CTSeventim.AG

www.eventim.de

2002 Annual report

Key group figures

	2002 // EUR '000	2001 // EUR '000
Revenues	158 765	156 528
Gross profit/loss from revenues	22 371	21 921
Personnel expenses	15 444	13 321
Operating income before depreciation and amortisation // EBITDA	7 178	7 378
Depreciation	3 985	6 764
Operating profit // EBIT	3 193	614
Profit/loss from ordinary business operations // EBT	3 452	3 032
Consolidated net income/loss for the year	338	– 1 477
Cash flow	5 589	4 648
	// EUR	// EUR
Net income per share*	0,03	– 0,12
	No.	No.
No. of employees**	391	372
of which part-time	86	48

*Shares outstanding: 12 million
**No. of employees (active workforce)

A brief review of the year 2002

January

> CTS forges an Internet partnership with the Essen-based WAZ Westdeutsche Allgemeine Zeitungsverlagsgesellschaft Group: tickets are now sold via the joint www.waz-eventim.de online marketplace, thus extending and reinforcing CTS's market leadership in the ticketing sector.

> In January, CTS signs a cooperation agreement with the VONOG, the National Organisation Committee for the Women's Volleyball World Championships, for the sale of tickets to the Volleyball World Championships to be held in Germany in 2002.

March

> With the compilation of the business figures for 2001, CTS announces that, despite weaknesses in the market, revenues were increased to EUR 157 million – about double the previous year's figure. Earnings before interest and tax (EBIT) were lifted to EUR 0.6 million in 2001.

May

> Persistent stagnation of the economy, combined with the aftermath of the September 11 terrorist attacks, cause CTS growth to slow. In the first quarter of 2002, the Group suffered a drop in consolidated sales to EUR 19.4 million, with EBIT earnings coming in at EUR – 2.5 million. The Ticketing segment achieved revenue growth to EUR 4.6 million, however.

June

> Superstars tour major German venues under the CTS banner: the Hurricane und Southside festivals achieve record audiences, giving CTS a successful start to the summer season. No less than 1 million fans are expected for the Herbert Grönemeyer tour. Pre-tour ticket sales for the David Bowie and Alanis Morissette concerts bear witness to their undying popularity.

August

> CTS extends its market leadership in the live entertainment and ticketing segment. Despite recession, high unemployment and declining consumer expenditure, CTS delivers better figures

than the sector as a whole, with a 7.9 percent increase in revenue to EUR 83.1 million and an EBIT figure of EUR 0.7 million in the first half of 2002.

September

> Buying concert tickets via Internet and having them sent as a barcode to one's mobile phone: CTS and Vodafone D2 offer the first-ever mobile ticketing solution. The new mCommerce application is launched initially as a pilot project.

Oktober

> CTS acquires the getgo.de Internet platform and control over Europe's biggest ticketing portal.

November

> In line with original estimates, CTS was able to maintain sales at the previous year's level and achieve EUR 106 million in revenue in the first nine months of 2002. The highly profitable Internet business was grown substantially in that period. Major events, such as the Herbert Grönemeyer tour and pre-tour sales for Bruce Springsteen, Robbie Williams and Bon Jovi, lead to a substantial boost in sales during the fourth quarter of the year and to further improvement in the earnings situation.

December

> CTS EVENTIM AG signs a cooperation agreement with KölnTicket GmbH, part of the DuMont-Schauberg publishing group, to take effect from 1 January. By taking this step, CTS is securing additional and important market shares in the North-Rhine Westphalian region. The terms of partnership are that KölnTicket will sell all tickets in the field of music entertainment – about 50 percent of its 2 million annual ticket volume – exclusively via the CTS ticketing platform, and deploy the CTS software for the Rheinland sales region.

> CTS Internet ticketing activities reach the profit zone. In the month of November alone, more than 200,000 Tickets are sold via the Internet – a clear indication that this high-margin sales channel has been finally established.

Contents

Chairman of the
Supervisory Board:
Edmund Hug

Report of the Supervisory Board

_1 During the entire period under review, the Supervisory Board of the company comprised the following members: Mr. Edmund Hug (Oberstenfeld), Dr. Peter Haßkamp (Bremen) and Dr. Peter Versteegen (Hamburg). The Chairman of the Supervisory Board throughout the year was Mr. Edmund Hug; the Vice-Chairman was Dr. Peter Haßkamp. No committees were formed.

_2 On the basis of ongoing reports, the Supervisory Board informed itself extensively on the business development and the general situation of the company. During the reporting period, the Supervisory Board met on 16 April, 25 June, 20 August and on 14 November 2002. The Management Board of the company also took part at these meetings and had an opportunity to comment on events and processes of importance for the company.

_3 At the Shareholders' Meeting of the company held on 21 August 2002, the Central Treuhand AG Wirtschaftsprüfungsgesellschaft, Munich, was chosen to audit the annual financial statement and the consolidated financial statements for the year 2002. The audit commission was duly granted by the Supervisory Board Chairman on behalf of all Supervisory Board members.

The 2002 annual financial statements, the 2002 consolidated financial statements and the management report were submitted in timely manner to the Supervisory Board by the Management Board of the company, along with the respective audit reports. At the Supervisory Board meeting on 26 March 2003, the annual financial statements and the consolidated financial statements for 2002, as well as the management report, the Group management report and the proposal for appropriation of profits were discussed with the Management Board. The Supervisory Board was given an opportunity 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 granted unqualified notes of confirmation by the auditor.

Having examined the audit report, the Supervisory Board has no objections to raise against the annual financial statement as prepared by the Management Board, which is therefore formally adopted in accordance with Section

172 AktG [Stock Corporation Act]. The Supervisory Board also approves the consolidated financial statements prepared by the Management Board for the 2002 financial year, to which no objections are raised.

_4 The Management Board has submitted its report on dependencies, prepared in accordance with Section 312 AktG and audited by the auditor. The Supervisory Board agrees with the audit result, which concludes with the following unqualified note of confirmation:

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

> the disclosures of fact made in the report are true and correct

> that the performance rendered by the company in connection with the legal transactions detailed in the report are not unreasonably great, or that any disadvantages were balanced out."

_5 Changes were made to the composition of the Management Board during the 2002 financial year. Mr. Thomas Vogt retired from the Management Board as of 31 January 2002, and Mr. Alexander Ruoff was appointed to the Management Board by the Supervisory Board with effect from 1 July 2002, where he took over the position of COO as well as responsibility for marketing and sales.

The Supervisory Board wishes to thank the Management Board and all employees for the work they performed during the 2002 financial year.

March 2003

Edmund Hug Chairman	Dr. Peter Haßkamp Vice-Chairman	Dr. Peter Versteegen

Chairman of the
Management Board:
Klaus-Peter Schulenberg

To the shareholders, employees and friends of the company

_Dear Sirs/Mesdames,

CTS EVENTIM AG encountered a difficult macroeconomic environment in the 2002 business year. Initial hopes of economic recovery failed to materialise; instead, consumer confidence was significantly curtailed – especially in Germany – by rising unemployment and widespread uncertainty about the health of the economy. As a leading player in the ticketing and entertainment sector, CTS was inevitably affected by this adverse external environment. As the year progressed, however, it became evident that crowd-pullers such as Herbert Grönemeyer or Bruce Springsteen could still achieve record ticket sales, even in the difficult market situation currently operating. A richly varied range of event highlights and top acts, such as that offered by CTS, is still attractive for consumers and is able to spite the general downward trend.

By acquiring getgo.de, CTS has advanced yet another step towards its strategic goal of becoming European market leader in Internet ticketing. The combination of the eventim.de and getgo.de ticketing portals, which continue to operate independently of each other with their respective cooperation partners, is creating major sales potential for tickets while also enabling organisational and technological synergies to be achieved.

Cooperation agreements have also been concluded, for example with Essen-based Westdeutsche Allgemeine Zeitungsverlagsgesellschaft (WAZ) to establish the joint waz-eventim.de online marketplace. Mobile ticketing was another area in which activities were intensified during the 2002 business year. In cooperation with Vodafone D2 and T-Mobile, the two major mobile telephony networks, pilot events have been successfully marketed through the new distribution channel. In this system, tickets purchased via the Internet, PDA or WAP are transmitted by SMS in the form of a two-dimensional barcode to the buyer's mobile phone on completion of the transaction.

At the regional level, a cooperation agreement was concluded at the end of 2002 with KölnTicket GmbH, which is part of the DuMont-Schauberg publishing group.

CTS achieved successes in the Live Entertainment segment as well. The ‘Hurricane’ and ‘Southside’ open-air festivals, for example, were enormous successes, attracting around 30 percent more enthusiasts than a year ago. Top acts such as the Red Hot Chili Peppers, Die Ärzte and New Order attracted huge audiences. The ‘Lord of the Dance’ tour organised by the Marek Lieberberg subsidiary of CTS was also a great success, with more than 200,000 fans coming to the various performances of this famous Irish dance troupe. The undisputed concert highlight of the year was the Herbert Grönemeyer tour. Grönemeyer, Germany’s most successful rock musician, staged his most ambitious live project to date under the banner ‘Alles Gute von gestern bis Mensch’. More than a million people bought tickets for the tour.

All in all, CTS succeeded in 2002 in advancing its agenda of becoming Europe’s leading portal for culturally and sports-oriented leisure activities, despite the adverse economic environment it has been facing. This will also be the paramount objective of the company’s strategy in the 2003 business year as well.

Yours sincerely,
Klaus-Peter Schulenberg,
Chairman of the CTS EVENTIM AG
Management Board

The CTS share

>> **Investor Relations Department** Tel. +49-18 05/3 83 68 46

2002 was yet another year – following the bear markets of 2000 and 2001 – in which share prices fell substantially on the international equity markets. The DAX index sank by around 44 %, a new record loss.

The broad decline in share prices was a response to unsettling economic and political signals. In addition to anxieties about new terrorist attacks, uncertainties concerning developments in the Middle East caused a further deterioration in investor sentiment.

_Innovations on the Neuer Markt: Following severe share price declines and a series of corporate scandals, the dissolution of the Neuer Markt and the launch of the new Domestic Standard and Prime Standard segments are viewed as a step in the right direction to win back investor trust. In the Domestic Standard segment, all listed companies must comply with minimum reporting standards as required by law. A listing in the Prime Standard segment requires compliance with additional, internationally accepted standards of transparency in corporate reporting. CTS Eventim AG has fulfilled these criteria since its IPO and has been admitted to this Prime-segment since 15 January 2003.

_CTS share performance: Despite encouraging news about the positive impacts of cost reductions, the successes scored with the tours of top artists, the partnership deals and the takeover of getgo.de, CTS shares were unable to escape from the unremitting and broad decline of Neuer Markt share prices. In a year in which the Neuer Markt lost approx. 70 % of its value, CTS shares fell by around 50 %. One positive aspect is the stabilisation of the share price in the period from October onwards, resulting in a recovery from the all-time low of 1.01 EUR to 2.53 EUR at the end of the year.

_Investor Relations: In line with our policy of open and extensive information for our shareholders, we informed the financial markets in the 2002 business year as well with quarterly reports, ad-hoc announcements and press releases about our business performance and events within the company.

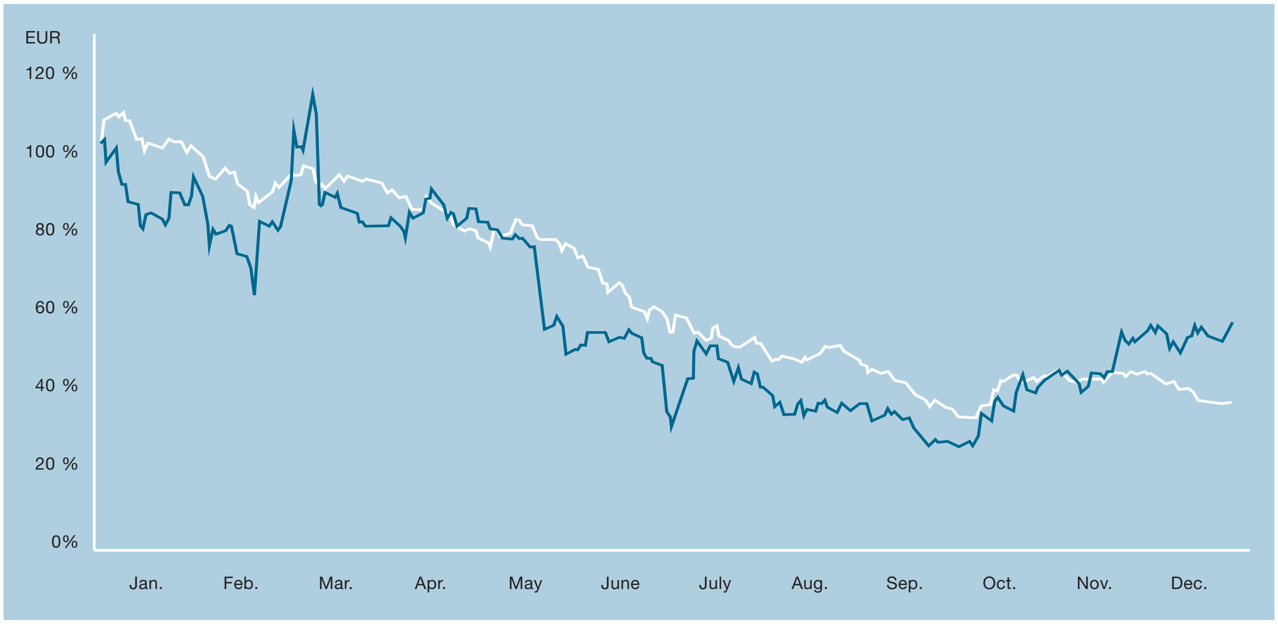
_Corporate Governance: The Management Board and Supervisory Board of CTS EVENTIM AG identify with the principles and policies of transparent and responsible management. On 17.12.2002, CTS EVENTIM AG therefore submitted the first declaration of compliance with the recommendations of the 'Government Commission on the German Corporate Governance Code', pursuant to Section 161 of the Stock Corporation Act (Aktiengesetz).

>> Number of shares held by executive body members as at 31 December 2002

Management Board:	
Klaus-Peter Schulenberg	8 397 000 shares
Volker Bischoff	102 000 shares
Alexander Ruoff	0 shares
Dr. Rainer Bartsch	0 shares
Supervisory Board:	
Edmund Hug	2 600 shares
Dr. Peter Haßkamp	465 shares
Dr. Peter Versteegen	0 shares

>> **Financial data on the Internet** www.eventim.de/investorrelation >> **e-Mail for shareholder questions** investor@eventim.de

The CTS share price in 2002 (02.01.2002 – 30.12.2002)



CTS EVENTIM AG shares, indexted in EUR **NEMAX-All-Share indexed**

	2002 // EUR		
Consolidated earnings per share	0.03	Type of shares	no-par value ordinary
Cash flow	5 589 000		bearer shares
High (Xetra, on 11.03.2002)	5.55	Securities code (WKN number)	5 4 7 0 3 0
Low (Xetra, on 05.07.2002)	1.01	ISIN number	DE 000 547 030 6
Year-end (Xetra, on 30.12.2002)	2.53	Symbol	EVD
Market capitalisation (based on year-end price)	30 360 000	First listing	01.02.2000
No. of shares on 31.12.2002	12 000 000	Stock exchange segment	Neuer Markt, Frankfurt
Share capital after IPO	12 000 000	NEMAX sectoral index	NEMAX Media & Entertainment

Economic macroenvironment

// The national economy

_Stagnation and a recessionary economy: The year 2002 failed to produce the recovery hoped for after the downturn that afflicted the economy in 2001. In the fourth quarter of 2002, German economic growth ground to a virtual standstill. The business climate was negatively affected by declining sales of capital and consumer goods, the appreciation of the Euro relative to other currencies, bearish trends on the stock market, uncertainties regarding outcomes of the Iraq crisis and a slowdown in the global economy.

_Investment restraint: Companies were pervaded by a considerable lack of confidence in future economic improvement and in the profitability of additional investment. Other reasons for this hesitancy to invest included the disappointing income situation for companies, widespread sobriety about the economic implications of present-day information and communication technologies, and the concomitant drop in share prices on the world's stock exchanges.

In Germany, corporate investments fell in the final quarter of 2002 for the fifth quarter in succession. The economy as a whole exhibited opposing tendencies, with exports rising at the same time as domestic demand stagnated. Declining revenues affected almost all sectors of the economy.

_Outlook for 2003: Experts do not anticipate any short-term trend reversal, in the sense of significant economic recovery. According to a survey conducted by the Centre for European Economic Research (Zentrum für Europäische Wirtschaftsforschung – ZEW), the business community continues to view future prospects with a similar degree of scepticism. Nevertheless, there are signals at least that the situation for businesses is now stabilising and that the downward trend is not gaining speed.

// Leisure – the market of the future

In 2002, the events industry was afflicted by persistent weakness in the economy and by consumer uncertainties about the direction of both the national and international economy. This caution and restraint had impacts on the CTS EVENTIM Group (hereinafter: the Group), being as it is a leading player in the ticketing and live entertainment sectors. Substantial restraint on the part of consumers was manifested in much fewer and less well attended events, especially in the first quarter. Events also had smaller audiences or were cancelled in response to the terrorist attacks of 11 September 2001. Consumers' behaviour was adversely affected above all by mounting unemployment and a general rise in prices.

As the year progressed, however, it became evident that crowd-pullers such as Herbert Grönemeyer or Bruce Springsteen could

The second quarter of 2002 saw 1.5 million new Internet users in Germany, and the trend upwards is still unbroken. One concomitant effect is that many users are discovering the Internet to an increasing degree as a platform for making purchases.

still achieve record ticket sales despite the difficult market situation. This has shown that a richly varied range of event highlights and top acts does not lose attractiveness even during an economic downturn, thus countering the general downward trend.

The Internet is proving to be a growth channel for sales. The second quarter of 2002 saw 1.5 million new Internet users in Germany, and the trend upwards is still unbroken. One concomitant effect is that many users are discovering the Internet to an increasing degree as a platform for making purchases. More than half of all users made at least one online purchase during the past twelve months. This is equivalent to a 50 percent growth in Internet buyers in a year-on-year comparison. Almost one million Internet surfers use e-commerce on a daily basis, and one third of all users makes an online purchase once a month.

// Macroenvironment and sectoral situation

The Group operates in the leisure events market with its Ticketing and Live Entertainment divisions. The parent company of the Group, CTS EVENTIM AG (hereinafter: CTS) 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 in particular to CTS as well, therefore.

Organising and executing leisure events is the primary object of the Live Entertainment division. The situation in this sector is characterised by intensifying globalisation and monopolisation. Owing to its market position, the Group is confronted by very few competitors in Germany.

Organisers of leisure events consider selling their tickets to be the critical factor for success. Selling is the basic object of the Ticketing division, from marketing events (tickets) through its leading network platform (CTS Ticketing software), to the in-house ticketing product (Show-Soft), to comprehensive solutions for ticket sales, admission control and payment in stadiums and arenas.

Besides the German market, the Group also operates in the ticketing segment in other European countries (e. g. Austria, Hungary, the Netherlands). In the latter, the Group competes with domestic and foreign network operators and ticketing software providers.

The events for which tickets are sold using our proprietary CTS ticketing software range from concerts of classical music, through rock and pop, plays, festivals, fairs and exhibitions to sports events, especially soccer.

As a leading ticket supplier, CTS is superbly positioned in its market. That position was further consolidated and extended in the ticketing field by means a broad-based distribution network featuring a full-coverage network of box offices, sales via call centres and Internet ticket shops. By acquiring holdings in leading German tour and concert organisers, the Group's position has also been safeguarded on these markets.

CTS competes with national and regional network operators. The company enjoys competitive advantages over competitors, in that CTS operates throughout Germany in a variety of market segments using a networked ticketing system, and because it links all sales channels in a common database. Another advantage consists in cooperation with major organisers, enabling a large number of different and attractive events to be marketed though all the Group's sales channels.

// Corporate situation

_Corporate growth: In the ticketing field, acquisition of the getgo.de Internet platform has strengthened the strategically important Internet ticketing activities, giving rise in the process to Europe's biggest ticketing portal. The combination of the eventim.de and getgo.de ticketing portals, which continue to operate independently of each other with their respective cooperation partners, is creating major sales potential for tickets while also enabling organisational and technological synergies to be achieved. Cooperation agreements have also been concluded, for example with Essen-based Westdeutsche Allgemeine Zeitungsverlagsgesellschaft (WAZ) to establish the joint waz-eventim.de online marketplace. Mobile ticketing was another area in which activities were intensified during 2002.

In cooperation with Vodafone D2 and T-Mobile, the two major mobile telephony networks, pilot events were successfully marketed through the new distribution channel. In this system, tickets purchased via the Internet, PDA or WAP are transmitted by SMS in the form of a two-dimensional barcode to the buyer's mobile phone on completion of the transaction. At the regional level, a cooperation agreement was concluded at the end of 2002 with KölnTicket GmbH, which is part of the DuMont-Schauberg publishing group.

The Management Board responded to the new market situation as early as late 2001, implementing a cost reduction programme that included job cuts in the Ticketing division, saving external IT development expenses by establishing an in-house development department, and by reducing material and similar expenses. This cost-cutting programme was successfully launched and was a crucial factor in improving 2002 earnings.

The Live Entertainment division signed many deals with top artists, despite widespread weakness in the economy. Many consumers stopped going to events featuring less well-known artists, confining themselves instead to the biggest concert attractions. Rising production costs were another factor affecting this segment, with adverse impacts on earnings being the consequence.

New companies were established both in Germany and abroad in the context of local events and tour organisation. PGM Promoters Group Konzertagentur GmbH in Munich was established in the field of local event management by means of participating interests on the part of the Group companies Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt am Main (hereinafter: Lieberberg), Semmel Concerts Veranstaltungsservice GmbH, Bayreuth (hereinafter: Semmel) and ARGO Konzerte GmbH, Würzburg (hereinafter: ARGO). The newly formed company was registered at the Commercial Registry at Munich District Court on 03 January 2003. In conjunction with Show Factory, Vienna, Lieberberg and Semmel jointly established a new company by the name of LS Konzertagentur GmbH with the object of marketing tours and concerts in Austria. The Live Entertainment segment now covers not only the German but also the Austrian market for entertainment events. LS Konzertagentur GmbH was registered on 22 October 2002.

In the Live Entertainment segment, the joint venture planned for 2002 with Clear Channel Entertainment, world market leader in the concerts field, has not been effected as yet. Due to restructuring and consolidation within the Clear Channel group, it is now unlikely that participation in such a joint venture will materialise during the 2003 business year. Despite this setback, business relations between the companies involved continue to generate profits.

// Structure of entities within the Group/Divisional changes:

_Live-Entertainment: By virtue of a shareholder resolution adopted on 15 October 2002, the Medusa Beteiligungsverwaltungsgesellschaft Nr. 52 mbH was renamed Medusa Music Group GmbH (hereinafter: MEDUSA). At the same time, the company's domicile was transferred from Frankfurt to Bremen. The changes were registered in the Commercial Register on 18 December 2002.

89.9 % of shares in the MEDUSA holding are held by CTS through Vierte Herrengraben 31 Verwaltungsgesellschaft mbH, Hamburg. The latter company, in turn, has majority share-holdings in the following tour and concert agencies: Lieberberg, Peter Rieger Konzertagentur GmbH & Co. KG, Cologne (hereinafter: Rieger), Semmel, Scorpio Konzertproduktionen GmbH, Hamburg (hereinafter: Scorpio), ARGO and Dirk Becker Entertainment GmbH, Cologne (hereinafter: Becker). In the case of Lieberberg and Rieger, the shares are held through intermediate holding companies.

The entities to be consolidated within the Live Entertainment segment has not changed relative to the previous year. The Group was optimally structured in the 2002 business year following execution of the acquisition strategy from 2000 onwards.

_Ticketing After acquiring 100 % of the shares in ShowSoft GmbH, Bremen (hereinafter: ShowSoft) in the course of fiscal 2001, the remaining shares in SH-Software GmbH, Bremen (hereinafter: SH) have been taken over as agreed. SH holds the software rights to the 'ShowSoft' solution for in-house and Internet ticketing.

In the third quarter of 2002, Ticknology B. V. (hereinafter: Ticknology), a subsidiary of SH, was added to the companies consolidated within the Group. Under the 'ShowSoft' brand name, Ticknology supplies software in Amsterdam for ticket management systems in the cultural and sports fields.

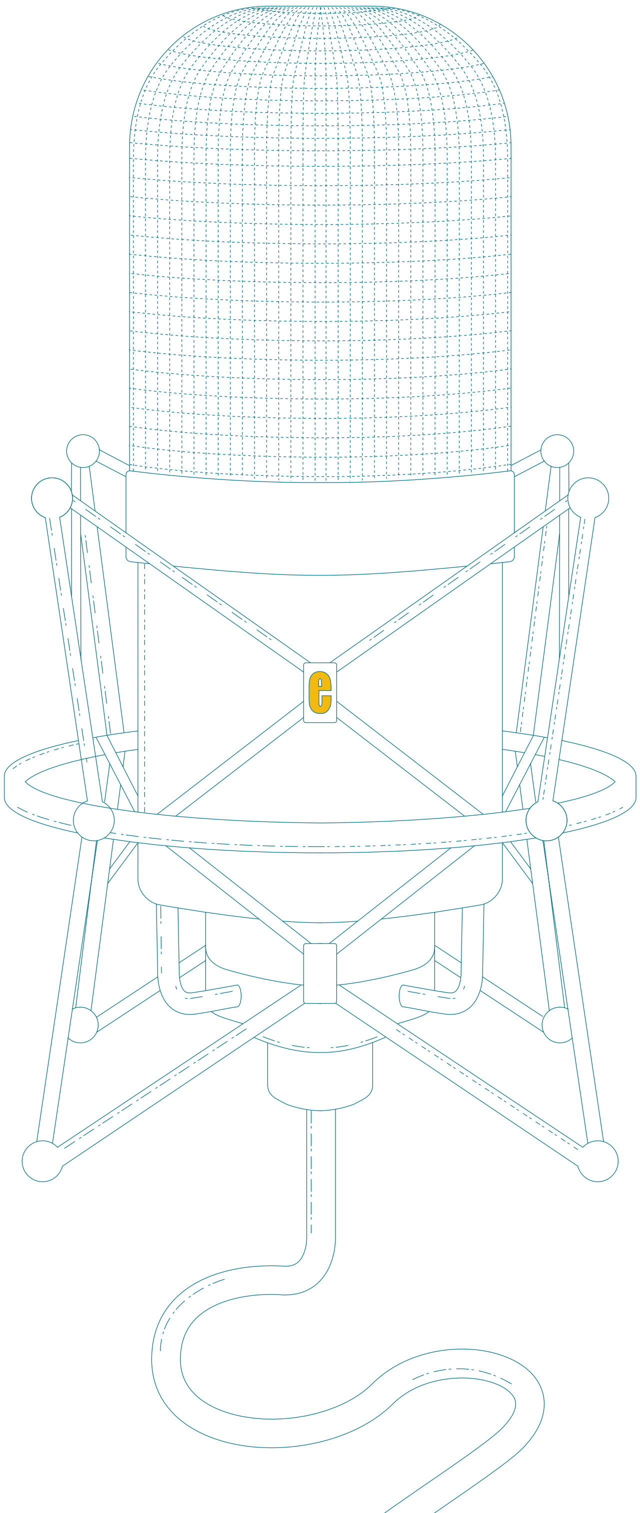
By notarial deeds dated 04 November 2002, SH and TimoSoft Software EntwicklungsGmbH (hereinafter: Timo) were merged into ShowSoft GmbH, thus concentrating the Group's entire software engineering activities in ShowSoft. The mergers each have retroactive and fiscal effect from 30 June 2002; in both cases, asset transfer was effected on registration of the merger in the Commercial Register on 03 February 2003.

In a shareholder resolution, CTS was accepted as a new limited partner by its taking over the newly-created limited liability partnership capital in GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co.KG (hereinafter: GSO). Of the total EUR 250 000 increase in capital, EUR 50 000 must be registered in the Commercial Register as paid-in liability capital. EUR 200 000 are deemed to be a compulsory contribution that does not have to be registered in the Commercial Register.

In October 2002, CTS intensified its Internet sales by taking over the 'getgo.de' Internet ticketing platform, a project implemented by Parklane Internet AG, Hamburg. The assets taken over included the customer base, the Internet software and trademark rights. The takeover has given rise to Europe's biggest Internet ticketing portal.

In the Rock/Pop field, the Group provides a multi-facetted range of highlighted events and concerts featuring top show business acts.

Crowd-pullers that generated record sales in 2002 included Herbert Grönemeyer and Bruce Springsteen.



Corporate Structure of CTS EVENTIM AG and its subsidiaries

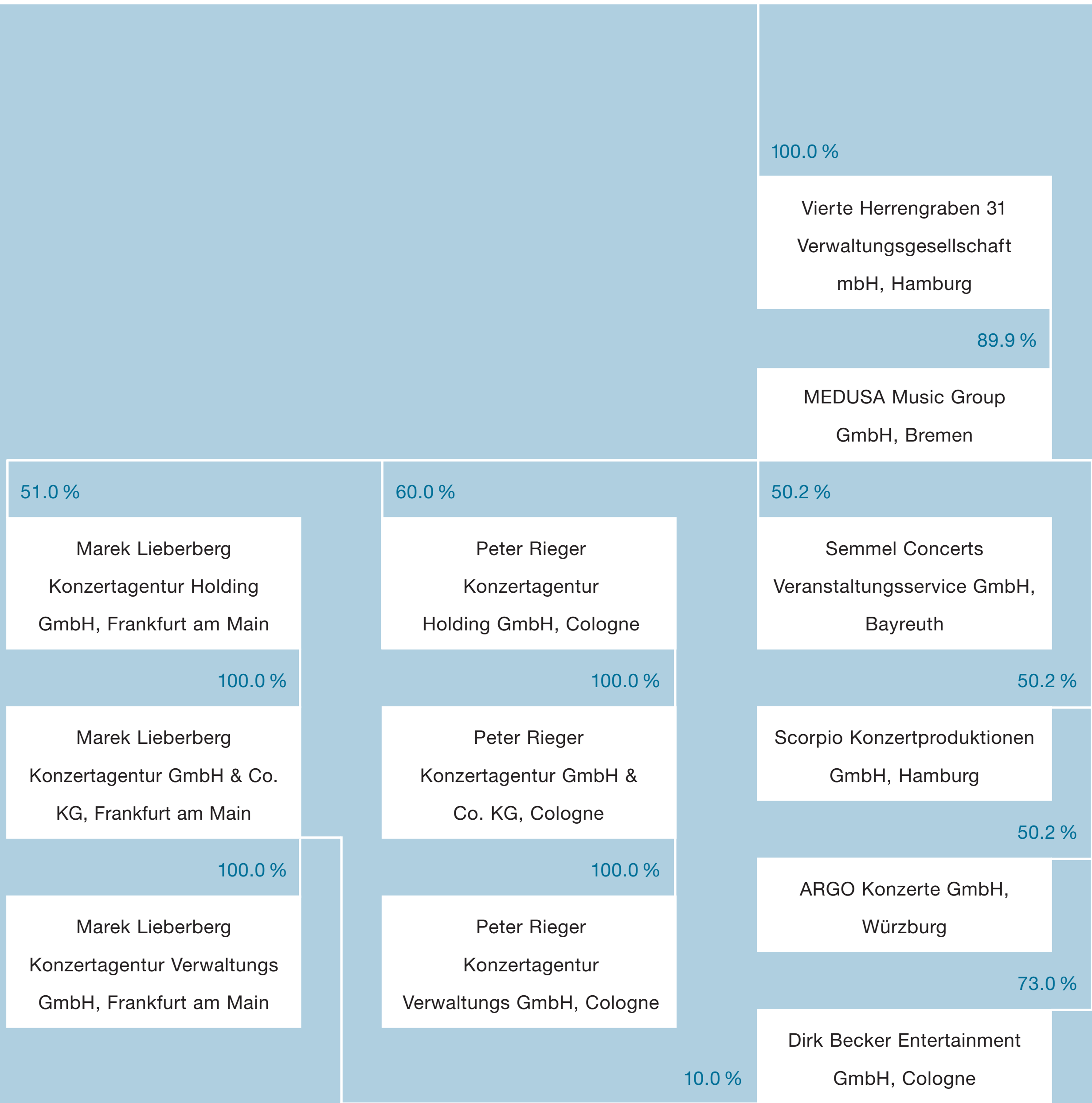
>> Status 31 December 2002

CTS EVENTIM AG

Ticketing

- 80.0 % GSO Holding GmbH, Hamburg
  - 50.0 % / 50.0 % GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Schwegenheim
    - 100.0 % GSO Verwaltungsgesellschaft mbH, Schwegenheim
- 75.0 % Ticket Express Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Vienna
- 66.6 % CTS Computer Ticket Service Betriebsgesellschaft mbH, Berlin
- 100.0 % eventim Online Holding GmbH, Bremen
  - 51.0 % RP EVENTIM GmbH, Düsseldorf
- 100.0 % ShowSoft GmbH, Bremen
- 100.0 % Tickets/S Veranstaltungsservice GmbH, Karlsruhe
- 100.0 % TimoSoft Software Entwicklungs-GmbH, Oberhausen
- 100.0 % SH Software GmbH, Bremen
  - 75.0 % Ticknology B.V., Amsterdam

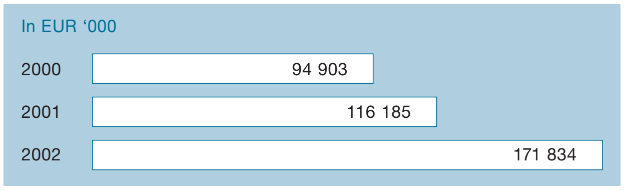
Live-Entertainment



// Assets and capital

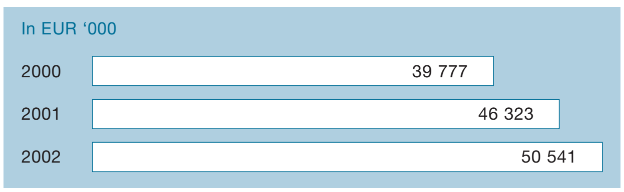
_Group: The Group's balance sheet total increased by EUR 55.649 million from EUR 116.185 million to EUR 171.834 million.

>> Growth in balance-sheet total



Investments in software, tangible assets and financial assets amounted to EUR 8.408 million. Taking depreciations on assets as well as asset disposals totalling EUR 4.190 million into account, the book value of fixed assets increased by EUR 4.218 million as at 31 December 2002. The book value of fixed assets increased primarily as a consequence of CTS taking over the getgo trademark, the customer base and the Internet software, and by acquiring the remaining shares in SH. The fixed assets are covered by the shareholder equity, including reserves for shares and provisions for pensions.

>> Growth in asset value



Assets tied up for the short term increased by EUR 50.159 million to EUR 111.968 million. The main increases were in liquid assets (EUR 34.361 million), payments on account for production costs already advanced (EUR 9.343 million) and trade receivables (EUR 6.306 million). The principal increases in liquid assets resulted from ticket revenues from box-office sales for major events taking place in 2003. These increases are offset by a EUR 29.151 million increase in non-invoiced ticket revenues of, which is recorded under other liabilities.

Shareholder equity increased by the net profit for the year, namely by EUR 338 thousand to EUR 46.087 million. Reserves for minority interests decreased as a result of profit distributions to minority interests of EUR 4.613 million in fiscal 2002, and increased by the minority interest share in the net income for the year 2002 by EUR 2.505 million, from EUR 2.108 million to EUR 4.471 million.

Long-term provisions for pensions increased slightly by EUR 165 thousand to EUR 1.213 million.

Short-term loan capital, including short-term provisions, increased by EUR 57.640 million to EUR 120.050 million. The major part of that increase was due to ticket revenues that had not yet been settled with the organisers (EUR 29.151 million) and to advance payments of EUR 20.536 million that had not yet been invoiced.

_CTS: Investments in software, tangible assets and financial assets amounted to EUR 10.193 million. Taking depreciations on assets as well as asset disposals totalling EUR 3.297 million into account, the book value of fixed assets increased by EUR 6.896 million as at 31 December 2002. This increase in fixed asset value is mainly influenced by the takeover of the remaining shares in SH, and of the trademark rights, customer base and Internet software acquired by taking over the 'getgo.de' Internet portal.

However, owing to its strong market position, innovative distribution channels and top events, the Group succeeded in mastering the challenge. Despite market downturns, the Group was able to meet its sales forecasts and improve upon anticipated earnings.

Inventories amounting to EUR 1.252 million relate primarily to ticket stocks that were not yet sold.

Assets tied up for the short term increased by EUR 34.437 million to EUR 64.612 million. The main increases were in liquid assets (EUR 27.507 million), increased inventories (EUR 1.145 million, mainly attributable to unsold stocks of tickets) and trade receivables (EUR 4.658 million). The principal increases in liquid assets resulted from ticket revenues from box-office sales for major events taking place in 2003. These increases are offset by a EUR 26.058 million increase in liabilities from non-invoiced ticket revenues.

Shareholder equity increased by the net income for the current year, namely by EUR 1.560 million to EUR 35.126 million.

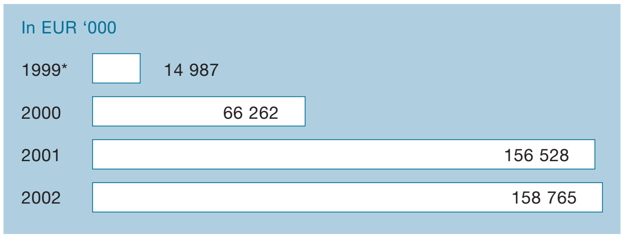
Assets tied up for the short term increased by EUR 39.940 million to EUR 59.335 million. The major part of that increase was due to ticket revenues that had not yet been settled with the organisers (EUR 26.058 million), to liabilities to banks (EUR 5.769 million) and to trade payables (EUR 2.988 million).

// Income situation

In the 2002 business year, the Group found itself operating in a difficult macroeconomic environment. However, owing to its strong market position, innovative distribution channels and top events, the Group succeeded in mastering the challenge. Despite market downturns, the Group was able to meet its sales forecasts and improve upon anticipated earnings. In the Ticketing segment, in particular, progressive sales growth and successful implementation of the cost-savings programme resulted in significant improvements to earnings. For the Live Entertainment segment, the year under review began initially with lower audience figures and fewer largescale events; however, owing to subsequent major events, the sales volume of the previous year was almost attained.

_Group: Group revenues improved by EUR 2.237 million from EUR 156.528 million to EUR 158.765 million. Total revenues (before consolidation between the segments) are broken down into EUR 132.709 million in the Live Entertainment segment and EUR 28.253 million in the Ticketing segment.

>> Growth in revenues



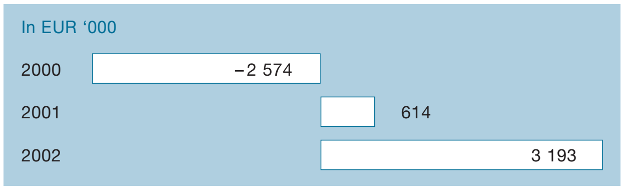
*Consolidated financial statements excluding Live Entertainment segment

Of the EUR 158.765 million in Group revenues achieved in the reporting year, EUR 154.783 million were generated in Germany, EUR 3.773 million in Austria and EUR 209 thousand in the Netherlands.

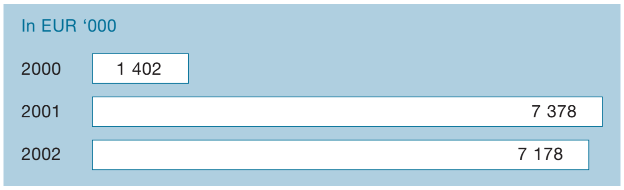
Due to sectoral factors, the gross margin in the Live Entertainment segment was significantly lower, at 8.5 %, than in the ticketing segment (39.6 %). The gross profit margin in fiscal 2002 for the Group as a whole, at 14.1 %, was at an almost identical level to that of the previous year (14.0 %). In the medium term, gross margin is expected to improve due to the planned synergies in the Live Entertainment division.

Earnings before interest and tax but after depreciation (EBIT) were EUR 3.193 million, compared to EUR 614 thousand in fiscal 2001. The year under review produced earnings before interest, tax, depreciation and amortisation (EBITDA) of EUR 7.178 million (previous year: EUR 7.378 million).

>> Development of EBIT



>> Development of EBITDA



The Group has applied the US GAAP standards SFAS 141 since 1 July 2001 onwards, and the SFAS 142 standard since 1 January 2002. Goodwill and intangible assets acquired after 30 June 2001 and having an indeterminate useful life are no longer systematically amortised. Goodwill arising from business acquisitions concluded prior to 1 July 2001, as well as intangible assets with indeterminate lifetime acquired before 1 July 2001 were systematically depreciated until 31 December 2001. In accordance with SFAS 142, existing intangible assets of indeterminate lifetime and goodwill were examined in the 2002 financial year to determine whether they come under the new criteria as of the date on which they are first used. The Group reviewed the useful life and residual value after depreciation of all intangible assets and established that no adjustments to the depreciation period were necessary. When performing the first assessment of values, an analysis is conducted to determine whether there are indications for reducing the value of goodwill. The examinations of goodwill valuations revealed no indications for such value reductions.

The Group produced a financial result of EUR 259 thousand (previous year: EUR 839 thousand).

Earnings before tax (EBT) improved by EUR 420 thousand from EUR 3.032 million to EUR 3.452 million. The consolidated financial statement for 2001 was positively affected in respect of earnings before tax (EBT) and consolidated earnings by bringing in the shares held in the ARGO Group. Bringing in these shareholdings resulted in 2001 in a EUR 1.579 million difference between the fair value of said holdings and the fair value of the transferred shareholdings in MEDUSA, said difference being recorded as income from bringing in participations.

In the tax expenses as disclosed, deferred taxes have been set-off against the tax expenses of the separate consolidated companies. Deferred tax assets were formed on the basis of the losses carried forward. Profits lead to deferred tax expenses via reductions in deferred income taxes.

After deducting minority interests (EUR 2.108 million) from the net income for the year (EUR 2.445 million), consolidated net income of EUR 338 thousand results (previous year: EUR –1.477 million).

The getgo.de Internet platform acquired in October 2002 and the ticket sales for major tours such as Grönemeyer or the Rolling Stones were the main factors accounting for growth of both Internet sales and normal ticket sales.

// Development of the Ticketing and Live Entertainment segments

_Live-Entertainment In the Live Entertainment segment, revenues of EUR 132.709 million were generated, compared to EUR 137.172 million the year before.

The slow economy led to smaller audience totals because many consumers refrained from going to less important events. Revenue declines were partially compensated by high capacity rates at major events.

After deducting sales expenses of EUR 121.450 million, a gross profit of EUR 11.259 million remains. This is equivalent to a gross percentage margin of around 8.5 % (previous year 11.1 %). This fall in gross profits is attributable to lower audience sizes at some events, increased production costs and to some events failing to generate the expected results. Earnings before interest and taxes (EBIT), at EUR 4.584 million, were lower than in the previous year (EUR 6.502 million). Account must be taken here of the fact that the EBIT figure already includes advance expenses for events that are not held or invoiced until 2003.

_Ticketing Ticketing revenues were significantly increased by EUR 7.587 million from EUR 20.666 million to EUR 28.253 million – an increase of 36.7 %. Of total sales in this segment, EUR 5.066 million were generated via the Internet. This means that Internet sales accounted for 18 % of total sales in this segment in 2002, compared to 6 % in 2001. Revenue growth resulted mainly from business development during the fourth quarter. The getgo.de Internet platform acquired in October 2002 and the ticket sales for major tours such as Grönemeyer or the Rolling Stones were the main factors accounting for growth of both Internet sales and normal ticket sales.

The profit situation in the Ticketing segment is encouraging, particularly in view of the growth of ticket sales via the Internet. Operating profit in the period under review was improved by EUR 4.486 million, from EUR – 5.877 million in 2001 to EUR – 1.391 million. The net income for the year was adversely affected by reorganisation processes and by initial expenses for, and installation of new, revenue-generating technologies for stadium and venue management operations.

_CTS: CTS sales revenues increased markedly by EUR 6.800 million, from EUR 12.333 million to EUR 19.133 million. By achieving this revenue growth, CTS played a major role in the Ticketing segment.

The operating loss improved by EUR 5.573 million from EUR – 5.636 million to EUR – 63 thousand. Revenue growth, improvements in gross profit and savings achieved by the ongoing restructuring programme are the main factors behind this improvement in operating result. In 2002, the restructuring programme was responsible for more than EUR 3 million of the total improvement in operating result. Further savings are expected in networking, computer centre and line expenses for the 2003 financial year.

After setting-off the financial result of EUR 818 thousand and the income from profit transfer agreements with ShowSoft (EUR 806 thousand), earnings from normal business operations were EUR 1.561 million (previous year: EUR – 4.544 million).

// Personnel

_Group The Group employed 391 employees at the end of the 2002 financial year (previous year: 372), of whom 52 were employed in Austria and 2 in the Netherlands.

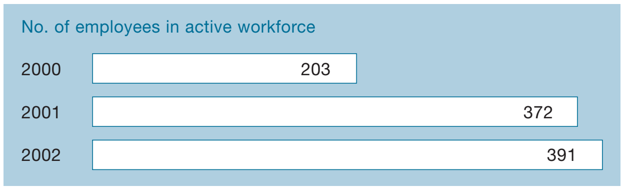
An increase of 25 in the workforce size within the Live Entertainment division was offset by a reduction of 6 employees in the Ticketing segment.

Compared to the previous year, personnel expenses increased by EUR 2.123 million from EUR 13.321 million to EUR 15.444 million.

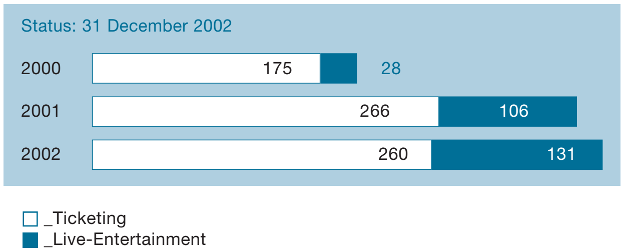
This increase in personnel expenses is broken down into EUR 320 thousand for the Live Entertainment segment and EUR 1.803 million for the Ticketing segment. The increase in the Live Entertainment segments resulted primarily from the inclusion of Becker for a full business year (consolidation since 01 April 2001) and increases in provisions for pensions. In the Ticketing division, the EUR 539 thousand reduction in personnel expenses on the part of the CTS parent group was offset by the first-ever inclusion of expenses in the Timo and Ticknology companies, as well as the expenses incurred over a full business year for ShowSoft and Tickets/S Veranstaltungsservice GmbH, Karlsruhe (hereinafter: Tickets/S) – these companies were first consolidated with effect from 30 September 2001.

_CTS: At the end of the 2002 financial year, CTS had 122 employees on its payroll (previous year: 134). The total workforce size was reduced by 54 in the course of restructuring. After taking over the getgo.de Internet ticketing platform, an additional 42 employees were taken into account with regard to Internet operations.

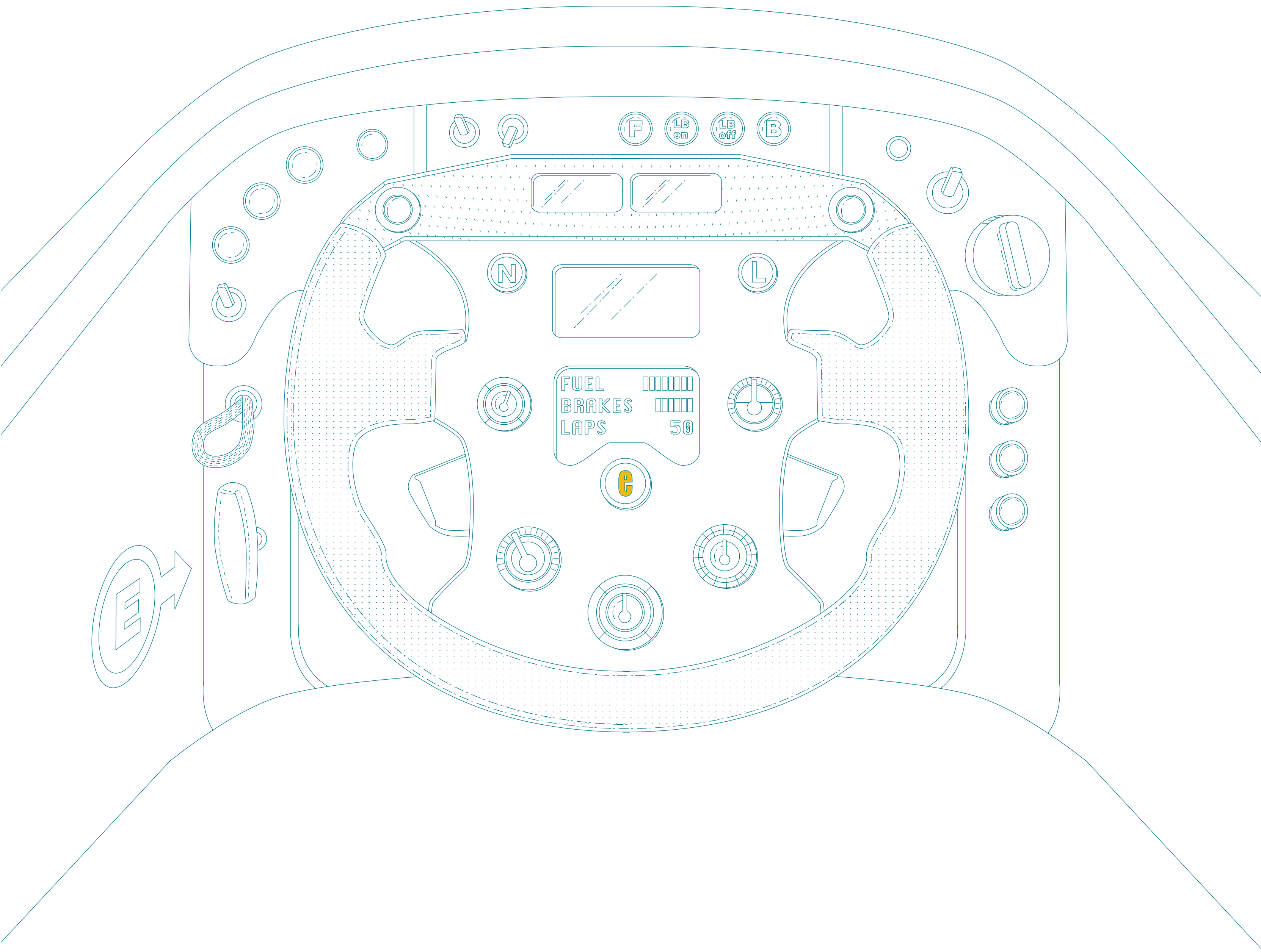
>> Workforce growth



>> Employees by segment



From Melbourne to Japan: tickets for all Formula 1 races can be bought from CTS. Tickets for many other sporting highlights are also on offer, such as înternational horseriding tournaments, boxing matches, tennis competitions, ice hockey, and much more besides.



// Investments and financing

One of the most striking investments made by CTS during the reporting year concerned the acquisition of the remaining shares in SH and the takeover of the getgo.de Internet ticketing platform.

A total of EUR 1.254 million was invested in further development of the CTS ticketing software. EUR 109 thousand were spent on Internet applications. Investments in tangible assets were primarily for the computer hardware equipment provided to the box offices and organisers connected to the CTS ticketing software system (EUR 228 thousand). These hardware components are provided to users on a rental basis. In addition, EUR 381 thousand were invested in technical equipment operating the CTS ticketing software system and the Internet shop.

No major investments were made by the other companies within the Group.

// Research and development

In order to broaden the range of ticketing-related services, to tap additional sources of revenue and to meet the future requirements of organisers and box offices, the ticket sales system is being constantly improved and enlarged. Work to improve and extent the CTS ticketing software, which was originally farmed out to outside companies, is now carried out within the Group itself following the takeover of ShowSoft and Timo in 2001. The company expects this restructuring to result not only in cost savings, but also in a concentration of ticketing software expertise within the Group. The company plans to enter new markets for ticketing services for museums, trade fairs and exhibitions, cinemas and leisure parks. In addition, new sales channels are being opened up and existing channels are being expanded. Plans for the medium term also include replacing normal tickets with chip tickets in potential areas such as season tickets or subscriptions.

As from the 2002 financial year, expenditure in this area is included under cost of sales, since potential research and development costs are no longer delineated due to continuous improvements to the software. Separate disclosure under research and development shall no longer be made, therefore.

The success of the Group is mainly rooted in the live entertainment field, the efficiency of the company's proprietary ticketing software and the Internet website.

// Risks

The Group companies operating in Germany and Europe are exposed to many risks due to the very nature of the business.

The success of the Group is mainly rooted in the live entertainment field, the efficiency of the company's proprietary ticketing software and the Internet website.

The company currently enjoys a leading market position in the pre-selling of tickets for events. It is not certain that this market position can be maintained. The company competes with regional and supraregional providers as well as with direct ticket sales by event organisers themselves.

Further development of the CTS ticketing software 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 company will be able to launch new technologies in a timely manner and without impairing the speed and responsiveness of the system.

An external fiscal audit is currently being conducted at CTS and its legal predecessors; this audit will be completed in 2003. On the basis of findings to date, no retrospective tax payments of any significance are expected. Nevertheless, subsequent tax demands may result from different interpretation of facts by the tax authorities, resulting in adverse impacts on the company's financial situation. A final report of fiscal audit findings has not yet been presented.

The Group's business operations in the ticketing sector are significantly dependent on organisers selling their entry tickets over the CTS sales network and providing a certain proportion of the available tickets. The Group believes that event organisers will continue to use these services in future on account of the diversified structure of products and their distribution. This risk was minimised by acquiring participations in various well-known concert organisers at regional and supraregional level.

The financial successes achieved to date are attributable in large measure to the activity and special commitment of certain employees with key management functions. The financial success of the company will continue to depend on these managers remaining in the employ of the company.

Risks of a general nature may ensue from intensified globalisation and/or monopolisation on the entertainment market.

// Appropriation of CTS profits

The net income for the 2002 business year, at EUR 1 560 017, is set off against the loss carried forward, which amounts to EUR 15 333 693. The remaining balance-sheet loss of EUR 13 773 676 is carried forward to the new business year.

As in the past, the strategic objective of the Group is to reinforce its present market position in the ticketing and live entertainment fields.

// Dependencies

Pursuant to Section 17 AktG, a dependent relationship existed with the majority shareholder, Mr. Klaus-Peter Schulenberg (the controlling company), and with companies with which he is associated. In accordance with Section 312 AktG, we therefore submit a report containing the following statement by the Management Board:

”With regard to the legal transactions referred to in the report on relations with affiliated companies, our company received adequate consideration for every such transaction, in the circumstances it knew to be operating when such transactions were made. No legal transactions or measures were effected or waived at the behest or in the interest of the controlling company or of other companies affiliated with the latter.”

// Significant events since the end of the financial year

At the regional level, a cooperation agreement was concluded at the end of 2002 with KölnTicket GmbH, a company in the DuMont-Schauberg publishing group. Following installation of the CTS ticketing software, the agreement provides for Köln Ticket selling a majority of its tickets exclusively via the CTS ticketing platform from 2003 onwards, primarily in the Rheinland region and in the music entertainment field (approx. 1 million tickets annually).

// Outlook for 2003

As in the past, the strategic objective of the Group is to reinforce its present market position in the ticketing and live entertainment fields. On the basis of its vision for the future – to be Europe’s most important portal for sports- and leisure-centred leisure activities – the Group is focusing on developing highly profitable distribution channels in the form of online ticketing. Providing a full range of services to cover the events market is aimed at combined professional ticketing operations with tour organisation and local event management. The Group will continue to enhance its leading position in the ticketing and entertainment industry, not only in Germany but in future in Europe as well.

Contingent on normalised political relations, the Management Board expects the general economic situation within the events and entertainment industry to recover, even if macroeconomic forecasts remain disappointing. By integrating leading organisers, the Group will be able to secure numerous concerts and tours of big-name artists in the year ahead, too.

In the Ticketing segment, the new distribution channels, above all the Internet, will gain substantially in importance alongside conventional box offices and in-house sales. The volume of bookings made via the Internet is expected to continue growing. CTS will expand this profitable sales channel still further and establish it in the long term as the most important distribution channel for all types of ticket. The prerequisites for such expansion have partly been achieved by integrating getgo.de alongside the existing eventim.de Internet platform. This means that CTS has Europe’s most important Internet ticketing portal and therefore a major source of potential ticket sales. Following successful implementation of the cost reduction programme and achievement of increased sales, the CTS parent company has crossed over the threshold to break-even. CTS expects continuing improvements in income through ticketing revenue growth and the Internet as a high-margin distribution channel. Negative impacts on earnings during the year under review due to reorganisational measures and initial expenses for new technologies are to be further reduced in the future.

In addition to our own dynamic growth, the Group plans to enhance its market position in Germany and abroad still further by concluding new cooperation agreements and making new acquisitions.

By expanding the Live Entertainment segment, the Group has not only assured content for its ticketing activities, but has also established an additional market position at regional, national and international level. By founding the LS Konzertagentur GmbH in Vienna, the Group has continued its path of international expansion.

By concentrating the event organising companies within the MEDUSA holding, the Group now plans to achieve a better cost structure in the medium term by realising cost-cutting potential, despite higher production expenses. In 2003, the Group will organise and market concerts by national and international stars in the rock and pop, musical and folk music fields. Highlights of 2003 will include Herbert Grönemeyer, Bruce Springsteen and Bon Jovi.

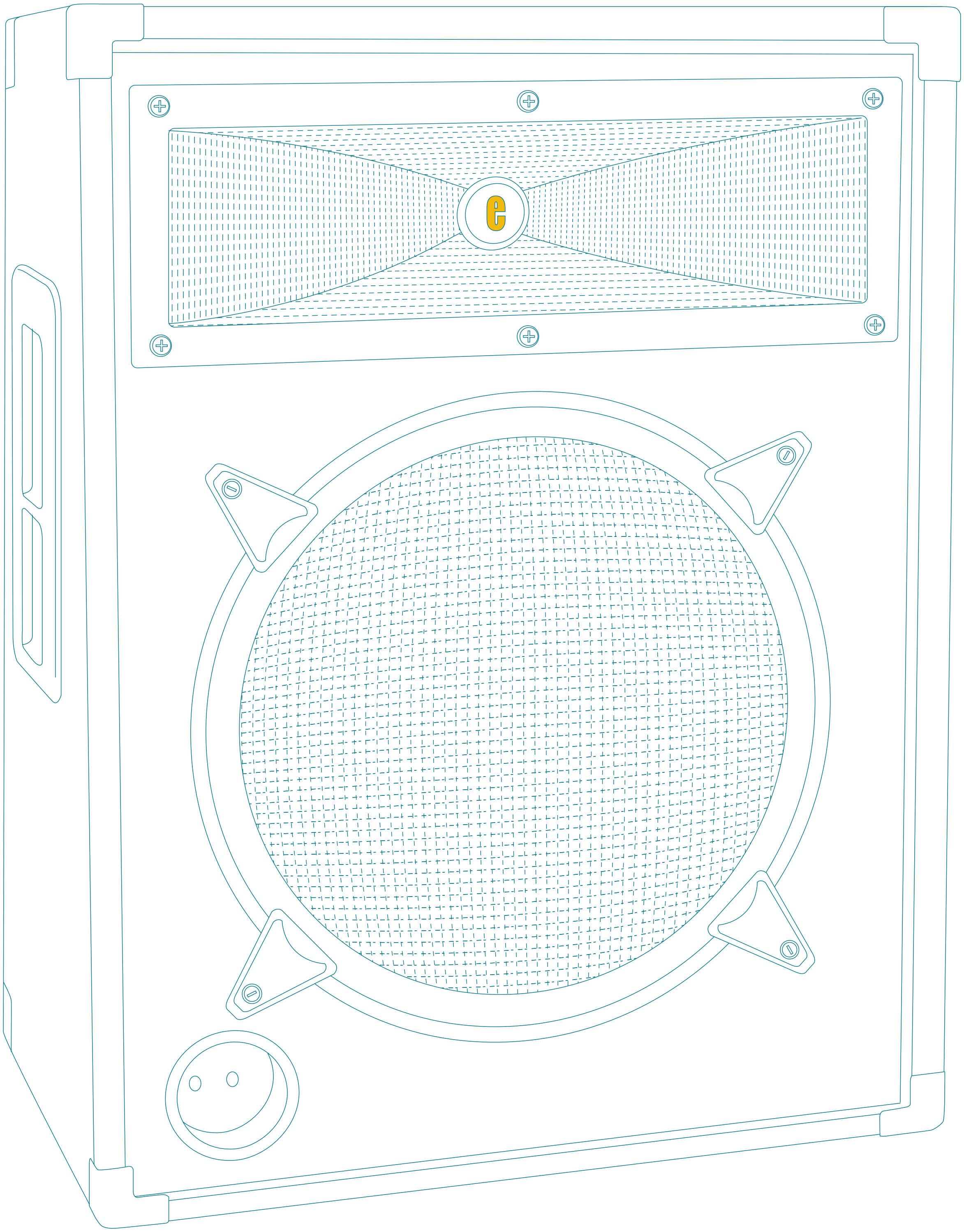
// Foward-looking statements

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, 7 March 2003
CTS EVENTIM Aktiengesellschaft

The Management Board

Live on stage and open-air: 2002 was another year in which a bevy of open-air festivals drew enthusiastic crowds. Audience figures were bolstered by the ‘Hurricane’ and ‘Southside’ festivals that were organised in addition to the established ‘Rock am Ring’ and ‘Rock im Park’ events.



Consolidated financial statements and annual financial statement for fiscal 2002

Preamble to the financial section

// Preamble to the financial section of the Annual Report

In addition to the separate annual financial statement for CTS EVENTIM AG in accordance with the accounting legislation in the German Commercial Code (Handelsgesetzbuch - HGB), the Management Board has also prepared consolidated annual financial statements that comply with the requirements of US GAAP.

A consolidated annual financial statement according to German accounting legislation was not prepared (Section 292a HGB).

As at 31 December 2001, the corporate structure of CTS comprised CTS as parent company, the following affiliated companies and their respective subsidiaries.

// Ticketing

- GSO Holding GmbH, Hamburg
- GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Schwegenheim
- GSO Verwaltungsgesellschaft mbH, Schwegenheim
- Ticket Express Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Vienna
- CTS Computer Ticket Service Betriebsgesellschaft mbH, Berlin
- eventim Online Holding GmbH, Bremen
- RP EVENTIM GmbH, Düsseldorf
- ShowSoft GmbH, Bremen
- Tickets/S Veranstaltungsservice GmbH, Karlsruhe
- TimoSoft Software Entwicklungs-GmbH, Oberhausen

// Live-Entertainment

- Vierte Herrengraben 31 Verwaltungsgesellschaft mbH, Hamburg
- MEDUSA Beteiligungsverwaltungs-Gesellschaft Nr. 52 mbH, Frankfurt am Main
- Marek Lieberberg Konzertagentur Holding GmbH, Frankfurt am Main
- Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt am Main
- Marek Lieberberg Konzertagentur Verwaltungs GmbH, Frankfurt am Main
- Peter Rieger Konzertagentur Holding GmbH, Cologne
- Peter Rieger Konzertagentur GmbH & Co. KG, Cologne
- Peter Rieger Konzertagentur Verwaltungs GmbH, Cologne
- Semmel Concerts Veranstaltungsservice GmbH, Bayreuth
- Scorpio Konzertproduktionen GmbH, Hamburg
- ARGO Konzerte GmbH, Würzburg
- Dirk Becker Entertainment GmbH, Cologne

Consolidated financial statements as at 31 December 2002

ASSETS	2002 // EUR	2001 // EUR
A// Fixed assets		
I Intangible assets		
1_ Concessions, industrial property rights and similar rights and assets, licences in such rights and assets	12 505 827	11 180 381
2_ Goodwill	32 892 901	27 468 867
3_ Payments on account	493 334	619 507
	45 892 062	**39 268 755**
II Tangible assets		
1_ Land, land rights and buildings, including rights to buildings on third-party land	67 763	106 620
2_ Other facilities, operating and office equipment	2 804 852	3 003 690
	2 872 615	**3 110 310**
III Financial assets		
1_ Shares in affiliated companies	602 364	552 166
2_ Loans to affiliated companies	31 657	20 909
3_ Participations	83 495	2 751 407
4_ Marketable securities	10 488	12 502
5_ Other loans	1 048 205	607 435
	1 776 209	**3 944 419**
B// Current assents		
I Inventories		
1_ Work in progress	178 434	365 580
2_ Finished products and goods	1 543 317	315 672
3_ Payment on account	13 621 017	4 278 260
	15 342 768	**4 959 512**
II Receivables and other assets		
1_ Trade receivables	15 497 753	9 191 870
2_ Receivables from affiliated companies	408 832	254 142
3_ Receivables from companies in which participations are held	362 647	494 539
4_ Other assets	9 622 619	10 536 737
	25 891 851	**20 477 288**
III Securities		
1_ Other securities	**2 556**	**2 556**
IV Cheques, cash in hand, Bundesbank balances and bank balances	**70 731 281**	**36 369 521**
C// Prepaid expenses and accrued income	**423 935**	**164 923**
D// Deferred tax assets	**8 900 881**	**7 887 554**
Total assets	**171 834 158**	**116 184 838**

EQUITY AND LIABILITIES		2002 // EUR	2001 // EUR
A// Shareholder Equity			
I	Subscribed capital	12 000 000	12 000 000
II	Capital reserves	35 339 700	35 339 700
III	Profit/loss carried forward	–1 652 609	–176 091
IV	Consolidated net income/loss for the year	337 597	–1 476 518
V	Difference arising from consolidation	62 557	62 557
		46 087 245	**45 749 648**
B// Reserves for shares held by minority interests		**4 471 090**	**6 977 881**
C// Provisions			
1_	Pension accruals	1 213 188	1 047 627
2_	Provisions for taxation	3 790 132	3 420 332
3_	Other provisions	4 396 376	4 123 617
		9 399 696	**8 591 576**
D// Liabilities			
1_	Liabilities to banks	6 943 026	1 526 285
2_	Downpayments receives on orders	34 705 904	14 169 487
3_	Trade payables	11 449 327	12 941 492
4_	Liabilities to affiliated companies	214 872	288 855
5_	Liabilities to companies in which participations are held	112 423	212 697
6_	Other liabilities	58 437 868	25 726 709
		111 863 420	**54 865 525**
E// Accrued expenses and deferred income		**12 707**	**208**
Total Equity and Liabilities		**171 834 158**	**116 184 838**

Consolidated income statement from 1 January 2002 to 31 December 2002

	2002 // EUR	**2001** // EUR
1_ Revenues	158 765 406	156 527 933
2_ Production expenses for services performed in generating the sales revenue	136 394 874	134 606 676
3_ Gross return on sales	**22 370 532**	**21 921 257**
4_ Research an development expenses	0	221 441
5_ Cost of sales	11 437 777	15 688 432
6_ General administrative expenses	7 639 194	7 004 440
7_ Other operating income	1 959 924	4 277 414
8_ Other operating expenses	2 060 436	2 669 876
9_ Operating profit (EBIT)	**3 193 049**	**614 482**
10_ Income from bringing in participations	0	1 578 742
11_ Income from participating	183 394	129 017
12_ Other interest and similiar assets	888 513	1 386 409
13_ Depreciation on financial assets	33 181	16 224
14_ Interest and similar expenses	548 076	265 336
15_ Foreign exchange losses	–231 855	–395 201
16_ Profit/loss from ordinary business operation (EBT)	**3 451 844**	**3 031 889**
17_ Taxes on income	997 929	1 149 399
18_ Other taxes	8 796	53 363
19_ Net income for the year	**2 445 119**	**1 829 127**
20_ Net income for minority interest	2 107 522	3 305 645
21_ Consolidated net income/loss for the year	**337 597**	**–1 476 518**

Consolidated cash flow statement from 1 January 2002 to 31 December 2002

The following cash flow statement shows the flows of funds from ongoing business operations, investment activities and financing activities of the Group and the resultant changes in the funds:

A// Cash flow from ongoing business operations	**2002 //** EUR	**2001 //** EUR
Consolidated income/loss for the year	337 597	–1 476 518
Share in profits attributed to minority interests	2 105 953	3 305 645
Depreciation on assets	4 018 393	6 779 800
Additions to assets	–23	–76 694
Additions to pension accruals	165 561	86 384
Income from bringing in participations	0	–1 578 742
Deferred taxes	–1 038 798	–2 392 263
Cash flow	**5 588 683**	**4 647 612**
Book profits from disposal of assets	0	–37 073
Book losses from disposal of assets	98 233	192 690
Increase/decrease in inventories, downpayments	–10 383 256	–630 748
Increase/decrease in receivables and other assets	–5 389 093	–363 039
Increase/decrease in prepaid expenses and accrued income	–259 012	427 777
Increase/decrease in provisions	642 559	1 517 306
Increase/decrease in short-term liabilities	55 997 895	10 639 027
Increase/decrease in accrued expenses and deferred income	12 499	–70 912
Cash flow from ongoing business operations	**46 308 508**	**16 322 640**
B// Cash flow from Investment activities		
Payments for investments in intangible assets	–3 890 092	–3 532 334
Payments for investments in tangible assets	–1 145 957	–1 605 177
Payments from disposal of fixed assets	73 211	68 508
Payments for investments in financial assets	–611 774	–2 814 856
Payments for the acquisition of consolidated companies	–3 057 094	0
Cash flow from Investment activities	**–8 631 706**	**–7 883 859**
C// Cash flow from financing activities		
Proceeds from taking out financing loans	1 000 000	0
Payments for redemtion of financing loans	0	–861 530
Distribution of profits to minority interests	–4 612 744	–1 258 621
Cash flow from financing activities	**–3 612 744**	**–2 120 151**
D// Change in funds with effect of payments (total of A-C)	**34 064 058**	**6 318 630**
Funds at befinning of period	36 372 077	29 361 813
Changes in funds due to consolidation effects	297 702	691 634
E// Funds at end of period	**70 733 837**	**36 372 077**
F// Composition of funds		
Liquid assets	70 731 281	36 369 521
Securities	2 556	2 556
Funds at end of the financial year	**70 733 837**	**36 372 077**

The cash flow from ongoing business operations is influenced at the cut-off date primarily by increases in liabilities from ticket revenues that have not yet been invoiced (EUR 29.151 million). This also explains the significant increase in funds.

Notes on the consolidated financial statements

// Structure and business operations of the company

The company is registered as CTS EVENTIM Aktiengesellschaft (hereinafter: CTS) in the Commercial Register at Bremen District Court under no. HRB 20569.

The objects of the company are the production, sale, brokering, distribution and marketing of tickets for concert, 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 regional and supraregional providers of similar services, but also with regional enterprises and with direct ticket selling by the respective organisers.

The future net asset, financial and income situation of the company is exposed to a number of unknown risks, uncertainties and other factors, in particular: 1. tougher competition from former and new competitors; 2. rapid changes in respect of markets and product acceptance; 3. concentration of income on one or few services; 4. absence or delayed launch of new and improved services; 5. dependence on a limited number of third parties who market, sell and deploy the services provided by CTS; 6. handling growth; 7. handling international growth; 8. the ability to find and keep skilled personnel; 9. dependence on key employees; 10. fluctuations in quarterly results; 11. cash flow.

// Preparation of the consolidated financial statement

The consolidated financial statement of CTS EVENTIM Aktiengesellschaft was prepared in accordance with the United States Generally Accepted Accounting Principles (US GAAP). The company keeps its records in accordance with the generally accepted German accounting principles as prescribed by the Commercial Code (Handelsgesetzbuch – HGB). German accounting principles differ in some respects from US GAAP. All adjustments and statements that were necessary for full presentation of the consolidated financial statement of CTS EVENTIM Aktiengesellschaft in accordance with US GAAP were carried out.

The consolidated annual financial statements according to US GAAP were supplemented by a management report on the situation of the company and the Group, as well as additional notes pursuant to Section 292a HGB, in order to qualify for exemption from preparation of consolidated annual financial statements in accordance with German accounting legislation.

The annual financial statements of all the companies included in consolidation were prepared as at the cut-off date of the consolidated financial statements.

_Use of estimates When drawing up the consolidated financial statement, it is necessary to a certain degree to make estimates and assumptions that affect the assets and liabilities shown in the balance sheet, the disclosure of contingent liabilities as at the balance sheet date and the disclosure of revenues and expenditures during the financial year. The actual amounts may deviate from the respective estimates.

_Currency translation The functional currency used for those parts of the company outside Germany is the local currency. Accordingly, assets and liabilities of operating entities outside Germany or the Eurozone are translated to Euro using the rate of exchange on the balance sheet date. Revenues and expenses are translated using the average exchange rate for the respective financial year.

// Disclosures on entities consolidated and methods of consolidation

_Entities consolidated The following subsidiaries under the legal or factual control of CTS are consolidated in the consolidated financial statements.

Some smaller regional subsidiaries of Ticket Express, Lieberberg, Rieger, Scorpio, Semmel, GSO and ARGO which are of secondary importance for establishing a fair view in overall terms of the Group's assets, financial and income situation have not been included in the consolidated financial statements.

Capital consolidation is effected using the purchase accounting method by offsetting purchase costs against the shareholder equity accruing to the parent company at the time of acquisition. Entities are first consolidated at the respective time of acquisition. The resulting differences are allocated, where feasible, to the assets and debts of the subsidiary. Any remaining net difference between the total fair value and the identifiable net assets was capitalised as goodwill and amortised over the prospective lifetime of the acquisition, thus affecting net income. In the case of acquisition dates after 30 June 2001, capital consolidation must be effected in accordance with Statement of Financial Accounting Standards (SFAS) No. 141 'Business Combinations'. Any resultant goodwill must be capitalised and its value reviewed annually in accordance with SFAS No. 142 'Goodwill and Other Intangible Assets'. The credit differences from capital consolidation are separately disclosed as reserves for shares in the Group's shareholder equity. From consolidation of the subsidiaries included in the consolidated financial statements for the year, goodwill amounting to EUR 32 892 901 was capitalised and EUR 62 557 was stated under shareholder equity as a credit difference from capital consolidation.

Receivables, liabilities, expenses, income and interim results between consolidated companies are eliminated.

	Percentage stake*
CTS Computer Ticket Service Betriebsgesellschaft mbH Berlin, Berlin	66.60 %
GSO Holding GmbH, Hamburg	80.00 %
GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Schwegenheim	100.00 %
GSO Verwaltungsgesellschaft mbH, Schwegenheim	100.00 %
Ticket Express Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Vienna	75.00 %
eventim Online Holding GmbH, Bremen	100.00 %
RP EVENTIM GmbH, Düsseldorf	51.00 %
ShowSoft GmbH, Bremen	100.00 %
Tickets/S Veranstaltungsservice GmbH, Karlsruhe	100.00 %
TimoSoft Softwareentwicklungs-GmbH, Oberhausen	100.00 %
SH Software GmbH, Bremen (initial consolidation as at 31. March 2002)	100.00 %
Ticknology B. V., Amsterdam (NL) (initial consolidation as at 30. September 2002)	75.00 %
Vierte Herrengraben 31 Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MEDUSA Music Group, Bremen	89.90 %
Marek Lieberberg Konzertagentur Holding GmbH, Frankfurt am Main	51.00 %
Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt am Main	100.00 %
Marek Lieberberg Konzertagentur Verwaltungs GmbH, Frankfurt am Main	100.00 %
Peter Rieger Konzertagentur Holding GmbH, Cologne	60.00 %
Peter Rieger Konzertagentur GmbH & Co. KG, Cologne	100.00 %
Peter Rieger Konzertagentur Verwaltungs GmbH, Cologne	100.00 %
Scorpio Konzertproduktionen GmbH, Hamburg	50.20 %
Semmel Concerts Veranstaltungsservice GmbH, Bayreuth	50.20 %
ARGO Konzerte GmbH, Würzburg	50.20 %
Dirk Becker Entertainment GmbH, Cologne	73.00 %

*held by the respective owning company

// Principal accounting and valuation methods

_Credit risks The company is fundamentally exposed to potential default risks in respect of trade receivables. Adequate consideration is given to these risks by making appropriate value adjustments.

_Intangible and tangible assets Intangible and tangible assets of determinate useful life are valued at their purchase cost or manufacturing cost minus systematic straight-line or reducing balance depreciation. Financing expenses did not need to be taken into consideration. There are no capital lease agreements.

The average useful life is between 3 and 15 years in the case of intangible assets and between 3 and 8 years in the case of tangible assets.

Pursuant to SFAS 142, ‘Goodwill and Other Intangible Assets’, goodwill and intangible assets with indeterminate useful life are no longer systematically amortised from the 2002 financial year onwards. The Group now examines the valuation of its goodwill at least once a year and/or in the case of significant events or changed relations which indicate that the market value of a reporting entity in the Group is greater than its book value. The market value of each reporting entity in the Group is determined on the basis of the cash values of future flows of payments. Goodwill arising from corporate acquisitions prior to 1 July 2001 have been capitalised and systematically amortised over a period of up to 15 years. Goodwill arising from business acquisitions after 30 June 2001 and intangible assets of indeterminate lifetime purchased after 30 June 2001 were no longer systematically amortised, in accordance with SFAS 142. Goodwill arising from business acquisitions concluded prior to 1 July 2001, as well as intangible assets with indeterminate lifetime acquired before 1 July 2001 were systematically amortised until 31 December 2001.

_Inventories Inventories are valued either at purchase cost, taking ancillary expenses into account and deducting any bonuses or discounts received, at production cost, or at the lower market value applicable on the cut-off date for the annual financial statements.

The production cost for specific software that has been programmed internally for sale to third parties (SFAS 86) comprise unit costs and attributable production overheads.

_Financing instruments The method for and valuation of financing instruments are described under the specific items. No derivative financing instruments are used, so no effects arise from applying SFAS 133 ‘Accounting for Derivative Instruments and Hedging Activities’.

_Market value of financing instruments The stated values of the company’s financing instruments, which include liquid assets, trade receivables, trade payables and long-term loans, are identical to their market value in most cases.

_Receivables Receivables and other assets are valued at their nominal value minus adjustments for discernible risks. Appropriate value adjustments are made for potential risks of default.

The receivables and other assets as at 31 December 02 were payable within one year.

_Long-term assets The company regularly evaluates the extent to which the book value of long-term assets can be recovered, pursuant to SFAS 144, 'Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets To Be Disposed Of'. If events or changed circumstances provide grounds for believing that the book value of such an asset no longer reaches the applicable value, the company makes a comparison between the estimated undiscounted cash flow to be generated from this asset and the asset's carrying amount (test of value). If the asset no longer has a value, the company makes a value adjustment to depreciate the asset to the market value based on the estimated future discounted cash flow, minus costs of sale, that will prospectively be generated by that asset. The management takes the view that no such value adjustments need be made for the financial years ending on 31 December 2002.

_Liquid assets Liquid assets comprise cash in hand and bank balances.

_Provisions Tax accruals and other provisions are formed whenever obligations exist towards third parties, there is a likelihood of the provisions being used and the prospective amount could be reliably estimated.

The valuation of pension obligations is based on the projected unit credit method stipulated in SFAS 87 'Employers' Accounting for Pensions'.

_Liabilities Liabilities are shown at their respective redemption values. Their composition and remaining terms are shown in the analysis of liabilities.

_Recognition of revenues Revenues are recorded when a contract has been concluded with legal effect, delivery has been made or the service has been performed, a price has been agreed and can be determined, and it can be assumed that the price will be paid. Revenues are shown less discounts, price reductions, customer bonuses and rebates. Price reductions reduce revenues as soon as the respective revenues are shown in the accounts.

_Recording of expenses Expenses are recorded as such when they are incurred. Development costs are booked in full as expenses when they are incurred.

_Effects of recently published accounting principles

In July 2001, the FASB published the accounting standards SFAS 141 'Business Combinations' and SFAS 142. SFAS 141 requires use of the purchase method for all business combinations initiated after 30 June 2001. SFAS 141 also distinguishes between acquired intangible assets that must be recognised and capitalised as assets separate from goodwill, and other intangible assets that are included in the goodwill. SFAS 142 requires that goodwill be no longer systematically amortised, but that the value of goodwill be reviewed at least once a year. SFAS 142 also requires that capitalised intangible assets with a determinable useful life be depreciated over their estimated lifetime, and that they be assessed for possible value adjustments pursuant to SFAS 121, and pursuant to SFAS 144 after the latter becomes effective (see below). Capitalised intangible assets with an indeterminate lifetime are not depreciated systematically, but are assessed for their value pursuant to SFAS 142 until it is established that their lifetime is no longer indeterminate.

CTS applies the SFAS 141 standard from 1 July 2001 onwards, and the SFAS 142 standard is effective as from 1 January 2002. Goodwill arising from business combinations initiated after 30 June 2001 and intangible assets of indeterminate lifetime purchased after 30 June 2001 were no longer systematically depreciated. Goodwill arising from business acquisitions concluded prior to 1 July 2001, as well as intangible assets with indeterminate lifetime acquired before 30 June 2001 were systematically depreciated until 31 December 2001.

SFAS 142 obliges the Group to assess its existing intangible assets and goodwill to determine whether they come under the new criteria as of the date on which they are first applied. The parent company reviewed the useful life and residual value after depreciation of all intangible assets and established that no adjustments to the depreciation period were necessary.

SFAS 142 stipulates that CTS must determine, when performing the first assessment of values, whether there are indications for reducing the value of goodwill as at 1 January 2002. To this end, CTS determined the reporting entities, the respective net assets of the reporting entities after assignment of assets and liabilities, including existing goodwill and intangible assets to their respective entities, and the temporal values of the reporting entities. The first stage of the first-ever valuation review was completed by CTS for all reporting entities in the Group with the finding that there were no indications for reducing the value of the goodwill.

_Key acquisitions In accordance with the Takeover Agreement, the shareholdings in SH Software GmbH, Bremen were increased from 19 % to 100 % in the 2002 financial year. The company essentially holds the rights to the ShowSoft software. The acquisition was valued in accordance with the purchase method.

In the third quarter of 2002, Ticknology B. V., a subsidiary of SH Software GmbH, was added to the companies consolidated within the Group. Under the “ShowSoft” trademark, Ticknology B. V. supplies software in Amsterdam for ticket management systems in the cultural and sports fields.

By notarial deeds dated 04 November 2002, SH Software GmbH and TimoSoft Software Entwicklungs GmbH were merged into ShowSoft GmbH, thus concentrating the Group’s entire software engineering activities in ShowSoft GmbH. The mergers were effected on registration of ShowSoft GmbH in the Commercial Register on 03 February 2003.

By shareholder resolution, CTS EVENTIM Aktiengesellschaft was accepted as a new limited partner holding 50 % of the limited partner capital in GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co.KG.

In October 2002, CTS took over the assets and debts of the ‘getgo.de’ Internet portal, a project implemented by Parklane Internet AG, Hamburg.

// Notes on the consolidated balance sheet

_Fixed assets The intangible assets include purchased software and licences as well as payments on account for same.

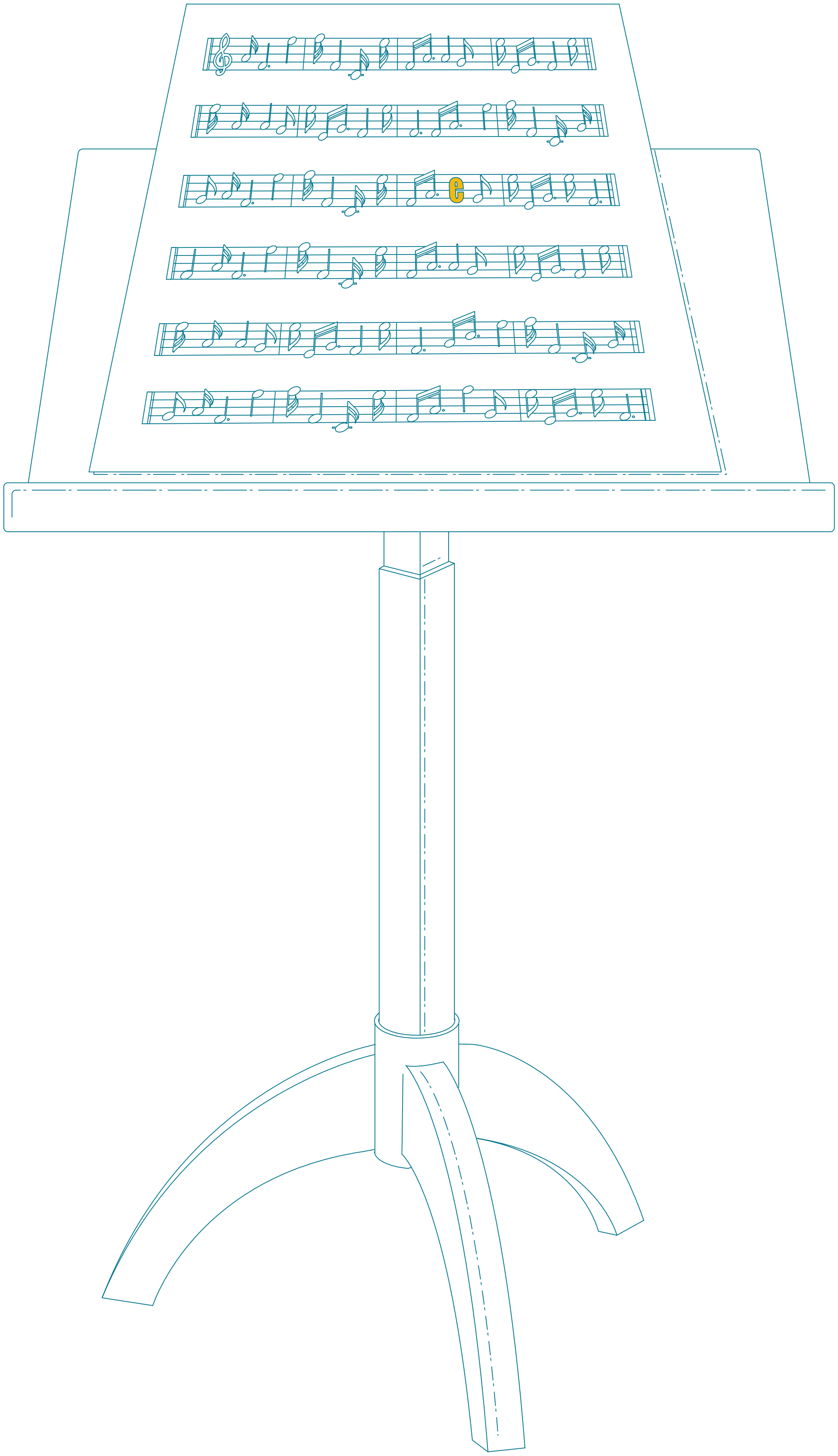
The changes in goodwill arose in 2002 mainly by the resulting goodwill due to the increase of the shareholdings in SH Software GmbH to 100 %.

As at 31 December 2002, all goodwill was assigned to a segment. SFAS 142 had no effects when first applied.

When the assets of the ‘getgo.de’ Internet portal were taken over, the customer base and the trademark rights, in particular, were taken over as intangible assets. These assets will be depreciated over the planned useful life of 5 or 10 years.

The breakdown and development of assets is shown in the following consolidated analysis:

Classical music events at international venues: the CTS ticketing platform can also be used to buy tickets for the Verona Opera Festival in Italy. Highlights here included performances of Carmen, Nabucco, Tosca and Aida.



Analysis of Group assets from 1 January 2002 to 31 December 2002

	Purchase cost/Manufacturing cost					
	Status 01.01.2002 // EUR	**Transfers** // EUR	**Additions** // EUR	**Change Consolidated Companies** // EUR	**Disposals** // EUR	**Status 31.12.2002** // EUR
I Intangible assets						
1_ Concessions, industrial property rights and similar rights and assets, and licences to such rights and assets	15 474 997	637 266	2 936 027	1 928	4 165	19 046 053
2_ Goodwill	32 336 955	0	5 424 034	0	0	37 760 989
3_ Customer base	966 982	0	416 640	0	0	1 383 622
4_ Payments on account	619 507	−663 597	537 424	0	0	493 334
	49 398 441	**−26 331**	**9 314 125**	**1 928**	**4 165**	**58 683 998**
II Tangible assets						
1_ Land, land rights and buildings including buildings on third-party land and similar rights without buildings	315 622	0	0	0	0	315 622
2_ Other facilities, operating and office equipment	7 923 672	26 331	1 145 957	1 970	358 070	8 739 860
	8 239 294	**26 331**	**1 145 957**	**1 970**	**358 070**	**9 055 482**
III Financial assets						
1_ Shares in affiliated companies	552 166	0	81 365	0	0	633 531
2_ Participations	2 853 664	0	0	−2 667 912	0	185 752
3_ Loans to affiliated companies	20 909	0	17 751	0	7 003	31 657
4_ Marketable securities classed as fixed assets	13 388	0	0	0	0	13 388
5_ Other loans	607 436	0	512 658	0	71 888	1 048 206
	4 047 563	**0**	**611 774**	**−2 667 912**	**78 891**	**1 912 534**
Total	**61 685 298**	**0**	**11 071 856**	**−2 664 014**	**441 126**	**69 652 014**

Accumulated depreciation							Book values	
Status 01.01.2002 // EUR	Transfers // EUR	Appre- ciation // EUR	Change Consolidated Companies // EUR	Additions // EUR	Disposals // EUR	Status 31.12.2002 // EUR	Status 31.12.2002 // EUR	Status 31.12.2001 // EUR
4 326 496	– 549	0	0	2 637 396	4 173	6 959 170	12 086 883	11 148 501
4 868 088	0	0	0	0	0	4 868 088	32 892 901	27 468 867
935 102	0	0	0	29 576	0	964 678	418 944	31 880
0	0	0	0	0	0	0	493 334	619 507
10 129 686	**– 549**	**0**	**0**	**2 666 972**	**4 173**	**12 791 936**	**45 892 062**	**39 268 755**
209 002	0	0	0	38 857	0	247 859	67 763	106 620
4 919 982	549	– 23	622	1 279 383	265 505	5 935 008	2 804 852	3 003 690
5 128 984	**549**	**– 23**	**622**	**1 318 240**	**265 505**	**6 182 867**	**2 872 615**	**3 110 310**
0	0	0	0	31 167	0	31 167	602 364	552 166
102 257	0	0	0	0	0	102 257	83 495	2 751 407
0	0	0	0	0	0	0	31 657	20 909
886	0	0	0	2 014	0	2 900	10 488	12 502
1	0	0	0	0	0	1	1 048 205	607 435
103 144	**0**	**0**	**0**	**33 181**	**0**	**136 325**	**1 776 209**	**3 944 419**
15 361 814	**0**	**– 23**	**622**	**4 018 393**	**269 678**	**19 111 128**	**50 540 886**	**46 323 484**

// Other fixed assets

Other assets primarily include tax refund claims (EUR 3.864 million), short-term loans and personnel debts (EUR 2.060 million), compensation claims (EUR 1.060 million) and other receivables (EUR 1.958 million).

// Earnings per share

The earnings per share were calculated pursuant to SFAS 128 'Earnings per Share' by dividing the consolidated earnings, after adjustments for extraordinary factors, by the quantity of shares issued (basic earnings per share). 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:

$$\frac{\text{Net income}}{\text{Qty. of shares}} = \frac{337\ 597}{12\ 000\ 000} = 0.03 \text{ EUR/Share}$$

The earnings per share are EUR 0.03 (diluted / undiluted).

// Development of consolidated shareholders' equity

	Subscribed capital // EUR	Capital reserves // EUR	Retained earnings // EUR	Balance-sheet loss after minority interest // EUR	Difference arising from consolidation // EUR	Total shareholder equity // EUR
Status 01.01.2002	12 000 000	35 339 700	0	–1 652 609	62 557	45 749 648
Net income for year after minority interest				337 597		337 597
Status 31.12.2002	12 000 000	35 339 700	0	–1 315 012	62 557	46 087 245

// Shareholder equity

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

With regard to the change in shareholder equity, we refer to the analysis of consolidated shareholder equity development.

// Number of shares issued

As at the cut-off date date, CTS EVENTIM Aktiengesellschaft had issued 12 000 000 nameless bearer shares. Each share represents a EUR 1.00 share in the subscribed capital.

// Authorised capital of the parent company

As at the balance sheet date, authorised capital amounted to EUR 4 345 000. Authorisation is granted until 30 September 2004. The Management Board is authorised, subject to Supervisory Board approval, to increase the share capital of the company on one or several occasions until 30 September 2004 by up to EUR 4 345 000 in total by issuing up to 4 345 000 no-par value ordinary shares (bearer shares) against cash contributions or contributions in kind. The shareholders must be granted subscription rights. However, the Management Board is authorised to exclude such subscription rights, subject to Supervisory Board approval,

a) in order to remove peak amounts from the subscription rights,
b) for shares representing at most 10 in one hundred of the increased share capital, if these shares are to be issued to employees of the company or employees of the bodies representing its affiliated companies,
c) one or several times for a total amount of up to EUR 1 200 000, if the new shares are issued against cash contributions and the issue price of the new shares does not significantly exceed the market price of those shares already listed on the stock exchange on the date on which the issue price is finally determined, and
d) one or several times for a total amount of up to EUR 2 000 000, if the new shares are issued against contributions in kind.

// Contingent capital

At the Shareholders' Meeting of 21 January 2000, a contingent share capital increase of EUR 180,000 was agreed upon (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.

By resolution of the Shareholders' Meeting on 27 August 2001, the share capital was contingently increased by up to EUR 3 500 000. This contingent increase in capital is for granting shares to the holders of stock options and convertible bonds that were issued by the company in accordance with the authorisation granted on 27 August 2001. The contingent increase in capital is effected only to the extent that the holders exercise their stock option and conversion rights, or fulfil their obligation to convert their bonds to stock. 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.

The company plans to issue stock options for share purchases by employees. No such options had been issued by the reporting date.

The contingent share capital increase shall be effected only to the extent that the subscription rights which were granted following authorisation of the Management Board are exercised.

// Other provisions

Other provisions primarily comprise provisions for personnel (EUR 864 thousand), legal, consultancy and auditing costs (EUR 700 thousand), litigation costs (EUR 568 thousand), commissions (EUR 488 thousands), for outstanding invoices and for other provisions (EUR 1.776 million).

// Liabilities

The break-down and remaining term of the liabilities are shown below in the analysis of liabilities.

	Equities side // EUR	up to one year general // EUR	up to one year *from taxation **In connection with social security // EUR	between one and five years // EUR
1_ Liabilities to banks	6 943 026	5 943 026		1 000 000
2_ Downpayments received on orders	34 705 904	34 705 904		
3_ Trade liabilities	11 449 327	11 449 327		
4_ Liabilities to affiliated companies	214 872	214 872		
5_ Liabilities to companies in which participations are held	112 423	112 423		
6_ Other liabilities	58 437 868	58 437 868	5 052 798 * 323 752 **	
Total	**111 863 420**	**110 863 420**		**1 000 000**

// Notes on the consolidated income statement

_Cost of sales and other expenses The costs of sales and functional expenses include the following material expenses of the Group pursuant to Section 275 (2) HGB:

	2002 // EUR	2001 // EUR
Cost of raw materials and for purchased goods	2 283 821	2 686 769
Cost of purchased services	124 831 273	124 924 956

The expense items in the income statement take account of the following personnel expenses of the Group companies:

	2002 // EUR	2001 // EUR
Wages and salaries	13 024 664	11 234 935
Social security contributions for pensions and employee support	2 418 886	2 086 432

_Cost of sales In the 2002 financial year, the cost of sales no longer included any depreciation on goodwill, pursuant to SFAS 142. The depreciations on the trademark rights and the customer base in connection with the takeover of the 'getgo.de' Internet portal amounted in the financial year to EUR 44 thousand and EUR 19 thousand, respectively. The expenses incurred for promotion activities are recorded in full as expenses relating to the period.

_Income from bringing in participations The EUR 1.579 million in income disclosed in 2001 resulted from bringing in shares of the ARGO Konzerte subsidiary into MEDUSA. The assets were brought in as an increase in capital stock in return for new shares in MEDUSA. The difference between the fair value of the shares held in ARGO and the book value of the issued MEDUSA shares is treated in the consolidated financial statements as affecting income.

_Foreign exchange losses The foreign exchange losses shown arise from tour events in the Live Entertainment segment that were accounted in US dollars.

_Taxes on income In the year 2000, substantial changes were made in some points of the German taxation laws applicable to the company. These changes included a reduction in the rate of corporation tax from 40 % to 25 %, and the different fiscal treatment of distributed and retained profits was eliminated.

Due to the tax reform which took effect in Germany on 1 January 2001, it is now possible to sell shares in other corporate enterprises with tax exemption; as a consequence, however, tax relief on losses can no longer be claimed. In the reporting year, the tax reform had no effects on income in the calculation of deferred taxes. Similarly, there was no need to reduce the value on balance of the deferred tax assets.

Corporation tax at a rate of 25 % was applied when calculating deferred taxes for domestic companies as at 31 December 2002. In 2002, the rate of corporation tax was increased in Germany by 1.5 % to 26.5 % for 2003 returns in order to finance the damage caused in the flood disaster.

Due to the fact that the Group's deferred taxes will not be reversed until forth-coming years, this tax increase had no effects on the calculation of deferred taxes. A solidarity supplement of 5.5 % on corporation tax returns was taken into account, as was an effective municipal trade tax rate of around 11.2 %.

Since the company current assumes, in the context of its planning, that all carried-forward losses can be made in future for municipal trade tax and corporation tax purposes, no value adjustments were formed on the deferred tax assets formed in this respect.

Pursuant to SFAS 109, ‘Accounting for Income Taxes’, taxes on income are booked using the asset and liability method.

Deferred tax assets and liabilities are recorded for future tax effects resulting from the difference between the asset and liability amounts stated in the annual financial statements and the respective basis for computing tax, the net operating loss and tax refunds carried forward.

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 tax assets and liabilities is booked, with effect on income, in the period in which the tax rate change becomes effective. If necessary, value adjustments are made to reduce the deferred tax assets to the amount that is expected to be recovered.

When assessing the extent to which deferred tax assets can be recovered, the company considered whether there is a greater than 50 % likelihood that all or part of the deferred tax assets can be recovered.

Recovery of the deferred tax assets depends on the generation of future taxable income in the periods in which these temporary differences are deductible.

As at 31 December 2002, the view of the company is that, in the case of the deferred gross tax assets of EUR 8.901 million, there is a greater than 50 % likelihood that the company will generate profits of least the same amount in future periods and that no value adjustment is necessary.

The following table shows a transitional calculation of the actual tax expense or income expected from the respective financial year, as disclosed. To determine the expected tax expense or income, the overall tax rate of 37.56 % applicable in the 2002 financial year was multiplied by the pre-tax profit.

The total disclosed taxes payable are comprised as follows:

	2002 // EUR	**2001** // EUR
Actual income tax	2 036 727	3 541 662
Deferred taxes on carried-forward losses	–1 038 798	–2 392 263
Total taxes on income	**997 929**	**1 149 399**

	2002 // EUR '000
Expected tax expense/income	1 297
Differing rate of municipal trade tax	88
Other tax-exempted income and non-deductible expenses	– 299
Other	– 88
Disclosed tax expense/income	**998**

// Segmental reporting

The company applies SFAS 131 'Disclosures about Segments of an Enterprise and Related Information' in the 2002 financial year. The method for deciding which information is disclosed depends on how the Management Board organises the operating segments within an enterprise with regard to decision-making processes and the determination of financial performance.

The Management Board of the company is the body that makes the operations-related decisions on the basis of available financial data.The Group divides itself into two segments that are described in the Management Report and which produce the following data after consolidation:

		Ticketing		Live-Entertainment	
		2002 // EUR '000	2001 // EUR '000	2002 // EUR '000	2001 // EUR '000
Revenues		28 253	20 666	132 709	137 172
Segment earnings (EBIT)		– 1 391	– 5 877	4 584	6 502
EBITDA		2 196	– 1 883	4 983	9 273
Depreciation	> on goodwill	0	576	0	2 327
	> on other assets	3 587	3 418	398	443
Fixed assets		27 522	23 931	23 019	22 393
Other assets		75 883	39 614	45 410	30 248
Average no. of employees		229	225	116	110
Return on sales*		7.8 %	– 9.1 %	3.8 %	6.8 %

* The return on sales is calculated by dividing the segment earnings (EBITDA) by the segment revenues.

// Notes on the segments

As at the end of 2002, the companies operating in the segments were as follows:

Ticketing:

> CTS, CTS Berlin, TEX, GSO, ShowSoft, Ticket/S und TimoSoft, SH, Ticknology

Live-Entertainment:

> Lieberberg, Rieger, Semmel, Scorpio, ARGO und Becker

Transition from segment to Group data:

The segment-related data were determined in the following way: Internal revenues between the Group companies in a given segment have already been consolidated at segment level.

Revenues between the segments were eliminated in the consolidation column. Services were invoiced at the normal market prices charged to third parties.

When breaking down the segment data according to regional factors, we confined ourselves to showing the revenue figures.

	Segment totals		**Consolidation**		**Group**	
	2002 // EUR '000	**2001** // EUR '000	**2002** // EUR '000	**2001** // EUR '000	**2002** // EUR '000	**2001** // EUR '000
Revenues	160 961	157 838	–2 196	–1 310	158 765	156 528
EBITDA	7 178	7 390	0	–12	7 178	7 378
Depreciation	3 985	6 764	0	0	3 985	6 764
Operating profit (EBIT)	**3 193**	**626**	**0**	**–12**	**3 193**	**614**
Income from bringing in participations					0	1 579
Financial result					259	839
Profit from ordinary business operations (EBT)					**3 452**	**3 032**
Taxes on income/deferred taxes					998	1 149
Other taxes					9	54
Net income for the year					**2 445**	**1 829**
Minority interests					2 107	3 306
Consolidated net income/loss					**338**	**–1 477**

	2002 // EUR '000	2001 // EUR '000
Germany	154 783	154 500
Austria	3 773	2 028
Netherlands	209	0
Total	**158 765**	**156 528**

// Employees

On average over the year, 345 white-collar staff were employed by the Group. Of that total, 292 were employed in Germany, and 53 in foreign countries.

// Financial obligations

As at the balance sheet cut-off date, there were contingent liabilities from guarantees amounting to EUR 3.169 million.

Other financial obligations relating to short- and medium-term rental and lease contracts amount to EUR 2.012 million. Of that total, EUR 575 thousand have a maturity of one year or less. Rental obligations amount to EUR 1.523 million, and leasing obligations to EUR 489 thousand.

// Application of Section 264b HGB

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

> GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Schwegenheim
> Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt/Main
> Peter Rieger Konzertagentur GmbH & Co. KG, Cologne

// Relations with associated persons

There were no transactions in shares of CTS AG in 2002 by members of the Management Board or the Supervisory Board, or by their spouses and/or immediate relatives requiring publication in accordance with Section 15 a WpHG; such publication has been required since the second half of 2002. Transactions with associated persons were concluded only at the conditions which normally apply between third parties. At the cut-off date, liabilities to associated persons totalled EUR 4.706 million, EUR 1.346 million of that total from intercompany accounts.

In the 2002 financial year, Dr. Peter Versteegen, a member of the Supervisory Board, performed consultancy services for CTS to the amount of EUR 19 thousand.

// Emoluments of the Management Board

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

> Klaus-Peter Schulenberg (Chairman), Bremen
> Dipl.-Ökonom Volker Bischoff, Stuhr
> Dr. Rainer Bartsch, Bremen
> Christian Alexander Ruoff (from 01 July 2002 onwards)
> Dipl.-Kfm. Thomas Vogt, Vechta (until 31 January 2002)

The emoluments of the Management Board in the business year amounted to EUR 1.309 million, of which EUR 253 thousand were variable components.

// Emoluments of the Supervisory Board

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

Edmund Hug (Chairman), Kaufmann, Oberstenfeld

Other supervisory board positions:

> Karlsruher Lebensversicherung AG
> Caatoosee AG Networking Corporation, Stuttgart
> Schlott Sebaldus AG, Freudenstadt
> Lidl & Schwarz GmbH, Neckarsulm
> Scholz AG, Aalen
> IBM Deutschland GmbH, Stuttgart (Chairman until 01 December 2002)

Dr. Peter Haßkamp (Vice-Chairman), Vorstand, Bremen

Other supervisory board positions:

> Deutsche Factoring Bank, Bremen
> DekaBank Deutsche Girozentrale, Berlin/Frankfurt a. M.
> Norddeutsche Landesbank S. A., Luxembourg

Dr. Peter Versteegen, Rechtsanwalt, Hamburg

Other supervisory board positions:

> Höft & Wessels AG, Hannover

The members of the CTS EVENTIM Aktiengesellschaft Supervisory Board received emoluments totalling EUR 61 thousand for the 2002 financial year.

// Declaration concerning the Corporate Governance Code

The declaration of the Management Board and the Supervisor Board of the company pursuant to Section 161 AktG [Stock Corporation Act], to the effect that the recommendations of the German Corporate Governance Code have been and are being complied with, and which recommendations have been or are not applied, was submitted in the business year and made permanently accessible to the shareholders.

// Participating persons

Julius Baer Multistock, Luxembourg, has informed us in accordance with Section 21 (1) WpHG that said company is entitled to more than 5 % of the voting rights. Furthermore, Mr. Klaus-Peter Schulenberg, Bremen, informed the company that he holds shares that grant him 69.975 % of the voting rights in the company. These notifications were published in the Federal Gazette and submitted to the Federal Supervisory Office for Securities Trading.

Bremen, 7 March 2003

CTS EVENTIM Aktiengesellschaft

Klaus-Peter Schulenberg

Volker Bischoff

Christian Alexander Ruoff

Dr. Rainer Bartsch

The acquisition of the getgo.de Internet platform has strengthened the strategically important Internet ticketing activities to create Europe's biggest ticketing portal. Combining the eventim.de and getgo.de portals is generatign enormous ticketing sales potential.

Note of confirmation for the Group

// Auditor's Note of Confirmation

We have audited the consolidated annual financial statement of CTS EVENTIM Aktiengesellschaft, Bremen, comprising the balance sheet, income statement, computation of share-holder equity changes, cash flow statement and Annex, for the financial year from 1 January to 31 December 2002.

The Management Board of CTS EVENTIM Aktiengesellschaft is responsible for the preparation and content of the consolidated financial statement. Our task is to assess, on the basis of our audit, whether the consolidated financial statement accords with the United States Generally Accepted Accounting Principles (US GAAP).

We conducted our audit of the consolidated financial statement in accordance with German auditing legislation, adhering to the 'General Auditing Principles' as defined by the Institute of Certified Public Accountants in Germany (IDW). According to said principles, the audit must be planned and carried out in such a manner that an adequately secure assessment can be made of whether the consolidated annual financial statement is free of significant errors. When specifying the scope of the audit, knowledge of the business operations and of the financial and legal environment of the Group as well as anticipated sources of potential error were taken into consideration. The audit evaluates on the basis of random samples the documentary evidence for the valuations and information provided in the consolidated annual financial statement. The audit includes an assessment of the accounting principles applied and the principal assessments by the Board of Management of the company, as well as an assessment of the overall presentation of the annual financial statements and the Group management report on the situation of the company and the Group as a whole.

We believe that our audit provides a sufficiently secure basis for our assessment.

We are convinced that the consolidated annual financial statement complies with US GAAP, and that it gives a true and fair view of the net assets, liabilities, financial position and income of the Group, as well as the financial flows during the business year.

Our audit, which also covered the Group management report prepared by the Management Board for the business year from January 1 to December 31, 2002, found no cause for objection. We are convinced that the Group management report on the situation of the company and the Group as a whole, combined with the other disclosures in the consolidated financial statement, provides a correct view of the company's position and of the risks facing the future development of the Group.

We also confirm that the consolidated annual financial statement and the Group management report on the situation of the company and the Group as a whole for the business year from 1 January to 31 December 2002 fulfil the requirements for exemption of the company from preparation of a consolidated annual financial statement and Group management report according to the laws of Germany.

Our checks on conformity with the 7th EU Directive, which is required for exemption from the obligation to prepare consolidated financial statements, were performed on the basis of the interpretation of the Directive by the European Commission Contact Committee on the Accounting Directives.

Munich, 17 March 2003
Central Treuhand AG
Firm of chartered accountants

Mörtl	Schillinger
Chartered Accountant	Chartered Accountant

Publishing or disclosing the consolidated annual financial statement and/or the Group management report in a version that deviates from the one bearing the note of confirmation (including translations of same into other languages) requires that we issue a new auditor's opinion if our note of confirmation is cited in the process, or some other reference is made to our audit; in particular, we draw attention to Section 328 HGB.

Balance sheet for the AG (HGB) as at 31 December 2002

ASSETS		2002 // EUR	2001 // EUR
A// Fixed assets			
I	**Intangible assets**		
1_	Concessions, industrial property rights and similar rights and assets,		
	and licences to such	10 689 420	8 728 643
2_	Goodwill	3 761 307	4 088 378
3_	Payments on account	493 334	157 192
		14 944 061	**12 974 213**
II	**Tangible assets**		
1_	Land, land rights and buildings, including buildings on		
	third-party land	3 393	10 177
2_	Other facilities, operating and office equipment	1 557 975	1 619 258
		1 561 368	1 629 435
III	**Financial assets**		
1_	Shares in affiliated companies	13 084 680	5 477 677
2_	Participations	0	2 613 098
		13 084 680	**8 090 775**
B// Current assets			
I	**Inventories**		
1_	Finished products and goods	1 252 481	106 912
II	**Receivables and other assets**		
1_	Trade receivables	8 979 824	4 321 681
2_	Receivables from affiliated companies	21 188 889	19 501 454
3_	Receivables from companies in which participations are held	35 996	43 225
4_	Other assets	2 036 973	2 591 079
		32 241 682	**26 457 439**
III	**Cheques, cash in hand, Bundesbank balances and bank balances**	**31 118 086**	**3 610 778**
C// Prepaid expenses and accrued income		**259 115**	**91 774**
Total		**94 461 473**	**52 961 326**

EQUITY AND LIABILITIES	2002 // EUR	2001 // EUR
A// Shareholder equity		
I Subscribed capital	12 000 000	12 000 000
II Additional paid-in capital	36 900 000	36 900 000
III Accumulated deficit	–13 773 676	–15 333 693
	35 126 324	**33 566 307**
B// Provisions		
1_ Other provisions	2 645 450	2 157 134
C// Liabilities		
1. Liabilities to banks	6 810 508	1 041 782
2. Trade payables	4 726 174	1 738 012
3. Liabilities to affiliated companies	1 201 185	477 136
4. Other liabilities	43 951 832	13 980 747
	56 689 699	**17 237 677**
D// Deferred income and accrued expenses	**0**	**208**
Total equity and liabilities	**94 461 473**	**52 961 326**

Income statement for the AG (HGB) from 1 January 2002 to 31 December 2002

	2002 // EUR	2001 // EUR
1_ Revenues	19 133 460	12 332 503
2_ Production expenses for services performed	9 938 317	7 664 486
3_ Gross return on sales	**9 195 143**	**4 668 017**
4_ Development expenses	0	221 441
5_ Cost of sales	6 947 702	8 831 055
6_ General administrative expenses	2 565 968	2 641 738
7_ Other operating income	705 368	2 171 954
8_ Other operating expenses	449 622	781 768
9_ Income from participations	58 287	0
10_ Income from profit transfer agreements	806 478	0
11_ Other interest and similar income	1 178 193	1 299 161
12_ Interest and similar expenses	419 042	207 100
13_ Operating profit (EBT)	**1 561 135**	**– 4 543 970**
14_ Taxes on income	0	– 1 816
15_ Other taxes	1 118	1 078
16_ Net income/loss for the year	**1 560 017**	– 4 543 232
17_ Profit/loss carried forward	– 15 333 693	– 10 790 461
18_ Balance-sheet loss	**– 13 773 676**	**– 15 333 693**

CTS offers tickets for many sports events. Football, of course, is a key segment. Tickets for Werder Bremen, VfB Stuttgart or Schalke 04, for example, can be bought at the eventim.de website. A partnership between our GSO subsidiary and the German Football Federation also covers the sale of tickets to international football matches through the CTS and GSO ticketing sales channels.

Notes on the accounts for the AG

// Preparation of the annual financial statement

The annual financial statement for the 2002 financial year was prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB), the Stock Corporation Act (Aktiengesetz) and the Articles of Incorporation.

Where options are available, disclosures were made in the Notes in order to maintain clarity and transparency. The company's accounts were kept in Euros in the 2002 financial year.

// General disclosures on accounting, valuation and currency translation

_Layout The figures for the preceding year were retained in unchanged form.

The layout of the balance sheet complies with that specified in Section 266 HGB in conjunction with Section 152 of the German Stock Corporation Act (AktG); the income statement conforms to the German form of income statement showing 'type of expenditure', pursuant to Section 275 (3) HGB in conjunction with Section 158 AktG.

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

Tangible and intangible assets are valued at purchase or manufacturing cost, including ancillary expenses, minus systematic depreciation.

The goodwill resulting from the merger is amortised over the prospective lifetime of 15 years due to long-term cooperation agreements and minimal customer fluctuation.

The software and customer base acquired in the takeover of the 'getgo.de' Internet portal in 2002 will be depreciated over the prospective amortisation period of 5 years. The trademark rights similarly acquired will be depreciated over 10 years.

Low-value assets involving purchase costs of up to EUR 410 are depreciated in full in the year of purchase, pursuant to the fiscal options provided by Section 6 (2) of the Income Tax Act (EstG).

When calculating the depreciation on fungible assets, the simplification rule for taxation pur-poses (Reg. 44 (2) EStR) is applied, according to which the full annual depreciation is applied to additions made in the first half of the year, and semi-annual depreciation in the case of acquisitions in the second half of the year.

Shareholdings in affiliated companies are valued at purchase cost, including secondary costs.

Inventories are valued at purchase 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 valued at their nominal value minus adjustments for all discernible risks.

The **shareholder equity** was stated at nominal value.

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

Liabilities are shown at redemption value.

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

// Notes and comments on specific items of the annual financial statement

_Balance sheet The breakdown and development of assets is shown in the following analysis:

Analysis of fixed assets for the AG from 01 January 2002 to 31 December 2002

	Purchase cost/Manufacturing cost				
	Status 01.01.2002 // EUR	Additions // EUR	Transfer // EUR	Disposals // EUR	Status 31.12.2002 // EUR
I Intangible assets					
1_ Concessions, industrial property rights and similar rights and assets, and licences in such rights and assets	12 483 707	3 581 866	157 192	0	16 222 765
2_ Goodwill	4 906 055	416 640	0	0	5 322 695
3_ Payments on account	157 192	493 334	– 157 192	0	493 334
	17 546 954	**4 491 840**	**0**	**0**	**22 038 794**
II Tangible assets					
1_ Land, land rights and buildings, including buildings on third-party land and similar land rights without buildings	33 924	0	0	0	33 924
2_ Other facilities, operating and office equipment	4 298 386	707 269	0	3 781	5 001 874
	4 332 310	**707 269**	**0**	**3 781**	**5 035 798**
III Financial assets					
1_ Shares in affiliated companies	5 477 677	4 993 905	2 613 098	0	13 084 680
2_ Participations	2 613 098	0	– 2 613 098	0	0
	8 090 775	**4 993 905**	**0**	**0**	**13 084 680**
Total	**29 970 039**	**10 193 014**	**0**	**3 781**	**40 159 272**

Accumulated depreciation				Book values	
Status 01.01.2002 // EUR	**Additions** // EUR	**Disposals** // EUR	**Status 31.12.2002** // EUR	**Status 31.12.2002** // EUR	**Status 31.12.2001** // EUR
3 755 064	2 175 971	0	5 931 035	10 291 730	8 728 643
817 677	346 021	0	1 163 698	4 158 997	4 088 378
0	0	0	0	493 334	157 192
4 572 741	**2 521 992**	**0**	**7 094 733**	**14 944 061**	**12 974 213**
23 747	6 784	0	30 531	3 393	10 177
2 679 128	768 551	3 780	3 443 899	1 557 975	1 619 258
2 702 875	**775 335**	**3 780**	**3 474 430**	**1 561 368**	**1 629 435**
0	0	0	0	13 084 680	5 477 677
0	0	0	0	0	2 613 098
0	**0**	**0**	**0**	**13 084 680**	**8 090 775**
7 275 616	**3 297 327**	**3 780**	**10 569 163**	**29 590 109**	**22 694 423**

// Receivables and liabilities

All **receivables and other assets** have a residual term of less than one year. **Receivables from affiliated companies** include trade receivables amounting to EUR 1.235 million. The **subscribed shareholder equity** of CTS EVENTIM AG, amounting to EUR 12 000 000 is divided into 12 000 000 no-par value shares. These are bearer unit shares.

As at the balance sheet date, authorised capital amounted to EUR 4 345 000. Authorisation is granted until 30 September 2004. The Management Board is authorised, subject to Supervisory Board approval, to increase the share capital of the company on one or several occasions until 30 September 2004 by up to EUR 4 345 000 in total by issuing up to 4 345 000 no-par value ordinary shares (bearer shares) against cash contributions or contributions in kind. The shareholders must be granted subscription rights. However, the Management Board is authorised to exclude such subscription rights, subject to Supervisory Board approval,

a) in order to remove peak amounts from the subscription rights,

b) for shares representing at most 10 in one hundred of the increased share capital, if these shares are to be issued to employees of the company or employees of the bodies representing its affiliated companies,

c) one or several times for a total amount of up to EUR 1 200 000, if the new shares are issued against cash contributions and the issue price of the new shares does not significantly exceed the market price of those shares already listed on the stock exchange on the date on which the issue price is finally determined, and

d) one or several times for a total amount of up to EUR 2 000 000, if the new shares are issued against contributions in kind.

At the Shareholders' Meeting of 21 January 2000, a **contingent share capital increase** of EUR 180 000 was agreed upon (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.

By resolution of the Shareholders' Meeting on 27 August 2001, the share capital was contingently increased by up to EUR 3 500 000.

This contingent increase in capital is for granting shares to the holders of stock options and convertible bonds that were issued by the company in accordance with the authorisation granted on 27 August 2001.

The contingent increase in capital is effected only to the extent that the holders exercise their stock option and conversion rights, or fulfil their obligation to convert their bonds to stock. 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.

The premium (Section 272 (2) No. 1 HGB) for the shares issued on the stock exchange are disclosed under **Capital reserves.**

The **balance sheet loss** developed as follows:

	// EUR
Loss carried-forward as at 31 December 2001	– 15 333 693
Net income for 2002	1 560 017
Balance-sheet loss as at 31 December 2002	**– 13 773 676**

Other provisions include expenses for outstanding supplier invoices (EUR 749 thousand), legal, consultancy and litigation costs (EUR 743 thousand), accounting and auditing expenses (EUR 200 thousand), personnel expenses (EUR 477 thousand) and outstanding commissions (EUR 476 thousand).

Liabilities to affiliated companies consist entirely of trade payables.

The residual terms of the **liabilities** are shown in the following analysis of liabilities.

	Equities side // EUR	**up to one year** general // EUR	**up to one year** *from taxation **in connection with social security // EUR	**between one and five years** // EUR
1_ Liabilities to banks	6 810 508	5 810 508		1 000 000
2_ Trade liabilities	4 726 174	4 726 174		
3_ Liabilities to affiliated companies	1 201 185	1 201 185		
4_ Other liabilities	43 951 832	43 951 832	728 866 * 85 252 **	
Total	**56 689 699**	**55 689 699**		**1 000 000**

// Income statement

Revenues are broken down as follows:	2002 // EUR '000	2001 // EUR '000
Ticket sales	13 729	8 689
Data line charges	2 332	2 087
System rental, maintenance, installation	1 449	1 190
Sales of merchandise	198	180
Package tours	788	0
Other	637	187
Total	**19 133**	**12 333**

Sales revenues were predominantly generated on the domestic German market.

Cost of sales for the financial year include depreciation on goodwill (EUR 327 thousand) as well as depreciation on the trademark rights (EUR 44 thousand) and the customer base (EUR 19 thousand) of the 'getgo.de' Internet portal acquired during the year.

Material expenses comprised the following items to Section 275 Abs. 2 Nr. 5 HGB:

	2002 // EUR
Cost of raw materials, consumable	438 873
Cost of purchase services	7 084 543
Total	**7 523 416**

Income from participations derives entirely from affiliated companies.

Interest and similar income includes income from affiliated companies amounting to EUR 1.089 million.

Other operating expenses include expenditure of EUR 132 thousand relating to other periods.

Personnel expenses comprised the following items to Section 275 Abs. 2 Nr. 6 HGB:

	2002 // EUR
Wages and salaries	4 205 346
Social security contributions and expenses for pensions and employee support	556 697
Total	**4 762 043**

// Other disclosures

_Contingent liabilities and other financial obligations As at the balance sheet cut-off date, there were contingent liabilities from guarantees amounting to EUR 3.042 million.

Other financial obligations relating to short- and medium-term rental and lease contracts amount to EUR 272 thousand. Of that total , EUR 255 thousand have a maturity of one year or less. Rental obligations amount to EUR 147 thousand, and leasing obligations to EUR 125 thousand.

// Participation held

	Nominal capital share // EUR	Share // %	Shareholder equity // EUR	Annual profit // EUR
GSO Holding GmbH, Hamburg	50 000	80.0	2 203 849	– 878 748
GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Schwegenheim	500 000	50.0	676 479	– 880 239
Ticket Express Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Vienna	36 336	75.0	– 535 868	190 677
CTS Computer Ticket Service Betriebsgesellschaft mbH, Berlin	25 565	66.6	222 015	– 18 042
Vierte Herrengraben 31 Verwaltungsgesellschaft mbH, Hamburg	25 565	100.0	– 1 216 348	– 635 696
eventim Online Holding GmbH, Bremen	25 000	100.0	22 347	– 540
SH Software GmbH, Bremen	100 000	100.0	103 123	– 608
ShowSoft GmbH, Bremen	100 000	100.0	181 159	0
Tickets/S Veranstaltungsservice GmbH, Karlsruhe	258 202	100.0	– 328 317	– 641 536
TimoSoft Software Entwicklungs-GmbH, Oberhausen	26 250	100.0	– 281 692	– 148 807

In the 2002 financial year, a direct control and profit transfer agreement was concluded with ShowSoft GmbH, Bremen. The amount of income from the profit transfer agreement in the reporting year was EUR 806 thousand.

Executive bodies of CTS EVENTIM AG

// Emoluments of the Management Board

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

> Klaus-Peter Schulenberg (Chairman), Bremen
> Dipl.-Ökonom Volker Bischoff, Stuhr
> Dr. Rainer Bartsch, Bremen
> Christian Alexander Ruoff (from 01 July 2002 onwards)
> Dipl.-Kfm. Thomas Vogt, Vechta (until 31 January 2002)

The total emoluments paid to the Management Board in the financial year were EUR 1.309 million.

// Emoluments of the Supervisory Board

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

Edmund Hug (Vorsitzender), Kaufmann, Oberstenfeld

Other supervisory board positions:

- Karlsruher Lebensversicherung AG
- Caatoosee AG Networking Corporation, Stuttgart
- Schlott Sebaldus AG, Freudenstadt
- Lidl & Schwarz GmbH, Neckarsulm
- Scholz AG, Aalen
- IBM Deutschland GmbH, Stuttgart (Chairman until 01 December 2002)

Dr. Peter Haßkamp (Vice-Chairman), Vorstand, Bremen

Other supervisory board positions:

- Deutsche Factoring Bank, Bremen
- DekaBank Deutsche Girozentrale, Berlin/Frankfurt a. M.
- Norddeutsche Landesbank S. A., Luxembourg

Dr. Peter Versteegen, Rechtsanwalt, Hamburg

Other supervisory board positions:

- Höft & Wessels AG, Hannover

The members of the CTS EVENTIM Aktiengesellschaft Supervisory Board received emoluments totalling EUR 61 thousand for the 2002 financial year.

// Employees

On average, 94 persons were employed by the company during the year. These were all salaried employees.

// Declaration concerning the Corporate Governance Code

The declaration of the Management Board and the Supervisory Board of the company pursuant to Section 161 AktG [Stock Corporation Act], to the effect that the recommendations of the German Corporate Governance Code have been and are being complied with, and which recommendations have been or are not applied, was submitted in the business year and made permanently accessible to the shareholders.

// Participating persons

Julius Baer Multistock, Luxembourg, has informed us in accordance with Section 21 (1) WpHG that said company is entitled to more than 5 % of the voting rights. Furthermore, Mr. Klaus-Peter Schulenberg, Bremen, informed the company that he holds shares that grant him 69.975 % of the voting rights in the company. These notifications were published in the Federal Gazette and submitted to the Federal Supervisory Office for Securities Trading.

Bremen, 7 March 2003

CTS EVENTIM Aktiengesellschaft

Klaus-Peter Schulenberg	Volker Bischoff
Christian Alexander Ruoff	Dr. Rainer Bartsch

Mobile ticketing activities were intensified during 2002. In cooperation with Vodafone D2 and T-Mobile, the two major mobile telephony networks, pilot events have been successfully marketed through the new distribution channel.

Note of confirmation for CTS AG

// Auditor's Note of Confirmation

We have audited the annual financial statement, including the accounting, the summarised management report and the Group management report of

>> CTS EVENTIM AG, Bremen,

for the business year from 1 January to 31 December 2002. The accounting and the preparation of the annual financial statement, the summarised management report and the Group management report in accordance with German accounting legislation and the additional provisions in the Articles of Association are the responsibility of the Management Board of the company. Our task was to provide an assessment, based on the audit we conducted, of the annual financial statement, the bookkeeping and the management report.

We conducted our audit in accordance with Section 317 HGB [German Commercial Code], adhering to the 'General Auditing Principles' as defined by the Institute of Certified Public Accountants in Germany e.V. (IDW). According to said principles, the audit must be planned and conducted in such a way that incorrect accounting and infringements that have a significant effect on the presentation of a true and fair view of the assets, liabilities, financial position and profit or loss of the company by the consolidated financial statement according to general accounting principles and by the group management report are identified with sufficient certainty. When specifying the scope of the audit, knowledge of the business operations and of the financial and legal environment of the company, as well as anticipated sources of potential error are taken into consideration.

The audit evaluates the effectiveness of the internal accounting-related auditing system, as well as documentary evidence for the information provided in the bookkeeping, the annual financial statement and the management report, primarily on the basis of random samples. The audit includes an assessment of the accounting principles applied and the principal assessments by the Board of Management of the company, as well as an assessment of the overall presentation of the annual financial statement and the management report. We believe that our audit forms a sufficiently secure basis for our assessment.

Our audit gave no cause for objections.

We are convinced that the annual financial statement complies with generally accepted accounting principles, and that it gives a true and fair view of the net assets, liabilities, financial position and profit or loss of the company. The summarised management report and Group management report provide a correct view of the company's position and of the risks facing the future development of the Group.

Munich, 17 March 2003

Central Treuhand AG

Firm of chartered accountants

Mörtl
Chartered Accountant

Schillinger
Chartered Accountant

Publishing or disclosing the annual financial statement and/or annual report in a version that deviates from the one bearing the note of confirmation (including translations of same into other languages) requires that we issue a new auditor's opinion, if our note of confirmation is cited in the process, or some other reference is made to our audit; in particular, we draw attention to Section 328 HGB.

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_Publisher's notes

Published by	CTS EVENTIM AG, Bremen Contrescarpe 46 D-28195 Bremen Tel. +49 (0)4 21/36 66-1 95 Fax +49 (0)4 21/36 66-2 90
Editors	Engel & Zimmermann AG, CTS EVENTIM AG
Design	Brasilhaus Unternehmens- kommunikation, Bremen
Printed by	Berlin Druck, Achim

Bremen, May 2003

www.eventim.de