in stadiums and arenas. The basic object of the Live Entertainment division is organising and executing events.

The Group is segmented in accordance with the internal reporting structure and includes the components required by IFRS 8. No material changes occurred.

Transfer prices for intercompany services are determined in accordance with normal market conditions.

NOTES TO THE SEGMENTS

As at the end of 2009, the companies operating in the segments were as follows:

TICKETING

- CTS AG • Ticket Express Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH • ÖTS, Gesellschaft zum Vertrieb elektronischer Eintrittskarten mbH
- Ö-Ticket Nord West GmbH • Ö-Ticket-Südost, Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH • Ö-Ticket-Nordost Eintrittskartenvertrieb GmbH
- Ticket Express Hungary Kft. • TEX Hungary Kft. • GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG • CTS Eventim Solutions GmbH

- CTS Eventim Sports GmbH • CTS Eventim Nederland B.V. • CTS Eventim Schweiz AG
- CTS Eventim RU o.o.o. • TicketOne S.p.A. • Panischi S.r.l.
- T.O.S.T., Ticketone Sistemi Teatrali S.r.l.
- TSC EVENTIM Ticket & Tourist-Service-Center GmbH • CTS Eventim Sweden AB
- Lippupiste Oy • Eventim UK Limited • Eventim CZ s.r.o. • TEMPODOME GmbH

LIVE ENTERTAINMENT

- Marek Lieberberg Konzertagentur GmbH & Co. KG
- Peter Rieger Konzertagentur GmbH & Co. KG
- Semmelconcerts Veranstaltungsservice GmbH • FKP Scorpio Konzertproduktionen GmbH
- ARGO Konzerte GmbH • Dirk Becker Entertainment GmbH • LS Konzertagentur GmbH
- PGM Promoters Group Munich Konzertagentur GmbH • CRP Konzertagentur GmbH
- Palazzo Produktionen GmbH, Hamburg • Palazzo Produktionen GmbH, Vienna
- Palazzo Producties B.V. • Act Entertainment AG • Palazzo Produktionen Berlin GmbH
- OCTOPUS GmbH Agentur für Kommunikation • Show-Factory Entertainment GmbH

The segment-related data were determined in the following way:

Internal revenue between the Group companies in a given segment have already been consolidated at segment level. The assets were allocated to the segments in the course of consolidation. Revenue between the segments are eliminated in the consolidation column. Services were invoiced at the normal market prices charged to third parties.

The internal and external revenue of the segments are shown in the following table:

	Ticketing		Live Entertainment		Total for segment	
	2009	2008	2009	2008	2009	2008
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
External revenue	149,703	118,237	316,995	286,111	466,698	404,348
Internal revenue	18,378	12,688	67,814	54,407	86,192	67,095
Total revenue	**168,081**	**130,925**	**384,809**	**340,518**	**552,890**	**471,443**
Consolidation within segment	-15,588	-10,795	-66,083	-52,524	-81,671	-63,319
Revenue after consolidation within segment	**152,493**	**120,130**	**318,726**	**287,994**	**471,219**	**408,124**

The Group is divided into the aforementioned two segments, which generated the following figures after consolidation:

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	2009	2008	2009	2008	2009	2008	2009	2008
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Revenue	152,493	120,130	318,726	287,994	-4,521	-3,776	466,698	404,348
Operating profit (EBIT)	49,041	34,590	22,219	15,695	20	-3	71,280	50,282
EBITDA	55,435	40,113	24,519	17,719	20	-2	79,974	57,830
Depreciation and amortization	-6,394	-5,523	-2,300	-2,024	0	0	-8,694	-7,547
Financial result							216	3,096
Profit from ordinary business activities (EBT)							71,496	53,378
Taxes							-23,307	-17,835
Net income before non-controlling interest							48,189	35,543
Non-controlling interest							-8,246	-6,336
Net income after non-controlling interest							39,943	29,207
Average number of employees	662	659	352	310			1,014	969
Return on sales*	36.4%	33.4%	7.7%	6.2%			17.1%	14.3%

* The return on sales is calculated by dividing the segment EBITDA by the total segment revenue.

The Group invested a total of EUR 10.292 million in the Ticketing segment (including change in the scope of consolidation). Investments in property, plant and equipment (EUR 3.082 million) mainly related to hardware for new IT infrastructure (including servers for data centres and equipment for box offices/promoters), and to operating and office equipment. Investments in intangible assets (including goodwill) amounted to EUR 7.195 million and mainly related to capitalised development costs (EUR 2.462 million) and to additions to goodwill from put options (EUR 2.957 million). EUR 15 thousand were paid for investments. Amortization of intangible assets amounted to EUR 4.444 million (prior year: EUR 3.728 million), and depreciation of property, plant and equipment to EUR 1.950 million (prior year: EUR 1.795 million).

In the Live Entertainment segment, the Group invested a total of EUR 8.327 million. EUR 2.864 million were invested in property, plant and equipment and EUR 5.342 million in intangible assets (including goodwill). The addition to goodwill (EUR 5.226 million) results from accounting for a future acquisition of shares in a subsidiary already included in consolidation. Investments in property, plant and equipment mainly related to exhibition inventory. EUR 121 thousand were paid for investments. Amortization of intangible assets amounted to EUR 515 million (prior year: EUR 479 million), and depreciation of property, plant and equipment to EUR 1.785 million (prior year: EUR 1.546 million).

The total investments in the Ticketing and Live Entertainment segments (change in scope of consolidation, plus additions) are shown in detail in the consolidated statement of changes in assets.

The assets and liabilities that can be directly allocated to a specific segment must be disclosed accordingly. Segment assets are the operating assets that are used by a segment to perform its operating activities and which can be either directly attributed to the segment or which are allocated to the segment on a reasonable basis. Income tax refund claims do not form part of segments' assets. Segment liabilities are the operating liabilities that result for a segment from its operating activities and which can be either directly attributed to the segment or allocated to the segment on a reasonable basis. Segment liabilities do not include income tax liabilities, pension provisions or non-controlling interest. Other items comprise all assets and liabilities which are not allocated to the assets or liabilities of the segments.

The assets and liabilities as at the closing date are as follows:

	Ticketing		Live Entertainment		Other items		Intersegment consolidation		Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Fixed assets	105,476	102,961	40,217	35,723	0	0	-15,182	-15,180	130,511	123,504
Other assets	201,091	161,821	147,216	118,383	8,805	6,975	-25,739	-5,596	331,373	281,583
Liabilities	176,784	154,514	149,461	122,568	12,676	9,309	-26,901	-6,741	312,020	279,650

The liabilities of the Live Entertainment segment include EUR 101.766 million in advance payments received that are posted as revenue after the respective events have taken place and accounts have been settled.

GEOGRAPHICAL DISCLOSURES

The following table shows the **external revenue** for the 2009 financial year, broken down by geographical distribution:

	2009 [EUR'000]	2008 [EUR'000]
Germany	364,541	325,686
Austria	47,691	39,163
Italy	20,335	16,517
Other countries	34,131	22,982
	466,698	**404,348**

The carrying values of **non-current, non-financial assets** for the 2009 financial year are shown in the following table according to geographical distribution:

	2009 [EUR'000]	2008 [EUR'000]
Germany	117,972	108,937
Austria	1,191	1,254
Italy	5,294	5,644
Other countries	4,588	4,663
	129,045	**120,498**

The carrying values of **deferred tax assets** for the 2009 financial year are shown in the following table according to geographical distribution:

	2009 [EUR'000]	2008 [EUR'000]
Germany	869	701
Austria	9	15
Italy	389	1,109
Other countries	93	104
	1,360	**1,929**

9. EMPLOYEES

On average over the year, 1,014 employees (prior year: 969) were employed by the Group. Of that total, 576 (prior year: 538) were employed in Germany, and 438 (prior year: 431) in foreign countries.

10. FINANCIAL OBLIGATIONS

The rental and leasing agreements must be allocated to the 'operating lease' category in accordance with IAS 17. The rental obligations relate mainly to rental payments for office premises, and the leasing obligations pertain primarily to vehicles.

The rental, leasing and other obligations are shown in the following table:

	31.12.2009			31.12.2008		
	< 1 year [EUR'000]	1 - 5 years [EUR'000]	> 5 years [EUR'000]	< 1 year [EUR'000]	1 - 5 years [EUR'000]	> 5 years [EUR'000]
Rental obligations	3,560	9,274	1,922	2,430	5,145	563
Leasing obligations	464	636	0	343	389	0
Other obligations	624	409	129	1,230	407	229
	4,648	**10,319**	**2,051**	**4,003**	**5,941**	**792**

CTS AG bears liability for debts owed to banks by CTS Eventim Solutions GmbH. As at the balance sheet date, CTS Eventim Solutions GmbH has no liabilities to banks.

There are no other contingent liabilities.

11. EVENTS AFTER THE BALANCE SHEET DATE

The following special events have occurred since the balance sheet date:

In January 2010, the U.S. Department of Justice granted its consent to the merger of Live Nation Inc., the promoter of live events, and Ticketmaster Entertainment Inc., the ticketing company, subject to certain conditions. It is assumed that the merger will not have any material impact on the existing ticketing partnership agreements between Live Nation and the CTS Group.

In February 2010, CTS AG acquired 100% of the shares in Ticketcorner Holding AG, Zurich (hereinafter: Ticketcorner), through a subsidiary. Founded in 1987 and based in the Canton of Zurich, Ticketcorner has a workforce of 130 and offers the public around 3,000 Ticketcorner 'sales points', a modern call centre and an Internet portal. Ticketcorner is the undisputed market leader in Switzerland, with a 60% share of the ticketing market. In the 2009 financial year, the company sold a total of around 9.3 million tickets. The Group revenue amounted to approximately CHF 35 million (around EUR 24 million) in 2009, with EBITDA (after adjustment for non-recurrent effects and after taking implemented restructuring measures into account on a pro forma basis) amounting to just under CHF 9.7 million (EUR 6.6 million), and reported EBITDA at CHF 6.5 million (EUR 4.4 million). The purchase price for the shares was CHF 65 million (around EUR 44 million).

Disclosure, according to IFRS 3.67f, of the carrying values and fair values recognised immediately before the combination for each class of asset and (contingent) liabilities of the acquiree, and disclosure of the goodwill were practically unfeasible because interim financial statements as at the acquisition date of 19 February 2010 could not be presented due to the brevity of time, with the consequence that no purchase price allocation could be carried out at initial consolidation.

There are no other events requiring disclosure.

12. PENDING COURT PROCEEDINGS

The Group is involved in pending proceedings and litigation as arises in the normal course of business. In the view of the company's legal representatives, there will be no material impact on the earnings performance and financial position of the Group when these matters are brought to an end. Provisions amounting to EUR 68 thousand were formed as at the balance sheet date to cover litigation expenses.

13. DECLARATION OF COMPLIANCE

On 19 March 2010, the Management Board and the Supervisory Board of CTS AG released a further declaration of compliance with the recommendations of the 'Government Commission on the German Corporate Governance Code' pursuant to § 161 AktG, and made said declaration permanently available to shareholders on the CTS AG website (http://www.eventim.de/cgi-bin/tinfo.dll?doc=invre/eng/corporate_governance/corporate_03&id=EVG).

14. APPLICATION OF § 264 (3) HGB AND § 264B HGB

Some corporate enterprises and business partnerships within the meaning of § 264a HGB that are affiliated and consolidated CTS AG companies, and for which the consolidated financial statements of CTS AG have the effect of discharging obligations to prepare and disclose financial statements, make use of the exemption option provided by § 264 (3) HGB and § 264b HGB:

- CTS Eventim Solutions GmbH, Bremen
- GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Bremen
- Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt/Main
- Peter Rieger Konzertagentur GmbH & Co. KG, Cologne

15. NOTIFIABLE SECURITIES TRANSACTIONS PURSUANT TO § 15A SECURITIES TRADING ACT (WPHG)

In the 2009 business year, no notifiable securities transactions in shares of the company were conducted by the officers of CTS AG.

16. RELATED PARTY DISCLOSURES

According to IAS 24, companies or persons that exercise control over, or are controlled by the Group must be disclosed if they have not already been included as consolidated companies in the consolidated financial statements of the Group.

The transactions of the CTS Group with related parties pertain to reciprocal services and were concluded only at the arm's-length conditions which normally apply between third parties. The majority shareholder of CTS AG is a controlling shareholder of other companies associated with the Group.

The contractual relationships with related parties resulted in the following goods and services being sold to and bought from related parties in the 2009 reporting period:

	2009 [EUR'000]	2008 [EUR'000]
Goods and services supplied by the Group		
Services in connection with tours	6,565	6,584
Supply of ticketing software	251	258
Allocation of operating costs	954	344
Other	53	421
	7,823	**7,607**

EUR 780 thousand in goods and services were supplied by the Group to subsidiaries not included in consolidation due to insignificance (prior year: EUR 215 thousand), while EUR 266 thousand in goods and services were supplied to associates (prior year: EUR 342 thousand), and EUR 6.777 million to other related parties (prior year: EUR 7.050 million).

Goods and services received by the Group	2009 [EUR'000]	2008 [EUR'000]
Fulfilment services	8,675	7,230
Tenancy agreements	682	351
Call centre operations	3,387	2,353
Business services agreements	1,232	885
Production costs for events	912	895
Other	747	400
	15,635	**12,114**

EUR 691 thousand in goods and services were received by the Group from subsidiaries not included in consolidation due to insignificance (prior year: EUR 932 thousand), while EUR 201 thousand in goods and services were supplied by associates (prior year: EUR 25 thousand), and EUR 14.743 million were supplied by other related parties (prior year: EUR 11.157 million).

Receivables from	2009 [EUR'000]	2008 [EUR'000]
Subsidiaries not included in consolidation due to insignificance	4,437	2,969
Associated companies	47	215
Other related parties	1,971	1,863
	6,455	**5,047**

Liabilities to	2009 [EUR'000]	2008 [EUR'000]
Subsidiaries not included in consolidation due to insignificance	1,041	302
Other related parties	2,115	2,107
	3,156	**2,409**

Compensation paid to managers in key positions is disclosed under item 18 of the notes to the consolidated financial statements.

17. AUDITOR EXPENSES

In the 2009 financial year, auditing expenses of EUR 446 thousand (prior year: EUR 372 thousand) and EUR 200 thousand for other services (prior year: EUR 162 thousand) were recognised.

18. MANDATES AND EMOLUMENTS OF THE MANAGEMENT BOARD

During the reporting year, the members of the Management Board were not members of any supervisory boards.

The amounts of compensation paid to individual members of the Management Board were as follows:

Name	Fixed salary	Benefits	Management Bonus	Total
	[EUR]	[EUR]	[EUR]	[EUR]
Klaus-Peter Schulenberg	1,000,000	0	300,000	1,300,000
Volker Bischoff	250,000	11,815	105,000	366,815
Alexander Ruoff	350,000	8,824	105,000	463,824
	1,600,000	**20,639**	**510,000**	**2,130,639**

19. MANDATES AND EMOLUMENTS OF THE SUPERVISORY BOARD

The members of the Supervisory Board in the financial year were as follows:

Edmund Hug, Businessman, Oberstenfeld – Chairman –
Other supervisory board memberships:
- schlott gruppe AG, Freudenstadt
- Scholz AG, Aalen

Dr. Peter Haßkamp, Lawyer, Bremen – Vice-Chairman (until 14 May 2009) –
Other supervisory board memberships:
- EGC EUROGROUP CONSULTING AG, Bad Homburg

Horst R. Schmidt, Treasurer of the German Football Association, Aschaffenburg
(from 14 May 2009)
No other supervisory board memberships

Prof. Jobst W. Plog, Lawyer, Hamburg – Vice-Chairman (from 14 May 2009) –
Other supervisory board memberships:
- Wall AG, Berlin (until 25 January 2010)
- Vattenfall Europe AG, Berlin (since 2 September 2009)

The members of the Supervisory Board of CTS AG received emoluments totalling EUR 80 thousand as well as reimbursed expenses of EUR 5 thousand for the 2009 financial year.

20. PARTICIPATING PERSONS

The company received notifications under § 21 (1) WpHG (Securities Trading Act) concerning participations exceeding 3% or 5% of the voting rights, and participations increasing beyond or falling below 3% or 5% of the voting rights.

On 25 March 2009, J.P. Morgan Securities Ltd., London, UK, notified the company that the voting rights of JPMorgan Chase & Co., New York, USA, fell below the 5% and 3% thresholds on 23 March 2009 and that it held 0% of the voting rights in CTS AG on the latter date.

On 25 March 2009, J.P. Morgan Securities Ltd., London, UK, notified the company that the voting rights of JPMorgan Asset Management Holdings Inc., New York, USA, fell below the 5% and 3% thresholds on 23 March 2009 and that it held 0% of the voting rights in CTS AG on the latter date.

On 9 July 2009, Dechert LLP, Munich, Germany, notified the company that the the voting rights of Tremblant Partners Ltd., Grand Cayman, Cayman Islands, had fallen below the 5% threshold on 3 April 2009 and that it held 4.99% of the voting rights in CTS AG on the latter date.

Tremblant Holdings LLC, New York, USA, notified the company, correcting its notification of 9 July 2009, that its voting rights exceeded the 3% and 5% thresholds on 3 July 2009, that its share of voting rights in CTS AG amounted to 5.65% on the latter date and that these voting rights are allocated in their entirety to Tremblant Holdings LLC by Tremblant Partners Masters Fund L.P., in accordance with § 22 (1) sentence 1, no. 1 WpHG.

On 9 July 2009, Dechert LLP, Munich, Germany, notified the company that the voting rights of Tremblant Partners Master Fund L.P., Grand Cayman, Cayman Islands, had exceeded the 3% threshold on 3 July 2009 and that it held 4.13% of the voting rights in CTS AG on the latter date.

The company was also informed that Tremblant Partners Ltd. had transferred all of its shares in CTS AG held on 1 July 2009 to Tremblant Partners Master Fund L.P.. The sole limited partner in Tremblant Partners Master Fund L.P. is Tremblant Partners Ltd., which also holds all the shares in Tremblant Partners Master Fund L.P. . The sole general partner of Tremblant Partners Master Fund L.P. is Tremblant Holdings LLC, which does not hold any share in the capital of Tremblant Partners Master Fund L.P..

On 24 July 2009, WAM Acquisition GP Inc., Chicago, USA, notified the company that its share of voting rights in CTS AG fell below the 5% and 3% thresholds on 21 March 2008 and amounted to 0% of the voting rights in CTS AG on the latter date.

Tremblant Holdings LLC, New York, USA, notified the company, correcting its notification of 25 September 2009, that its share of voting rights in CTS AG fell below the 5% threshold on 21 September 2009 and amounted to 4.98% on the latter date. Of that amount, 4.98% of the voting rights are allocated to Tremblant Holdings LLC in accordance with § 22 (1) sentence 1, no. 1 WpHG. Allocated voting rights are held by the following entities controlled by Tremblant Holdings LLC and whose voting rights in CTS AG amount to 3% or more: Tremblant Partners Master Fund L.P..

Tremblant Capital LLC, New York, USA, notified the company, correcting its notification of 25 September 2009, that its share of voting rights in CTS AG fell below the 5% threshold on 21 September 2009 and amounted to 4.98% on the latter date. Of that amount, 4.98% are allocated to Tremblant

Capital LLC in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG. Of the following shareholders whose voting rights in CTS AG amount to 3% or more, voting rights are allocated to Tremblant Capital LLC: Tremblant Partners Master Fund L.P..

Tremblant Capital LP, New York, USA, notified the company, correcting its notification of 25 September 2009, that its share of voting rights in CTS AG fell below the 5% threshold on 21 September 2009 and amounted to 4.98% on the latter date. Of that amount, 4.98% of the voting rights are allocated to Tremblant Capital LP in accordance with § 22 (1) sentence 1, no. 6 WpHG. Of the following shareholders whose voting rights in CTS AG amount to 3% or more, voting rights are allocated to Tremblant Capital LP: Tremblant Partners Master Fund L.P..

On 13 October 2009, Mr Brett Barakett, USA, notified the company that his voting rights in CTS AG exceeded the 3% threshold on 24 January 2007 and amounted to 3.21% on the latter date. All these voting rights are allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG. Of that amount 0.73% of the voting rights must also be allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 1 WpHG.

On 13 October 2009, Mr Brett Barakett, USA, notified the company that his voting rights in CTS AG exceeded the 5% threshold on 1 March 2007 and amounted to 5.004% on the latter date. All these voting rights are allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG. Of that amount 1.13% of the voting rights must also be allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 1 WpHG. Of the following shareholders whose voting rights in CTS AG amount to 3% or more, voting rights are allocated to Mr Barakett: Tremblant Capital LP.

On 11 December 2009, Tremblant Holdings LLC, New York, USA, notified the company that its share of voting rights in CTS AG exceeded the 5% threshold on 7 December 2009 and amounted to 5.47% on the latter date, and that these voting rights are allocated to Tremblant Holdings LLC in accordance with § 22 (1) sentence 1, no. 1 WpHG.

On 11 December 2009, Tremblant Capital LP, New York, USA, notified the company that its share of voting rights in CTS AG exceeded the 5% threshold on 7 December 2009 and amounted to 5.47% on the latter date, and that these voting rights are allocated to Tremblant Capital LP in accordance with § 22 (1) sentence 1, no. 6 WpHG.

On 11 December 2009, Tremblant Capital LLC, New York, USA, notified the company that its share of voting rights in CTS AG exceeded the 5% threshold on 7 December 2009 and amounted to 5.47% on the latter date, and that these voting rights are allocated to Tremblant Capital LLC in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG.

On 16 November 2009, Tremblant Partners Master Fund LP, Grand Cayman, Cayman Islands, notified the company that its share of voting rights in CTS AG fell below the 3% threshold on 10 November 2009 and amounted to 2.94% on the latter date.

On 2 February 2010, Tremblant Partners Ltd., Grand Cayman, Cayman Islands, notified the company that its share of voting rights in CTS AG fell below the 3% threshold on 10 November 2009 and amounted to 2.94% on the latter date. Of that amount, 2.94% of the voting rights are allocated to Tremblant Partners Ltd. in accordance with § 22 (1) sentence 1, no. 2 WpHG.

Mr. Klaus-Peter Schulenberg, Bremen, holds 50.07% of the voting rights in the company as at 31 December 2009.

The Management Board of CTS AG released the consolidated financial statements to the Supervisory Board on 19 March 2009.

21. ASSURANCE BY LEGAL REPRESENTATIVES

To the best of our knowledge, the consolidated financial statements give a true and fair view of the Group's earnings performance and financial position, in accordance with the applicable reporting principles, and that the combined management report presents the course of business, including the Group's profits and situation, in a way that accurately reflects actual circumstances and truthfully describes the main opportunities and risks associated with the Group's expected development.

Bremen, 19 March 2010

CTS EVENTIM Aktiengesellschaft

Klaus-Peter Schulenberg	Volker Bischoff	Alexander Ruoff

22. AUDITOR'S REPORT

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which is combined with the group management report of the CTS EVENTIM Aktiengesellschaft, München, for the business year from 1 January to 31 December 2009. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with German commercial law are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ('Handelsgesetzbuch': 'German Commercial Code') and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Osnabrück, 19 March 2010

PRICEWATERHOUSECOOPERS

Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Prof. Dr. N. Winkeljohann)	(Dr. G. Solfrian)
German Public Auditor	German Public Auditor

8. FINANCIAL STATEMENTS OF CTS AG 2009

BALANCE SHEET OF CTS AG AS AT 31 DECEMBER 2009 (HGB)

ASSETS	31.12.2009	31.12.2008
	[EUR]	[EUR]
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions, industrial property rights and similar rights and assets, and licences in such right and assets	9,410,528	8,704,687
2. Goodwill	1,471,815	1,798,883
3. Payments on account	725,214	986,884
	11,607,557	**11,490,454**
II. Property, plant and equipment		
1. Other real estate, land rights and buildings, including buildings on third-party properties	164,750	65,530
2. Technical equipment and machinery	143,108	257,597
3. Other facilities, operating and office equipment	1,785,257	1,119,092
	2,093,115	**1,442,219**
III. Investments		
1. Shares in affiliated companies	60,439,087	59,841,242
2. Participations	574,835	718,292
	61,013,922	**60,559,534**
B. CURRENT ASSETS		
I. Inventories		
1. Finished products and goods	711,210	1,224,609
2. Payments on account	16,863	45,372
	728,073	**1,269,981**
II. Receivables and other assets		
1. Trade receivables	5,068,538	4,551,191*
2. Receivables from affiliated companies	19,238,717	9,888,225
3. Receivables from participations	31,671	117,934
4. Other assets	16,373,071	7,630,704*
	40,711,997	**22,188,054**
III. Marketable securities		
Treasury stock	63,073	52,069
	63,073	**52,069**
IV. Cheques, cash in hand and bank balances	**86,732,020**	**88,572,966**
C. PREPAID EXPENSES	**255,503**	**228,990**
Total assets	**203,205,260**	**185,804,267**

* Reclassification of receivables relating to ticket monies from pre-sales (see item 2 in the notes to the financial statements of CTS AG)

SHAREHOLDERS‘ EQUITY AND LIABILITIES	31.12.2009	31.12.2008
	[EUR]	[EUR]
A. SHAREHOLDERS‘ EQUITY		
I. Share capital	24,000,000	24,000,000
II. Capital reserve	23,820,894	23,820,894
III. Reserve for treasury stock	63,073	52,069
IV. Balance sheet profit	63,206,732	49,982,731
	111,090,699	**97,855,694**
B. PROVISIONS		
1. Tax provisions	3,157,707	5,153,512
2. Other provisions	5,600,990	4,517,400
	8,758,697	**9,670,912**
C. LIABILITIES		
1. Liabilities to banks	4,500,000	5,000,000
2. Trade payables	4,791,711	4,180,857
3. Liabilities to affiliated companies	531,677	333,359
4. Liabilities to participations	0	940,641
5. Other liabilities	73,127,070	67,822,804
	82,950,458	**78,277,661**
D. DEFERRED INCOME	**405,406**	**0**
Total shareholders‘ equity and liabilities	**203,205,260**	**185,804,267**

INCOME STATEMENT OF CTS AG FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2009 (HGB)

	01.01.2009 - 31.12.2009 [EUR]	01.01.2008 - 31.12.2008 [EUR]
1. Revenue	85,077,000	71,861,730
2. Cost of sales	-36,942,111	-30,502,811
3. Gross profit	**48,134,889**	**41,358,919**
4. Selling expenses	-10,934,362	-11,055,909
5. General administrative expenses	-5,337,999	-4,624,626
6. Other operating income	3,990,645	2,821,351
7. Other operating expenses	-2,825,728	-2,794,184
8. Income from participations	3,784,073	2,939,384
9. Income from profit transfer agreements	1,729,126	2,160,235
10. Other interest and similar income	1,096,137	2,154,454
11. Depreciation on current marketable securities	0	-5,568
12. Interest and similar expenses	-237,134	-436,820
13. Profit from ordinary business activities (EBT)	**39,399,647**	**32,517,236**
14. Income taxes	-11,521,109	-9,311,568
15. Other taxes	-4,860	-6,507
16. Net income for the year	**27,873,678**	**23,199,161**

NOTES TO THE FINANCIAL STATEMENTS FOR THE 2009 FINANCIAL YEAR

1. PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the 2009 financial year were prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB), the Stock Corporation Act (Aktiengesetz) and the Articles of Incorporation. CTS EVENTIM AG (hereinafter: CTS AG) is a large corporate enterprise within the meaning of § 267 (3) HGB. Optional disclosures are made in the notes in order to maintain clarity and transparency. All amounts are rounded to the nearest Euro.

2. GENERAL DISCLOSURES ON ACCOUNTING AND MEASUREMENT

2.1 LAYOUT

In order to ensure uniform presentation, receivables relating to ticket monies from pre-sales, which were previously carried as trade receivables, are accounted for as other assets as at the balance sheet date 31 December 2009. The prior year carrying values of trade receivables and other assets as at 31 December 2008 were adjusted accordingly.

The following table provides an overview of the changes resulting from this reclassification:

	31.12.2008		
	After reclassi-fication	**Before reclassi-fication**	**Change**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**
Trade Receivables	4,551	10,925	-6,374
Other assets	7,631	1,257	6,374

The other balance sheet items were retained in unchanged form.

The layout of the balance sheet complies with that specified in § 266 HGB in conjunction with § 152 AktG; the income statement conforms to the German form of income statement using 'cost of sales method', pursuant to § 275 (3) HGB in conjunction with § 158 AktG.

2.2 VALUATION

No changes were made to the valuation and depreciation methods applied in the previous year.

Intangible assets and property, plant and equipment are measured at cost, including ancillary expenses, minus systematic depreciation and amortization.

The recognised goodwill from bringing in the Ticketing business is subject to systematic straight-line amortization over the estimated useful life of 15 years. The trademark right obtained by acquiring the ‘getgo.de’ Internet portal in the year 2002 is amortized over a period of ten years. The distribution rights obtained in 2006 by acquiring CTS Eventim Sports GmbH, Hamburg, are amortized over a period of five years. The ‘Global Ticketing System’ capitalised in the course of implementing international requirements is amortized over a useful life of twelve years.

Shareholdings in affiliated companies and participations are measured at cost, including ancillary expenses.

Inventories are measured at cost, taking ancillary expenses into account, or at the lower market prices. The principles of loss-free valuation were observed.

Receivables and other assets are measured at their nominal value minus adjustments for all discernible risks. A sufficient overall impairment of 1% was applied to the net receivables in order to cover the general default and credit risk.

Shareholders’ equity was measured at nominal value.

Provisions were made in appropriate measure to cover discernible risks and contingencies, in accordance with the principles of prudent business judgement.

Liabilities were recognised at their redemption value.

2.3 CURRENCY TRANSLATION

Receivables and other assets are carried at the selling rate applicable on the balance sheet date or at the lower transaction rate. Liabilities are carried at the buying rate on the balance sheet date or at the higher transaction price.

3. NOTES AND COMMENTS ON SPECIFIC ITEMS OF THE ANNUAL FINANCIAL STATEMENTS

3.1 BALANCE SHEET

STATEMENT OF CHANGES IN FIXED ASSETS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2009 (HGB)

	Historical cost				
	01.01.2009	**Additions**	**Disposals**	**Reclassifi-cations**	**31.12.2009**
	[EUR]	**[EUR]**	**[EUR]**	**[EUR]**	**[EUR]**
I. Intangible assets					
1. Concessions, industrial property rights and similar rights and assets, and licences in such rights and assets	32,910,448	2,248,024	4,750	719,648	35,873,370
2. Goodwill	4,906,054	0	0	0	4,906,054
3. Payments on account	986,884	457,978	0	-719,648	725,214
	38,803,386	**2,706,002**	**4,750**	**0**	**41,504,638**
II. Property, plant and equipment					
1. Other real estate, land rights and buildings, including buildings on third-party properties	99,533	133,436	0	0	232,969
2. Technical equipment and machinery	572,445	0	0	0	572,445
3. Other facilities, operating and office equipment	7,413,518	1,452,944	90,265	0	8,776,197
	8,085,496	**1,586,380**	**90,265**	**0**	**9,581,611**
III. Investments					
1. Shares in affiliated companies	59,841,242	585,645	0	12,200	60,439,087
2. Participations	718,292	0	131,257	-12,200	574,835
	60,559,534	**585,645**	**131,257**	**0**	**61,013,922**
Total	**107,448,416**	**4,878,027**	**226,272**	**0**	**112,100,171**

Accumulative depreciation and amortization				Carrying value	
01.01.2009	Additions	Disposals	31.12.2009	31.12.2009	31.12.2008
[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]
24,205,761	2,261,830	4,749	26,462,842	9,410,528	8,704,687
3,107,171	327,068	0	3,434,239	1,471,815	1,798,883
0	0	0	0	725,214	986,884
27,312,932	**2,588,898**	**4,749**	**29,897,081**	**11,607,557**	**11,490,454**
34,003	34,216	0	68,219	164,750	65,530
314,848	114,489	0	429,337	143,108	257,597
6,294,426	762,407	65,893	6,990,940	1,785,257	1,119,092
6,643,277	**911,112**	**65,893**	**7,488,496**	**2,093,115**	**1,442,219**
0	0	0	0	60,439,087	59,841,242
0	0	0	0	574,835	718,292
0	**0**	**0**	**0**	**61,013,922**	**60,559,534**
33,956,209	**3,500,010**	**70,642**	**37,385,577**	**74,714,594**	**73,492,207**

The EUR 4.878 million in additions to fixed assets mainly comprise additions to intangible assets (EUR 2.706 million) and to property, plant and equipment (EUR 1.586 million). The additions to intangible assets result primarily from further development of the 'Global Ticketing System' (EUR 2.335 million). The additions to property, plant and equipment mainly relate to IT hardware for operating the 'Global Ticketing System' and for connecting box offices to the 'Global Ticketing System' (EUR 1.263 million).

Receivables and other assets, at EUR 2.380 million, have a remaining term between one and five years. Other assets comprise receivables from prepaid capital gains tax, at EUR 622 thousand, which do not arise in legal terms until after the closing date.

Receivables from affiliated companies include trade receivables amounting to EUR 3.533 million.

The **treasury stock** included in marketable securities comprises 2,175 shares. These shares were purchased on 31 July 2007 at a price of EUR 28.99 per share and represent 0.009% of the share capital. The nominal amount of share capital they represent is EUR 2,175. This treasury stock was purchased on the basis of authorisation by the Shareholders' Meeting, to serve as invested capital or for payment of purchase prices in the event of mergers, business acquisitions or the acquisition of holdings in other companies.

Prepaid expenses mainly comprise EUR 29 thousand in prepaid commission expenses (prior year: EUR 39 thousand), EUR 43 thousand in maintenance expenses (prior year: EUR 45 thousand) and EUR 61 thousand in promotion expenses (prior year: EUR 61 thousand).

The Annual Shareholders' Meeting of the company held on 23 August 2005 resolved to increase the **share capital** of CTS AG, previously amounting to EUR 12,000,000, by adding an additional EUR 12,000,000 from reserves. The share capital increase was registered at the Munich Local Court on 6 October 2005, and the new no-par value bearer shares were credited to shareholder depots on 30 October 2005. As at the closing date, the company had thus issued 24,000,000 no-par value bearer shares. Each share represents an arithmetic share in the share capital of EUR 1.00.

As at the closing date, **authorised capital** amounted to EUR 12,000,000 (authorised capital 2009). It is granted until 13 May 2014. By resolution of the Shareholders' Meeting on 14 May 2009, the Management Board is authorised to increase the share capital of the company on one or more occasions in the period up to 13 May 2014, contingent on Supervisory Board approval, by issuing new shares against cash deposits or contributions in kind, the total increase not to exceed EUR 12,000,000. The shareholders must be granted subscription rights to such new shares, but the Management Board is authorised to exclude such subscription rights in certain cases, subject to Supervisory Board approval. No use has been made so far of this authorisation.

At the Shareholders' Meeting on 21 January 2000, a **contingent share capital increase** of EUR 180,000 was agreed (contingent capital 2000/1). This increase shall be effected only to the extent that holders of options issued under the Stock Option Plan on the basis of the authorisation granted on 21 January 2000 exercise their stock options. The new shares participate in the profits of the company from the beginning of the financial year in which the stock options are exercised. The Management Board is authorised, subject to approval by the Supervisory Board, to specify the further details of the contingent capital increase and its implementation. As a consequence of the shareholders' resolution on 23 August 2005 to increase the share capital to EUR 24,000,000, this contingent share capital has increased accordingly to EUR 360,000 in accordance with § 218 sentence 1 AktG.

The Annual Shareholders' Meeting held on 15 May 2008 authorised the Management Board to issue stock options and convertible bonds to a total value of up to EUR 275 million and with a maximum term of 20 years, conditional on Supervisory Board approval, by 14 May 2013, to grant the holders option and conversion rights to up to 11,000,000 new no-par bearer shares in the company, equal to share capital of up to EUR 11,000,000, and to exclude shareholders, within legally permitted limits, from subscribing to the convertible bonds under certain conditions. In view of the possible issue of shares to holders of option and conversion rights on the basis of this authorisation, the company's articles of incorporation were amended simultaneously to create an additional EUR 11,000,000 in contingent capital ('contingent capital 2008'). No use has been made so far of this authorisation.

AUTHORISATION TO PURCHASE TREASURY STOCK

By resolution of the Shareholders' Meeting held on 14 May 2009, the company was also authorised under § 71 (1) No. 8 AktG to purchase **treasury stock** amounting to up to 10% of the registered share capital as at the date of resolution, by 13 November 2010, and to use these for specific purposes as detailed in the resolution, partially with exclusion of subscription rights for shareholders. The countervalue paid for these shares may not exceed or fall below the traded price by more than 10%. The applicable share price is defined as the mean closing price for shares on the XETRA trading platform during the last five trading days before publication of the offer to purchase the shares.

The volume of the offering may be limited. If the total subscription to the bid exceeds said volume, quotas shall be allocated in proportion to the number of shares offered in each case. The authorisation to repurchase own shares may be exercised under the aforementioned restrictions in partial amounts, on one or more occasions, and to pursue one or more aims.

The premium (§ 272 (2) No. 1 HGB) for the shares issued on the stock exchange is disclosed under **capital reserve**. As part of the share capital increase implemented in October 2005, EUR 12,000,000 of the capital reserve was converted to share capital, and 12,000,000 new no-par value bearer shares were issued.

The balance sheet profit developed as follows:

	31.12.2009	31.12.2008
	[EUR'000]	[EUR'000]
Balance sheet profit as at 31 December 2008/2007	49,983	38,537
Changes in reserves for treasury stock	-11	6
Net income for the year 2009/2008	27,874	23,199
	77,846	**61,742**
Dividends 2009/2008	-14,639	-11,759
Balance sheet profit as at 31 December 2009/2008	**63,207**	**49,983**

Other provisions include EUR 1.421 million in provisions for personnel expenses (prior year: EUR 1.379 million), EUR 48 thousand for legal, consultancy and litigation expenses (prior year: EUR 71 thousand), EUR 1.295 million for outstanding supplier invoices (prior year: EUR 786 thousand), EUR 2.012 million for outstanding commission (prior year: EUR 1.594 million), EUR 90 thousand for outstanding credit notes (prior year: EUR 66 thousand), EUR 72 thousand for Supervisory Board meetings (prior year: EUR 100 thousand), and EUR 270 thousand for accounting and auditing expenses (prior year: EUR 201 thousand).

The **liabilities to affiliated companies** are all trade payables.

The residual terms of liabilities as at 31 December 2009 are shown in the following statement of liabilities:

Statement of liabilities	Total	Remaining term		
		Up to one year	Between on and five years	1) from taxes 2) for social security
	[EUR]	[EUR]	[EUR]	[EUR]
Liabilities to banks	4,500,000 (2008: EUR 5.000 m)	500,000 (2008: EUR 0.500 m)	4,000,000 (2008: EUR 4.500 m)	
Trade payables	4,791,711 (2008: EUR 4.181 m)	4,791,711 (2008: EUR 4.181 m)		
Liabilities to affiliated companies	531,677 (2008: EUR 0.333 m)	531,677 (2008: EUR 0.333 m)		
Liabilities to participations	0 (2008: EUR 0.941 m)	0 (2008: EUR 0.941 m)		
Other liabilities	73,127,070 (2008: EUR 67.823 m)	73,127,070 (2008: EUR 66.772 m)	0 (2008: EUR 1.051 m)	1) 1,880,525 (2008: EUR 2.011 m) 2) 2,259 (2008: EUR 0.002 m)
Liabilities, total	**82,950,458**	**78,950,458**	**4,000,000**	

Other liabilities, at EUR 73.127 million, mainly comprise EUR 68.119 million in liabilities for ticket monies not yet invoiced (prior year: EUR 60.951 million). The liabilities for ticket monies not yet invoiced result primarily from pre-sales for future events and tours. The liabilities for ticket monies not yet invoiced are offset by bank balances and by receivables in respect of outstanding ticket monies, as stated under other assets. Other liabilities include EUR 15.065 million in liabilities to affiliated companies in respect of ticket monies not yet invoiced.

3.2 INCOME STATEMENT

Revenue is broken down as follows:

	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Ticket revenue	73,083	61,463	11,620
Other ticketing revenue			
Data line charges	2,719	2,869	-150
System rental / maintenance / installation	4,010	2,860	1,150
Sales of merchandise	837	258	579
Package tours	1,517	2,500	-983
Other	2,911	1,912	999
	85,077	**71,862**	**13,215**

Revenue was mainly generated on the domestic German market.

Material expenses comprised the following items pursuant to § 275 (2) no. 5 HGB:

Material expenses (according to type of expenditure method)	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Cost of purchased merchandise	1,342	722	620
Cost of purchased services	31,372	25,979	5,393
	32,714	**26,701**	**6,013**

Personnel expenses comprised the following items pursuant to § 275 (2) no. 6 HGB:

Personnel expenses (according to type of expenditure method)	2009	2008	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Wages and salaries	8,435	7,234	1,201
Social security contributions and expenses for pension and employee support	993	953	40
	9,428	**8,187**	**1,241**

Selling expenses for the 2009 financial year include EUR 327 thousand in full amortization of goodwill (prior year: EUR 327 thousand), EUR 99 thousand in proportional amortization (51%) of the trademark right for the 'getgo.de' Internet portal acquired (prior year: EUR 99 thousand), as well as EUR 536 thousand in proportional depreciation and amortization (51%) of distribution rights (EUR 536 thousand; prior year: EUR 536 thousand), software (EUR 518 thousand; prior year: EUR 277 thousand) and property, plant and equipment (EUR 465 thousand; prior year: EUR 456 thousand). The remaining amount of proportional depreciation and amortization (49%) of these intangible assets and property, plant and equipment is allocated to cost of sales or general administrative expenses.

Other operating income includes EUR 418 thousand in non-periodic income from the reversal of provisions (prior year: EUR 169 thousand), EUR 17 thousand in income from written-off liabilities (prior year: EUR 110 thousand) and EUR 45 thousand in retroactive refunds (prior year: EUR 70 thousand).

Other operating expenses include EUR 58 thousand in non-periodic expenses from follow-up invoices (prior year: EUR 326 thousand).

The EUR 3.784 million in **income from participations** was generated entirely by affiliated companies (prior year: EUR 2.939 million).

Other interest and similar income include EUR 382 thousand in income from affiliated companies (prior year: EUR 276 thousand).

Taxes on income include EUR 5.691 million in municipal trade tax (prior year: EUR 4.546 million), EUR 5.538 million in corporation tax (prior year: EUR 4.516 million), EUR 304 thousand in solidarity supplement to corporation tax for the 2009 financial year (prior year: EUR 248 thousand) and a EUR 12 thousand tax refund for previous years (prior year: EUR 2 thousand tax expense).

Other taxes amounting to EUR 5 thousand (prior year: EUR 7 thousand) comprise vehicle tax expenses.

In accordance with § 158 AktG the reconciliation of net income for the year to balance sheet profit is as follows:

	31.12.2009	31.12.2008
	[EUR'000]	[EUR'000]
Net income for the year	27,874	23,199
Profit carried forward	35,344	26,778
Changes in reserves for treasury stock	-11	6
Balance sheet profit as at 31 December 2009/2008	**63,207**	**49,983**

From the balance sheet profit of EUR 49.983 a dividend of EUR 14.639 million was distributed million and the remaining EUR 35.344 million was carried forward to the new account.

4. OTHER DISCLOSURES

4.1 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The company bears liability for debts owed to banks by CTS Eventim Solutions GmbH, Bremen. As at the balance sheet date, CTS Eventim Solutions GmbH has no liabilities to banks.

As at the reporting date, there were contingent liabilities amounting to EUR 34.175 million (prior year: EUR 31.756 million). Thereof EUR 26.204 million are due within one year.

These obligations are partly conditional bids amounting to EUR 1.837 million (prior year: EUR 4.370 million) that CTS AG made in order to acquire additional shares in subsidiaries. The obligation resulting from conditional purchase offers relates to put options that have not yet been exercised.

There are purchase price obligations amounting to EUR 5.246 million (prior year: EUR 3.701 million) for future acquisitions of shares in subsidiaries already included in consolidation. These obligations were measured on the basis of future operating results of the subsidiaries.

Another contingent liability concerns a purchase-price obligation (put option) entered into by eventim Online Holding GmbH, Bremen. The commitment depends on future operating results of the subsidiary and is estimated at EUR 20.593 million (prior year: EUR 16.675 million) as at the balance sheet date.

Other financial obligations relating to short- and medium-term rental and lease contracts and other contractual agreements amount to EUR 6.499 million (prior year: EUR 5.300 million). Of that total, EUR 2.291 million (prior year: EUR 1.798 million) have a maturity of one year or less. Future rental obligations account for EUR 5.576 million (prior year: EUR 3.816 million), leasing obligations for EUR 260 thousand (prior year: EUR 164 thousand) and other obligations for EUR 663 thousand (prior year: EUR 1.320 million). The other financial commitments are EUR 77 thousand to affiliated companies (prior year: EUR 5 thousand).

4.2 APPROPRIATION OF EARNINGS

In the 2009 financial year, CTS AG generated EUR 27.874 million in net income according to German Commercial Code. The Management Board and Supervisory Board propose to the Shareholders' Meeting that a dividend of EUR 19.918 million (EUR 0.83 per eligible share) be distributed and that the remaining EUR 7.956 million be carried forward to the new account.

4.3 LIST OF PARTICIPATIONS

A list of shareholdings is published in the electronic Federal Gazette.

4.4 EXECUTIVE BODIES OF CTS AG

The members of the Management Board in the financial year were as follows:

Klaus-Peter Schulenberg, Bremen – Chief Executive Officer –
– Director for Corporate Strategy, New Media and Marketing –

Dipl.-Ökonom Volker Bischoff, Stuhr
– Finance Director –

Dipl.-Betriebswirt Alexander Ruoff, Bremen
– Director for Sales and Research & Development –

The amounts of compensation paid to individual members of the Management Board were as follows:

Name	Fixed salary	Benefits	Management Bonus	Total
	[EUR]	[EUR]	[EUR]	[EUR]
Klaus-Peter Schulenberg	1,000,000	0	300,000	1,300,000
Volker Bischoff	250,000	11,815	105,000	366,815
Alexander Ruoff	350,000	8,824	105,000	463,824
	1,600,000	**20,639**	**510,000**	**2,130,639**

The members of the Supervisory Board in the 2009 financial year were as follows:

Edmund Hug, Businessman, Oberstenfeld – Chairman –
Other supervisory board memberships:
- schlott gruppe AG, Freudenstadt
- Scholz AG, Aalen

Dr. Peter Haßkamp, Lawyer, Bremen – Vice-Chairman (until 14 May 2009) –
Other supervisory board memberships:
- EGC EUROGROUP CONSULTING AG, Bad Homburg

Horst R. Schmidt, Treasurer of the German Football Association, Aschaffenburg
(from 14 May 2009)
No other supervisory board memberships

Prof. Jobst W. Plog, Lawyer, Hamburg – Vice-Chairman (from 14 May 2009) –
Other supervisory board memberships:
- Wall AG, Berlin (until 25 January 2010)
- Vattenfall Europe AG, Berlin (from 2 September 2009)

The members of the Supervisory Board of CTS AG received emoluments totalling EUR 80 thousand as well as reimbursed expenses of EUR 5 thousand for the 2009 financial year.

4.5 EMPLOYEES

On average, 140 persons were employed by the company during the year. These were all salaried employees.

4.6 DECLARATION CONCERNING THE CORPORATE GOVERNANCE CODE

The declaration by the Management Board and the Supervisory Board of the company pursuant to § 161 AktG, regarding the extent to which the recommendations of the German Corporate Governance Code have been and are being complied with, and which recommendations were not or are not applied, was submitted and made permanently available to the shareholders on the company's website (http://www.eventim.de/cgi-bin/tinfo.dll?doc=invre/eng/corporate_governance/corporate_03&id=EVG).

4.7 PARTICIPATING PERSONS

The company received notifications under § 21 (1) WpHG (Securities Trading Act) concerning investments exceeding 3% or 5% of the voting rights, and investments increasing beyond or falling below 3% or 5% of the voting rights.

On 25 March 2009, J.P. Morgan Securities Ltd., London, UK, notified the company that the voting rights of JPMorgan Chase & Co., New York, USA, fell below the 5% and 3% thresholds on 23 March 2009 and that it held 0% of the voting rights in CTS AG on the latter date.

On 25 March 2009, J.P. Morgan Securities Ltd., London, UK, notified the company that the voting rights of JPMorgan Asset Management Holdings Inc., New York, USA, fell below the 5% and 3% thresholds on 23 March 2009 and that it held 0% of the voting rights in CTS AG on the latter date.

On 9 July 2009, Dechert LLP, Munich, Germany, notified the company that the the voting rights of Tremblant Partners Ltd., Grand Cayman, Cayman Islands, had fallen below the 5% threshold on 3 April 2009 and that it held 4.99% of the voting rights in CTS AG on the latter date.

Tremblant Holdings LLC, New York, USA, notified the company, correcting its notification of 9 July 2009, that its voting rights exceeded the 3% and 5% thresholds on 3 July 2009, that its share of voting rights in CTS AG amounted to 5.65% on the latter date and that these voting rights are allocated in their entirety to Tremblant Holdings LLC by Tremblant Partners Masters Fund L.P., in accordance with § 22 (1) sentence 1, no. 1 WpHG.

On 9 July 2009, Dechert LLP, Munich, Germany, notified the company that the voting rights of Tremblant Partners Master Fund L.P., Grand Cayman, Cayman Islands, had exceeded the 3% threshold on 3 July 2009 and that it held 4.13% of the voting rights in CTS AG on the latter date.

The company was also informed that Tremblant Partners Ltd. had transferred all of its shares in CTS AG held on 1 July 2009 to Tremblant Partners Master Fund L.P.. The sole limited partner in Tremblant Partners Master Fund L.P. is Tremblant Partners Ltd., which also holds all the shares in Tremblant Partners Master Fund L.P. . The sole general partner of Tremblant Partners Master Fund L.P. is Tremblant Holdings LLC, which does not hold any share in the capital of Tremblant Partners Master Fund L.P..

On 24 July 2009, WAM Acquisition GP Inc., Chicago, USA, notified the company that its share of voting rights in CTS AG fell below the 5% and 3% thresholds on 21 March 2008 and amounted to 0% of the voting rights in CTS AG on the latter date.

Tremblant Holdings LLC, New York, USA, notified the company, correcting its notification of 25 September 2009, that its share of voting rights in CTS AG fell below the 5% threshold on 21 September 2009 and amounted to 4.98% on the latter date. Of that amount, 4.98% of the voting rights are allocated to Tremblant Holdings LLC in accordance with § 22 (1) sentence 1, no. 1 WpHG. Allocated voting rights are held by the following entities controlled by Tremblant Holdings LLC and whose voting rights in CTS AG amount to 3% or more: Tremblant Partners Master Fund L.P..

Tremblant Capital LLC, New York, USA, notified the company, correcting its notification of 25 September 2009, that its share of voting rights in CTS AG fell below the 5% threshold on 21 September 2009 and amounted to 4.98% on the latter date. Of that amount, 4.98% are allocated to Tremblant Capital LLC in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG. Of the following shareholders whose voting rights in CTS AG amount to 3% or more, voting rights are allocated to Tremblant Capital LLC: Tremblant Partners Master Fund L.P..

Tremblant Capital LP, New York, USA, notified the company, correcting its notification of 25 September 2009, that its share of voting rights in CTS AG fell below the 5% threshold on 21 September 2009 and amounted to 4.98% on the latter date. Of that amount, 4.98% of the voting rights are allocated to Tremblant Capital LP in accordance with § 22 (1) sentence 1, no. 6 WpHG. Of the following shareholders whose voting rights in CTS AG amount to 3% or more, voting rights are allocated to Tremblant Capital LP: Tremblant Partners Master Fund L.P..

On 13 October 2009, Mr Brett Barakett, USA, notified the company that his voting rights in CTS AG exceeded the 3% threshold on 24 January 2007 and amounted to 3.21% on the latter date. All these voting rights are allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG. Of that amount 0.73% of the voting rights must also be allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 1 WpHG.

On 13 October 2009, Mr Brett Barakett, USA, notified the company that his voting rights in CTS AG exceeded the 5% threshold on 1 March 2007 and amounted to 5.004% on the latter date. All these voting rights are allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG. Of that amount 1.13% of the voting rights must also be allocated to Mr Barakett in accordance with § 22 (1) sentence 1, no. 1 WpHG. Of the following shareholders whose voting rights in CTS AG amount to 3% or more, voting rights are allocated to Mr Barakett: Tremblant Capital LP.

On 11 December 2009, Tremblant Holdings LLC, New York, USA, notified the company that its share of voting rights in CTS AG exceeded the 5% threshold on 7 December 2009 and amounted to 5.47% on the latter date, and that these voting rights are allocated to Tremblant Holdings LLC in accordance with § 22 (1) sentence 1, no. 1 WpHG.

On 11 December 2009, Tremblant Capital LP, New York, USA, notified the company that its share of voting rights in CTS AG exceeded the 5% threshold on 7 December 2009 and amounted to 5.47% on the latter date, and that these voting rights are allocated to Tremblant Capital LP in accordance with § 22 (1) sentence 1, no. 6 WpHG.

On 11 December 2009, Tremblant Capital LLC, New York, USA, notified the company that its share of voting rights in CTS AG exceeded the 5% threshold on 7 December 2009 and amounted to 5.47% on the latter date, and that these voting rights are allocated to Tremblant Capital LLC in accordance with § 22 (1) sentence 1, no. 6 and § 22 (1) sentence 2 WpHG.

On 16 November 2009, Tremblant Partners Master Fund LP, Grand Cayman, Cayman Islands, notified the company that its share of voting rights in CTS AG fell below the 3% threshold on 10 November 2009 and amounted to 2.94% on the latter date.

On 2 February 2010, Tremblant Partners Ltd., Grand Cayman, Cayman Islands, notified the company that its share of voting rights in CTS AG fell below the 3% threshold on 10 November 2009 and amounted to 2.94% on the latter date. Of that amount, 2.94% of the voting rights are allocated to Tremblant Partners Ltd. in accordance with § 22 (1) sentence 1, no. 2 WpHG.

Mr. Klaus-Peter Schulenberg, Bremen, holds 50.07% of the voting rights in the company as at 31 December 2009.

4.8 AUDITOR EXPENSES

Disclosure of the fees paid to the company's auditor is waived because these details are provided in item 17 of the consolidated financial statements.

4.9 ASSURANCE BY LEGAL REPRESENTATIVES

To the best of our knowledge, the annual financial statements give a true and fair view of the company's earnings performance and financial position, in accordance with the applicable reporting principles, and that the combined management report presents the course of business, including the company's profits and situation, in a way that accurately reflects actual circumstances and truthfully describes the main opportunities and risks associated with the company's expected development.

Bremen, 19 March 2010

CTS EVENTIM AG

Klaus-Peter Schulenberg	Volker Bischoff	Alexander Ruoff

5. AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the CTS EVENTIM Aktiengesellschaft, München, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the group management report, which is combined with the management report of the CTS EVENTIM Aktiengesellschaft, München, for the business year from 1 January to 31 December 2009. The preparation of the consolidated financial statements and the combined management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ('Handelsgesetzbuch': German Commercial Code) are the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company´s Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Osnabrück, 19 March 2010

PRICEWATERHOUSECOOPERS

Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Prof. Dr. N. Winkeljohann) German Public Auditor	(Dr. G. Solfrian) German Public Auditor

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