Group Interim Report as at 31 March 2007

eventim

Content

1. Overview

Key Group figures

	01.01.-31.03.2007	01.01.-31.03.2006
	[EUR'000]	[EUR'000]
Revenues	73,457	88,077
Gross profit	18,099	31,607
Personnel expenses	6,842	6,871
Operating profit bevor interest, taxes, depreciation and amortization (EBITDA)	11,700	18,496
Deprecitation and amortization	1,245	1,624
Operating profit (EBIT)	10,455	16,872
Profit from ordinary business activities (EBT)	11,499	17,345*
Net income after minority interest	4,760	7,535*
Cash flow	8,611	12,001*
	[EUR]	[EUR]
Earnings per share**, undiluted (= diluted)	0.20	0.31
	[Qty.]	[Qty.]
Number of employees***	700	550
Of which temporary	(95)	(98)

* Adjusted previous-year figures (see 1.7 notes to the consolidated financial statements in the 2006 Annual Report)

** Number of shares: 24 million

*** Number of employees at end of period (active workforce)

2. Foreword by the Management Board

Ladies & Gentlemen,

In this new business year 2007, Internet ticketing is again proving to be a strong and unfaltering growth driver for the CTS Group. In the first three months of 2007 alone, we recorded more than 40 million visitors to our Internet portals, in particular at www.eventim.de and www.getgo.de – an increase of around 50%. The CTS Group sold 1.5 million tickets online, which equates to a 50% improvement year-on-year. Not only are we pioneers in this field, we also have by far the best cutting-edge software. The future of ticketing is the World Wide Web – and as market leader the CTS Group is paving the way.

CTS Group reinforces competencies

The magic word in our industry is 'content'. Many new partnerships are making the range of products and services marketed by the CTS Group even more attractive in the current 2007 business year, thus increasing our coverage as Europe's leading ticket marketer for concerts, theatre and sports events. Three examples will illustrate our expertise:

- With effect from April 2007 and for a term spanning several years, CTS AG has exclusive responsibility for ticketing the cultural events organised by 'Kulturveranstaltungen des Bundes in Berlin GmbH' (KBB). KBB encompasses the Berlin International Film Festival (Berlinale), the Berliner Festspiele arts festival, and the 'House of World Cultures'. KBB has a total annual ticketing volume in excess of 800,000.

- ITR e.V., rights owner and business promoter of the German Touring Masters (DTM), has commissioned CTS Eventim Sports GmbH to handle its entire ticketing operation for a three-year period. In 2007, the DTM is organising eleven races in six European countries. The ten races held last season attracted a total of 832,000 spectators. The partnership between ITR e.V. and CTS Eventim Sports GmbH covers all the DTM distribution channels.

- Since May 2007, the CTS Group will also be supplying its ticketing systems to the Swiss railways (Schweizerische Bundesbahn – SBB). This means that EVENTIM tickets will also be available at SBB ticket offices in around 200 Swiss railway stations. The SBB will also be using the EVENTIM system to sell tickets through its call centres and websites. In addition, the CTS Group has concluded a cooperation agreement with RailAway, the SBB subsidiary in the leisure industry.

Live Entertainment, in the best sense of the word

In addition to ticketing, our business also receives major boosts from ‘live acts’. It is not just the unusually good weather that makes people look forward to the summer festivals, but also the star performers from all over the world who are coming to Germany in the months from June onwards. From 1 to 3 June 2007, Rock am Ring/Rock im Park, the classics among German open-air festivals, will be kicking off the season. Over three full days, the best of the best will be playing at the Zeppelin field at Nürburgring race track. The roll-call of bands reads like the wish list of thousands of gig-goers: Smashing Pumpkins, Die Ärzte, Linkin Park, Muse, The White Stripes, Jan Delay, Kaiser Chiefs and many more. The next in line is the Hurricane Festival from 22 to 24 June 2007. About 50,000 rock fans will come together at the Eichenring track near Scheeßel to celebrate a three-day music party. The Southside Festival, from 22 to 24 June 2007 is Baden-Württemberg’s alternative event near Tuttlingen. 800 metres above sea level, Southside offers a cross-section of the alternative scene at national and international level.

All this is ‘Live Entertainment’ in the best sense of the word – and all this can only be had from CTS EVENTIM.

Yours sincerely,

Klaus-Peter Schulenberg

3. CTS shares

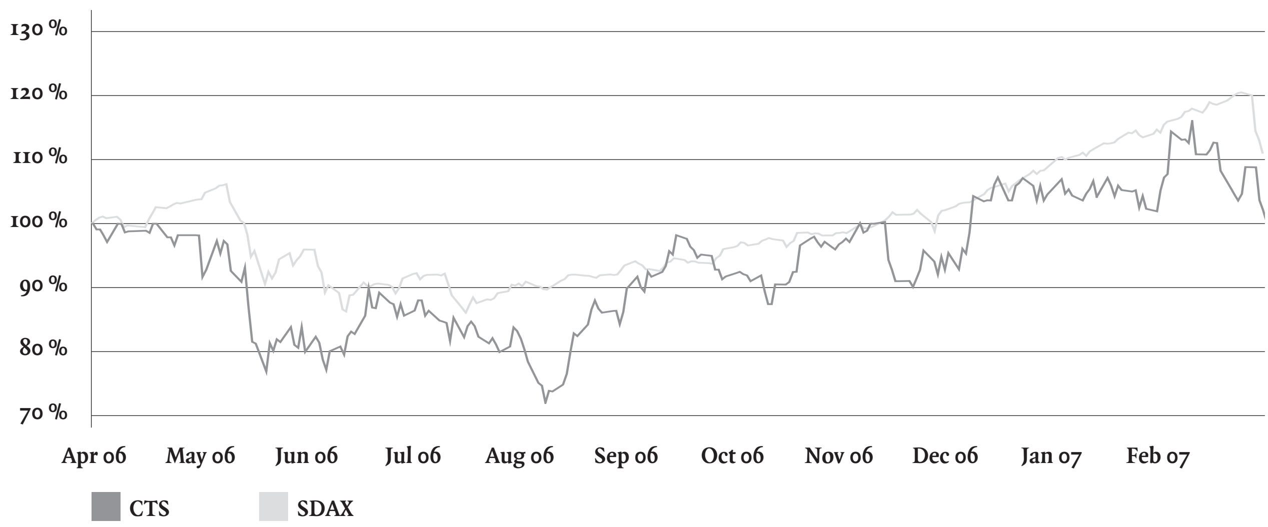
CTS shares: top performance, broad coverage

CTS shares, which are listed in the SDAX index, continued to perform well during the first three months of 2007. The share price on 31 March 2007 was EUR 28.94. The placement of 3.9 million shares with more than 30 institutional investors from different countries in March 2006 increased the free float to 44.9%. This means that CTS shares have become even more attractive for investors. Strong demand for the shares is proof positive that CTS EVENTIM AG (in the following: CTS AG) has finally carved a place for itself on the equities market.

In the business year 2006, SDAX-listed CTS shares reached an increase in share price of around 42% compared to previous year. This makes them one of the most successful shares in 2006. A further aspect is the dividend of EUR 0.49 per share proposed by the Management Board and Supervisory Board at the Annual Shareholders‘ Meeting on 8 June 2007. With 24 million shares outstanding, this meant total distribution of EUR 11.8 million.

In addition to the Designated Sponsors, DZ Bank and Bayerische Landesbank, analyses of CTS shares are also produced by the Berenberg Bank, Credit Agricole Cheuvreux, Morgan Stanley and Citigroup. CTS shares thus enjoy unusually broad coverage. In its most recent study, dated 22 February 2007, Morgan Stanley recommends the shares with an “Overweight” rating and a price target of EUR 37.00.

Share price (01.04.2006 to 31.03.2007 - indexed)



Number of shares held by members of executive organs as at 31 March 2007:	No. of shares [Qty.]	Percentage [in %]
Members of the Management Board:		
Klaus-Peter Schulenberg (Chairman)	12,016,000	50.067%
Volker Bischoff	0	0.000%
Alexander Ruoff	2,000	0.008%
Members of the Supervisory Board:		
Edmund Hug (Chairman)	4,650	0.019%
Dr. Peter Haßkamp	0	0.000%
Prof. Jobst W. Plog	0	0.000%

4. Interim Management Report for the Group

1. Preliminary statements

In the first and second quarter of 2006, the CTS Group executed its 2006 World Cup project. In terms of economic importance, the project had a considerable impact on the earnings performance, financial position and cash flow of the Ticketing segment and hence of the Group as a whole. For better comparison of the quarterly figures with those for the same period of 2006, comments are also provided on the modified figures adjusted for the 2006 World Cup project, in addition to the changes to the figures reported in the interim consolidated financial statements as at 31 March 2006.

2. Report on the earnings performance, financial position and cash flow

Revenues

As expected, the revenue figures for the CTS Group were lower year-on-year due to the special impact of the 2006 World Cup project on the Ticketing segment during the first quarter of 2006. In the Live Entertainment segment, the Q1/2006 was affected to an unusually positive extent by the number of events which were brought forward. These seasonal shifts led to lower revenues and earnings in a year-on-year comparison of quarterly figures.

Total revenues in the CTS Group declined relative to Q1/2006 from EUR 88.1 million to EUR 73.5 million (- 16.6%).

The Ticketing segment continued to grow according to plan: Although revenues before inter-segment consolidation fell by 33.9% to EUR 17.9 million (Q1/2006: EUR 27.1 million), when adjusted by the effects of the 2006 World Cup project in the first quarter of 2006, revenues in this segment actually grew substantially by EUR 5.6 million from EUR 12.3 million to EUR 17.9 million (+ 45.6%). The fast-growing Internet channel was again the key driving force behind this growth. More than 40 million music and event fans (Q1/2006: 27 million) visited the Group's Internet portals, in particular www.eventim.de and www.getgo.de, in the first three months of the year, buying approximately 1.5 million tickets in total (Q1/2006: 1.0 million). This equates to a 50% year-on-year improvement.

Despite the continued and encouraging development of the Live Entertainment segment, revenues before inter-segment consolidation fell by 8.1% from EUR 61.7 million to EUR 56.7 million due to seasonal shifts in the first quarter of 2007. As expected, the excellent revenue and earnings figures in the reporting quarter were below those of the seasonally exceptional strong Q1/2006 (including the tours by Depeche Mode and Xavier Naidoo). In the 2007 business year, incoming orders for concert events in subsequent quarters continue to run at a high level.

Gross profit

The gross margin for the Group as a whole is 24.6%, compared to 35.9% in Q1/2006. This decrease derives primarily from the Ticketing segment, where the gross margin fell to 54.8%, compared to 74.4% in the same period of 2006. After adjusting for the effects of the 2006 World Cup project in Q1/2006, the gross margin in the Ticketing segment was virtually identical, at 54.8%, to the prior-year level (Q1/2006: 56.5%). The gross margin in the Ticketing segment is reduced by inclusion of the sports ticketing field, where margins are not as high, following acquisition of CTS Eventim Sports GmbH.

Despite successful business development in the Live Entertainment segment, it was not possible to maintain the exceptionally high gross margin of 18.8% achieved in Q1/2006 (due to the concentration of high-margin events in that quarter); the margin for the quarter under review came in at 14.7%.

Earnings before interest, taxes, depreciation and amortization (EBITDA)

Group EBITDA for the period under review was EUR 11.7 million (Q1/2006: EUR 18.5 million). Of that total, EUR 5.6 million were generated by the Live Entertainment segment (Q1/2006: EUR 8.5 million). The Ticketing segment generated EUR 6.1 million, compared to EUR 10.0 million in Q1/2006, or EUR 4.0 million after adjusting for the effects of the 2006 World Cup project. The Group EBITDA margin was 15.9% (Q1/2006: to 21.0%).

Operating profit (EBIT)

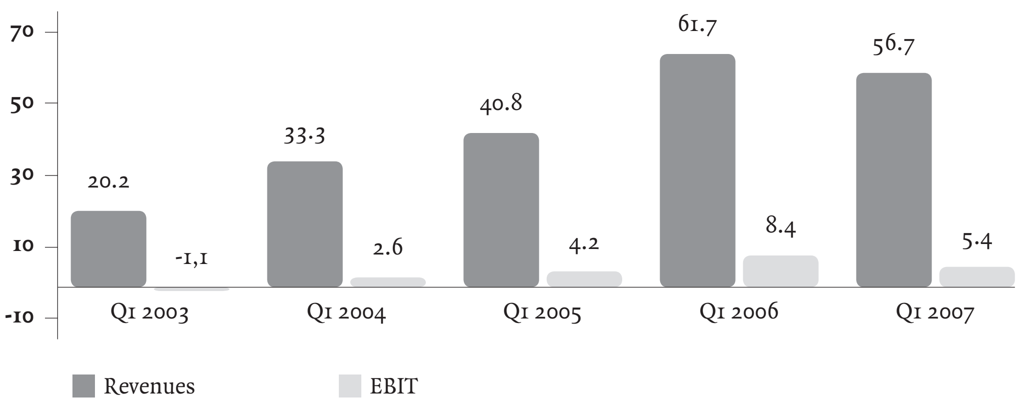
As at 31 March 2007, the CTS Group achieved an EBIT figure of EUR 10.5 million compared to EUR 16.9 million in Q1/2006. The Group EBIT margin came in at 14.2%, compared to 19.2% in Q1/2006.

In the Ticketing segment, after adjustment for the effects of the special 2006 World Cup project, the EBIT of EUR 2.8 million in Q1/2006 increased substantially by EUR 2.3 million to EUR 5.1 million (+ 84.5%), while the EBIT margin of 22.4% was improved to 28.4%. When the 2006 World Cup is included in the figures, EBIT is found to have fallen by 39.7% from EUR 8.4 million in Q1/2006 to EUR 5.1 million so far this year, with an EBIT margin of 28.4% (Q1/2006: 31.1%). The main factors responsible for the encouraging earnings level during the period under review were continued increases in ticketing volumes through box offices and the Internet platforms operated by the CTS Group.

In the Live Entertainment segment, the EBIT figure was EUR 5.4 million, compared to EUR 8.4 million in Q1/2006. The EBIT margin was 9.5% (Q1/2006: 13.7%). In addition to Q1/2006 being strong in revenues and earnings, the margin for the period under review is also affected negatively by a disproportionate growth in preproduction costs relative to revenues, compared to the equivalent figures for Q1/2006.

The following table shows how first-quarter business in the Live Entertainment segment has developed over the past five years.

Live Entertainment (in EUR million)



Following the excellent revenue and earnings figures for the first quarter of 2006, the first quarter of 2007 saw the Live Entertainment segment achieving its second-best performance ever since the IPO.

Profit from ordinary business activities (EBT) and net income after minority interest

Profit from ordinary business activities (EBT) in the period under review amounted to EUR 11.5 million, compared to the EUR 17.3 million achieved in Q1/2006. After deduction of tax expenses and minority interests, net income after minority interest amounted to EUR 4.8 million, compared to EUR 7.5 million in Q1/2006. Earnings per share came in at EUR 0.20 (Q1/2006: EUR 0.31).

Personnel

As at the reporting date, the CTS Group had a total of 700 employees on its payroll, including 95 part-time workers (Q1/2006: 550 employees, including 98 part-timers). Of that total, 507 are employed in the Ticketing segment (Q1/2006: 376 employees) and 193 in the Live Entertainment segment (Q1/2006: 174 employees). The additional companies included in consolidation were the main factor behind this increase in workforce size.

Despite the larger workforce in the CTS Group, personnel expenses remained at about the same level as the year before, at EUR 6.8 million. Of these total personnel expenses, EUR 2.8 million were attributable to the Live Entertainment segment and EUR 4.0 million to the Ticketing segment.

Financial position

The Group's balance sheet total increased 10.1% from EUR 273.8 million as at 31 December 2006 to EUR 301.5 million.

The assets side saw particular an increase in inventories (+ EUR 13.5 million) which was caused by high payments on account relating to future events. Other assets also increased, by EUR 3.1 million.

Of the non-current assets, goodwill in the Ticketing segment increased by EUR 2.8 million due to changes in the scope of consolidation in the first quarter of 2007 and to associated goodwill relating to put options recognised at EUR 2.8 million in accordance with IAS 32. Goodwill has thus been capitalised, taking into account the minority interests furnished with put options. In accordance with IAS 32, minority interests in Group net income are not disclosed in the income statement. Non-current assets include an embedded foreign currency derivative amounting to EUR 22 thousand. The adjustment to the foreign currency derivative carried at fair value through profit or loss was carried at EUR 22 thousand under other operating income.

On the equity and liabilities side, current liabilities increased by EUR 20.0 million, due especially to increased amounts of advance payments received (+ EUR 21.4 million) in the Live Entertainment segment in connection with ticket money already received for events in forthcoming quarters.The change in non-current liabilities was due to a lower amount of other liabilities relating to the handling of acquired distribution rights. This is offset by an increase in medium- and long-term financial liabilities resulting from a purchase-price commitment in respect of put options, in accordance with IAS 32.

Shareholders' equity increased from EUR 95.2 million to EUR 102.1 million. The equity ratio (shareholders' equity divided by balance sheet total) is 31.8%, compared to 33.3% on 31 December 2006.

Cash flow

The financial funds shown in the cash flow statement are equal to the cash and cash equivalents in the balance sheet.

The financial position in the period under review is characterised by a positive operating cash flow. Net inflow of funds from operating activities amounts to EUR 5.9 million, compared to net outflow of EUR 5.4 million in Q1/2006. This cash flow is primarily attributable to the positive growth in advance ticket sales.

Cash flow from investing activities decreased to EUR 2.9 million compared to EUR 9.7 million in Q1/2006, due to less investments in acquisitions and distribution rights.

The net cash outflow for financing activities, at EUR 0.4 million, was almost at the same level as the EUR 0.3 figure for Q1/2006.

As at the balance sheet date, the Group's cash and cash equivalents totalled EUR 156.1 million, compared to EUR 153.6 million as at 31 December 2006. Cash and cash equivalents in the Ticketing segment consist essentially of ticket revenues from pre-sales for events in forthcoming quarters (ticket revenues that have not yet been invoiced), which are carried under other liabilities at EUR 37.2 million (Q1/2006: EUR 38.2 million).

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

3. Events after the balance sheet date

With effect from 18 May 2007, CTS AG acquired shares in the Italian, Milan-based company of TicketOne S.p.A. TicketOne is the leading provider of ticketing services in Italy and in 2006 sold more than 13 million tickets through direct sales channels and its inhouse systems. In fiscal 2006, the TicketOne Group generated revenues of EUR 16.4 million and an EBITDA of EUR 2.2 million. In a first step, CTS AG has acquired a share of about 43% for around EUR 14 million, combined with the option of full consolidation within the CTS Group. A purchase option ensures that CTS AG can also take over the remaining shares in TicketOne from the seller within the medium term.

4. Risks

In the context of a systematic and efficient risk management system, the risks facing the CTS Group are limited and controllable. There are no identifiable risks that might jeopardise the continued existence of the Group as a going concern. The statements made in the risk report included in the 2006 Annual Report remain valid.

5. Report on important transactions with related parties

Pursuant to Section 17 (1) AktG, a dependent relationship exists at the reporting date with the majority shareholder, Mr. Klaus-Peter Schulenberg (the controlling company), and with companies with which he is associated.

CTS AG transactions with related parties pertain to reciprocal services and were concluded only at the conditions which normally apply between third parties. The majority shareholder of CTS AG is a controlling shareholder of other companies associated with the Group. In the first quarter of 2007, there were contractual relations between CTS AG and the companies associated with the controlling shareholder. In the first three months of 2007, these contractual relations gave rise to expenses of EUR 2.2 million, mainly relating to fulfilment services (EUR 1.4 million) and call centre operations (EUR 0.4 million) and business services agreements (EUR 0.2 million). These were offset in the first quarter of 2007 by EUR 0.1 million in income from the supply of ticketing software and from passing on operating expenses to other entities. Trade payables to related companies totalled EUR 0.7 million on the reporting date. Trade receivables amounting to EUR 0.1 million were carried.

Affiliated companies not included in consolidation due to insignificance account for EUR 1.3 million in trade receivables, and EUR 0.3 million in trade payables. In the first three month of 2007 income of EUR 0.2 million and expenses of EUR 0.1 million arose from these companies.

6. Outlook

In a generally favourable economic climate, sustained profitable growth is expected to continue in both segments over the rest of the year.

In the Ticketing segment, it is assumed that intensifying marketing via the Internet will persist. High priority is attached this 2007 business year to new technologies and innovative products, and to strengthening the market position in other European countries. Another key focus will be on increasing the technological lead over the competition. The merger and acquisitions activities will also contribute to further growth of the segments during the year. Even today, the CTS Group enjoys a strong position in Poland, Slovakia, Hungary, Croatia, Slovenia, Romania, Bulgaria, Bosnia-Herzegovina and Serbia. In December 2006, the CTS Group took over 51% of the shares in Zritel 0.0.0., a Moscow-based company and a key acquisition in the Russian market. As explained in 'events after the balance sheet date', TicketOne, the leading provider of ticketing services in Italy, was taken over in May 2007. In addition to Russia and Italy, expansion plans are also focused on Turkey, Spain, for example, as well as on other European countries.

In the Live Entertainment segment, concert events featuring Genesis, Grönemeyer and The Police are ensuring that incoming orders will be kept at a strong level over the rest of the 2007 business year. Cult band Genesis will be appearing live again this summer for the first time in 15 years, with 100,000 tickets being sold via the www.eventim.de and www.getgo.de online portals when advance booking started. Demand for tickets for Herbert Grönemeyer concerts was similarly huge.

The Management Board is optimistic about business development in the current year and expects the company's overall performance in 2007 to exceed that of 2006. The intention now is that growth throughout the 2007 business year will compensate for the absence of the positive impacts deriving from the 2006 World Cup in the first and second quarter of 2006.

Forward-looking statements

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

Bremen, 23 May 2007

CTS EVENTIM Aktiengesellschaft

Management Board

5. Interim consolidated financial statements as at 31 March 2007

Consolidated balance sheet as at 31 March 2007 (IFRS)

Assets	31.03.2007 [EUR]	31.12.2006 [EUR]
Current assets		
Cash and cash equivalents	156,097,076	153,594,858
Trade receivables	21,334,662	19,130,037
Receivables from affiliated companies	1,086,802	773,665
Inventories	32,151,190	18,654,618
Receivables from income tax	4,200,582	3,841,524
Other assets	15,618,948	12,540,433
Total current assets	**230,489,260**	**208,535,135**
Non-current assets		
Fixed assets	5,502,288	5,544,962
Intangible assets	8,709,311	8,442,733
Financial assets	1,149,971	1,295,822
Investments stated at equity	8,234	15,552
Loans	2,397,999	2,618,563
Trade receivables	43,673	879
Receivables from affiliated companies	423,961	339,076
Other assets	116,253	27,410
Goodwill	50,333,662	44,711,238
Deferred tax assets	2,366,693	2,305,230
Total non-current assets	**71,052,045**	**65,301,465**
Total assets	**301,541,305**	**273,836,600**

Consolidated balance sheet as at 31 March 2007 (IFRS)

Shareholders' equity and liabilities	31.03.2007 [EUR]	31.12.2006 [EUR]
Current liabilities		
Short-term financial liabilities and current portion of long-term financial liabilities	4,073,332	5,075,994
Trade payables	21,781,711	22,357,589
Payables to affiliated companies	409,773	539,768
Advance payments received	99,436,975	78,055,238
Other provisions	1,366,508	1,001,536
Tax provisions	10,720,237	8,523,048
Other liabilities	55,870,380	58,070,769
Total current liabilities	**193,658,916**	**173,623,942**
Non-current liabilities		
Medium- and long-term financial liabilities	2,806,364	0
Trade payables	82,956	0
Other liabilities	1,051,000	3,153,000
Pension provisions	1,861,410	1,814,605
Total non-current liabilities	**5,801,730**	**4,967,605**
Shareholders' equity		
Share capital	24,000,000	24,000,000
Capital reserve	23,302,357	23,302,357
Earnings reserve	11,496	0
Balance sheet profit	48,573,596	43,813,348
Minority interest	6,192,384	4,128,607
Currency differences	826	741
Total shareholders' equity	**102,080,659**	**95,245,053**
Total shareholders' equity and liabilities	**301,541,305**	**273,836,600**

Consolidated income statement for the period from 1 January to 31 March 2007 (IFRS)

	01.01.-31.03.2007	01.01.-31.03.2006
	[EUR]	[EUR]
Revenues	73,457,362	88,077,428
Cost of sales	-55,358,839	-56,469,962
Gross profit	**18,098,523**	**31,607,466**
Selling expenses	-4,957,591	-10,925,221
General administrative expenses	-3,263,892	-3,235,963
Other operating income / expenses	578,236	-574,041
Operating profit (EBIT)	**10,455,276**	**16,872,241**
Financial income / expenses and other taxes	951,298	482,094*
Income / expenses from companies in which participations are held	100,000	866
Income / expenses from investments stated at equity	-7,318	-10,005
Profit from ordinary business activities (EBT)	**11,499,256**	**17,345,196***
Taxes on income (including deferred taxes)	-4,474,360	-7,027,086
Net income before minority interest	**7,024,896**	**10,318,110***
Minority interest	-2,264,649	-2,783,037*
Net income after minority interest	**4,760,247**	**7,535,073***
Earnings per share (in EUR); undiluted (= diluted)	0.20	0.31
Average number of shares in circulation; undiluted (= diluted)	24,000,000	24,000,000

* Adjusted previous-year figures (see 1.7 notes to the consolidated financial statements in the 2006 Annual Report 2006)

Consolidated cash flow statement for the period from 1 January to 31 March 2007 (IFRS) (short form)

	01.01.-31.03.2007 [EUR]	01.01.-31.03.2006 [EUR]
Net income after minority interest	4,760,247	7,535,073*
Minority interest	2,264,649	2,783,037*
Depreciation and amortization on property, plant and equipment	1,595,077	1,623,959
Additions to pension provisions	46,805	73,839*
Deferred tax expenses / income	-55,280	-15,348
Cash flow	**8,611,498**	**12,000,560***
Cash flow from operating activities	5,853,537	-5,448,544
Cash flow from investing activities	-2,932,845	-9,654,418
Cash flow from financing activities	-418,474	-331,872
Net increase / decrease in cash and cash equivalents	**2,502,218**	**-15,434,834**
Cash and cash equivalents at beginning of period	153,594,858	136,284,989
Cash and cash equivalents at end of period	**156,097,076**	**120,850,155**

* Adjusted previous-year figures (see 1.7 notes to the consolidated financial statements in the 2006 Annual Report 2006)

Consolidated statement of changes in shareholders' equity (IFRS)

	Status as at 31.12.2003 [EUR]	Status as at 31.12.2004 [EUR]	Status as at 31.12.2005 [EUR]	Status as at 31.03.2006 [EUR]	Status as at 31.12.2006 [EUR]	Change [EUR]	Status as at 31.03.2007 [EUR]
Share capital	12,000,000	12,000,000	24,000,000	24,000,000	24,000,000	0	24,000,000
Capital reserve	36,401,753	35,322,647	23,302,357	23,302,357	23,302,357	0	23,302,357
Earnings reserve	0	0	0	0	0	11,496	11,496
Balance sheet profit	2,347,578	12,549,864	28,440,918*	35,975,991*	43,813,348	4,760,248	48,573,596
Minority interest	6,794,256	6,451,873	6,327,698*	9,131,995*	4,128,607	2,063,777	6,192,384
Currency differences	0	4,676	-331	-6,404	741	85	826
Shareholders' capital	**57,543,587**	**66,329,060**	**82,070,642***	**92,403,939***	**95,245,053**	**6,835,606**	**102,080,659**

* Adjusted previous-year figures (see 1.7 notes to the consolidated financial statements in the 2006 Annual Report 2006)

Selected explanatory notes

1. Preliminary statements

The CTS AG is a corporate enterprise listed on the stock exchange and domiciled in Munich; its head office is located in Bremen. The consolidated financial statements for the first quarter of fiscal 2007 now presented as an interim report for CTS AG and its subsidiaries was approved by the Management Board for publication in its decision of 23 May 2007.

2. Basis of reporting

The present, unaudited Group Interim Report as at 31 March 2007 was prepared in compliance with the applicable regulations of the Securities Trading Act (WpHG) and in accordance with the International Financial Reporting Standards (IFRS) and the Interpretations thereof as applicable on the reporting date, and in the form applicable within the European Union (EU). The interim consolidated financial statements contain all the information required to give a true and fair view of the earnings performance, financial position and cash flow of the Group.

The comparative figures included in the income statement relate to the interim consolidated financial statements as at 31 March 2006, and those in the balance sheet to the consolidated financial statements as at 31 December 2006.

The accounting, valuation and consolidation methods are essentially the same as those applied in the consolidated financial statements as at 31 December 2006. A detailed description of the accounting principles and any changes therein was published in the 2006 Annual Report under point 1.7 of the notes to the consolidated financial statements.

The changes made to the accounting and valuation methods as at 31 December 2006 have had only negligible effects on the income statement for the first quarter of 2006. The income statement figures for the first quarter of 2006 were adjusted accordingly.

3. Changes in the scope of consolidation

The consolidated financial statements include CTS AG as the parent company as well as all the relevant subsidiaries over which control is directly or indirectly exercised.

The following changes occurred during the reporting period and/or in relation to the corresponding period in 2006.

Ticketing

CTS AG acquired 100% of the shares in TicTec AG, Basle, on the basis of a contract of sale dated 26 July 2006. In the course of this acquisition, the company was renamed CTS Eventim Schweiz AG, with the respective changes being registered in February 2007. The company was included for the first time in consolidation as from 1 July 2006.

With effect from 1 January 2007, CTS AG acquired 51% of the shares in Zritel o.o.o., Moscow. Zritel (in englisch: “Spectator”) is Russia’s biggest private-sector provider of ticketing services and operates the Kontramarka and Parter ticketing systems. Zritel is also the operator of the two major Russian Internet ticketing portals, www.parter.ru and www.kontramarka.ru. The company was included for the first time in consolidation as from 1 January 2007.

With a notarial contract dated 22 February 2007 and with effect from the same day, CTS AG acquired the remaining 20% share, previously held by an external shareholder, in GSO Holding GmbH, domiciled in Bremen, and since that date has therefore held 100% of the shares in said company.

Live-Entertainment

In the second half of 2006, 51% of the shares in Act Entertainment AG, which is domiciled in Basle, were acquired through Medusa Music Group GmbH, Bremen, the holding company in the Live Entertainment segement. The company was included for the first time in consolidation as from 1 November 2006.

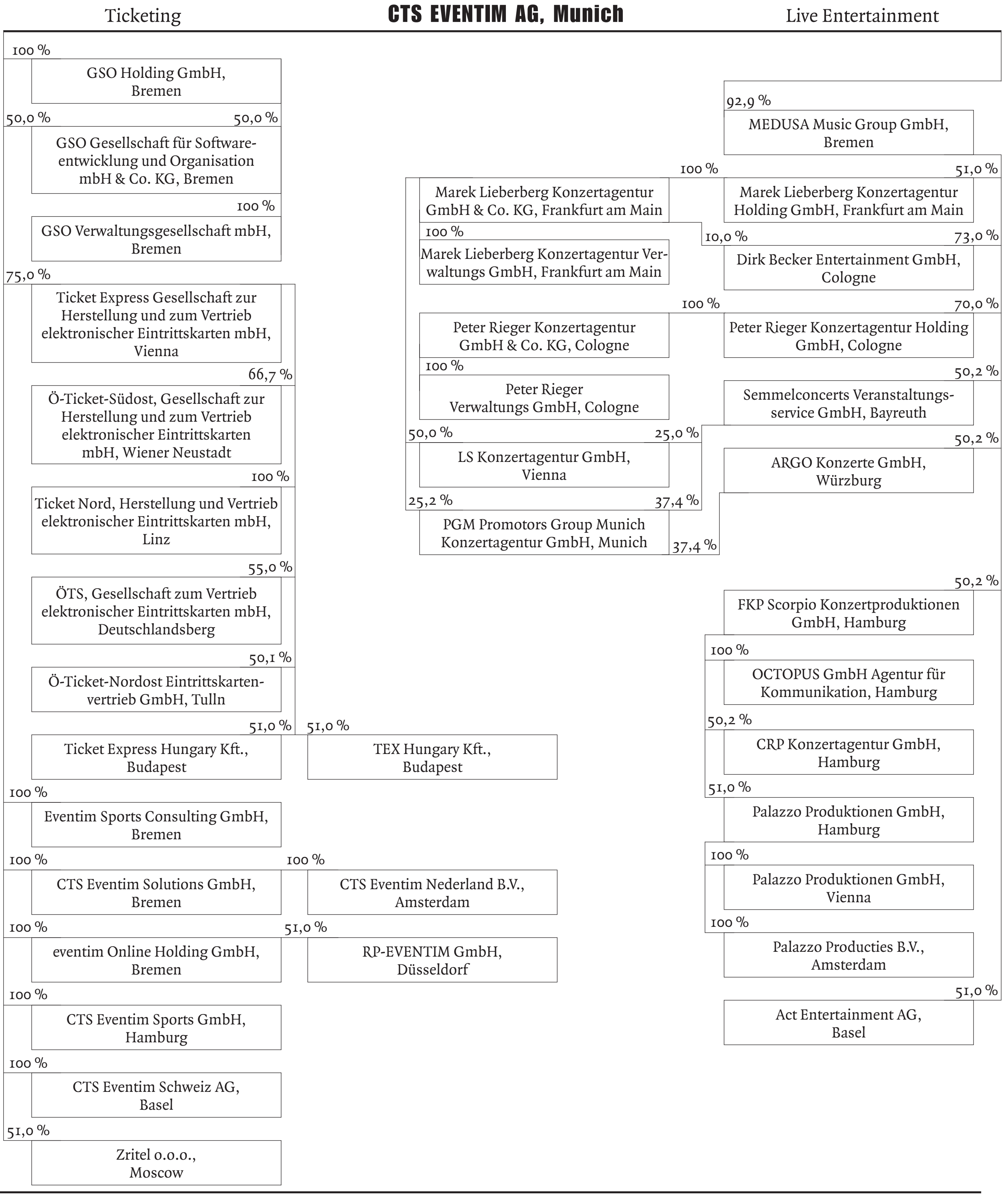
In fiscal 2006, Palazzo Produktionen GmbH, Hamburg, increased its share in Palazzo Produktionen GmbH, Vienna, from 90% to 100%.

In the 2006 financial year, Palazzo Produktionen GmbH, Hamburg, also acquired 100% of the shares in Palazzo Producties B.V., Amsterdam. The company was included for the first time in consolidation as from 1 October 2006.

With effect from 1 January 2007, OCTOPUS GmbH Agentur für Kommunikation, Hamburg, was included in consolidation for the first time. OCTOPUS GmbH is a wholly-owned subsidiary of FKP Scorpio Konzertproduktionen GmbH, Hamburg.

These changes in the scope of consolidation have had no material impacts on the earnings performance, financial position and cash flow of the CTS Group.

Corporate structure of CTS AG and its subsidiaries
Status: 31 March 2007



4. Segment reporting

	01.01.-31.03.2007 [EUR'000]	01.01.-31.03.2006 [EUR'000]
Segment Ticketing		
Revenues	17,911	27,081
EBITDA	6,142	9,949
EBIT	5,083	8,425
Employees [Qty.] as at 31.03.	507	376
Segment Live Entertainment		
Revenues	56,673	61,663
EBITDA	5,552	8,549
EBIT	5,366	8,449
Employees [Qty.] as at 31.03.	193	174
Consolidation		
Revenues	-1,127	-667
EBITDA	6	-2
EBIT	6	-2
Group		
Revenues	73,457	88,077
EBITDA	11,700	18,496
EBIT	10,455	16,872
Employees [Qty.] as at 31.03.	700	550