



**GROUP INTERIM REPORT  
AS AT 31 MARCH**

**2016**

eventim



# KEY GROUP FIGURES

|  | 01.01.2016<br>- 31.03.2016 | 01.01.2015<br>- 31.03.2015 | Change         |
|--|----------------------------|----------------------------|----------------|
|  | [EUR'000]                  | [EUR'000]                  | [in %]         |
| Revenue  | 163,210                    | 151,726                    | 7.6            |
| EBITDA   | 38,496                     | 36,749                     | 4.8            |
| EBITDA margin  | 23.6%                      | 24.2%                      | -0.6 pp        |
| EBIT   | 31,318                     | 29,847 <sup>1</sup>        | 4.9            |
| EBIT margin  | 19.2%                      | 19.7% <sup>1</sup>         | -0.5 pp        |
| Normalised EBITDA  | 38,765                     | 36,749                     | 5.5            |
| Normalised EBIT before amortisation from purchase price allocation               | 34,193                     | 32,725 <sup>1</sup>        | 4.5            |
| <i>Normalised EBITDA margin</i>  | <i>23.8%</i>               | <i>24.2%</i>               | <i>-0.4 pp</i> |
| <i>Normalised EBIT margin before amortisation from purchase price allocation</i> | <i>21.0%</i>               | <i>21.6% <sup>1</sup></i>  | <i>-0.6 pp</i> |
| Non-recurring items <sup>3</sup>   | 269                        | 0                          | -              |
| Amortisation resulting from purchase price allocation                            | 2,606                      | 2,878 <sup>1</sup>         | -9.5           |
| Earnings before tax (EBT)  | 29,899                     | 29,467 <sup>1,2</sup>      | 1.5            |
| Net income after non-controlling interest  | 18,587                     | 18,419 <sup>1,2</sup>      | 0.9            |
| Cash flow  | 28,530                     | 30,014 <sup>1,2</sup>      | -4.9           |
|  | [EUR]                      | [EUR]                      |                |
| Earnings per share <sup>4</sup> , undiluted (= diluted)                          | 0.19                       | 0.19 <sup>1,2</sup>        |                |
|  | [Qty.]                     | [Qty.]                     |                |
| Number of employees <sup>5</sup>   | 2,168                      | 2,091                      |                |
| Of which temporary   | (376)                      | (348)                      |                |

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of the Italian ticketing business 'Listicket'

<sup>2</sup> Adjusted prior-year figures due to the final purchase price allocation for the investment accounted for at equity of SETP/HOI Holding B.V., Amsterdam

<sup>3</sup> Cf. Page 6 for non-recurring items

<sup>4</sup> Number of shares: 96 million

<sup>5</sup> Number of employees at end of year (active workforce)

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# 1. LETTER TO THE SHAREHOLDERS



Klaus-Peter Schulenberg  
Chief Executive Officer

Ladies and Gentlemen,

We started the new financial year with good results. These include, in particular, the successful continuation of our growth course, both within and beyond Europe. Just over a year after its admission to the MDAX, CTS EVENTIM continues to uphold the confidence of the capital markets. A look at the figures shows that we are on the right track. At Group level, we once again succeeded in increasing revenue in the first three months of 2016 by 7.6% year on year to EUR 163.2 million. Normalised EBITDA grew by 5.5% to EUR 38.8 million in the same period.

## **EXPANSION IN SOUTH AMERICA, A MARKET OF THE FUTURE**

The Olympic Summer Games will begin in Rio de Janeiro in August 2016. Right now, CTS EVENTIM is successfully handling the ticketing operations for this event, with a volume of around 9 million tickets. This ticketing agreement was the first major step into the South American market. We recently took a second important step by signing a joint venture between CTS EVENTIM and Latin America's leading music label, Sony Music Entertainment, in April. Our leading ticketing technology combined with Sony Music stars such as Shakira, Enrique Iglesias and Ricky Martin creates a powerful, united force for a strong and sustained growth in South America. The continent, with more than 400 million inhabitants and one of the world's most vibrant music scenes, holds tremendous potential for us. The new joint venture provides ticket systems and the services to match for promoters and venues.

## **EXPANSION OF EUROPEAN MARKET LEADERSHIP**

We also continued to grow in Europe and have expanded our existing market leadership. In April 2016, CTS EVENTIM formed a joint venture with Denmark's largest media company, Egmont, through which we aim to achieve a leading position in the Scandinavian ticketing market. For this purposes, the Egmont subsidiary Nordisk Film A/S is merging its ticketing companies with the Swedish activities of CTS EVENTIM. The ticketing companies already have a well-established market presence and tremendous growth potential. Together, we will also launch the EVENTIM ticketing solutions in Denmark and Norway, and we will significantly expand our position in Sweden.

## **E-COMMERCE, A DRIVER OF GROWTH**

The Ticketing segment continues to develop extremely well, as the figures for the first quarter of 2016 indicate. Revenue grew by 11.6% to EUR 84.8 million. Normalised EBITDA rose to EUR 32.8 million – a year-on-year increase of 12.4%. The main driver of this growth is CTS EVENTIM's consistent E-Commerce strategy. Our Web-based ticketing systems are leading the field. With the EVENTIM apps for smartphones and tablets, which are constantly being improved, we are also winning over more and more customers who use their mobile devices to search for tickets and book tickets. These innovations are paying off: the number of tickets sold online increased by 20.2% to around 9.4 million in the first quarter. We will continue on this path and will significantly expand our position as the world's second-largest ticketing service provider.

## **LIVE ENTERTAINMENT SEGMENT POSTS WEAKER EARNINGS AS EXPECTED**

In the Live Entertainment segment, CTS EVENTIM remains Europe's market leader and the third-largest provider worldwide according to visitor numbers. With record earnings in 2015 on account of an unusually large number of major tours as a basis, business development was more moderate in the first quarter of the new financial year, as expected. Revenue increased by 3.0% to EUR 79.6 million, whereas EBITDA fell by 21.2% from the previous year's record result to EUR 6.0 million, in line with expectations. The CTS Group plans to expand its extensive network of subsidiaries and participations in the current financial year. We believe that we are very well positioned in the Live Entertainment segment thanks to our broad portfolio of iconic venues and a unique offering of attractive music, cultural and leisure events. Here, CTS EVENTIM is also benefiting from the growing desire for genuine live entertainment in an increasingly digital world.

The good start to 2016 financial year puts us in optimistic spirits for the challenges of the months ahead. I would especially like to thank our employees, who will continue to drive CTS EVENTIM's growth with their outstanding dedication and commitment in the current financial year.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Klaus-Peter Schulenberg".

Klaus-Peter Schulenberg  
Chief Executive Officer

EVENTIM Management AG,  
general partner of  
CTS EVENTIM AG & Co. KGaA

## 2. CTS EVENTIM SHARES

After strong development in the 2015 financial year, the performance of CTS EVENTIM shares was characterised by profit taking in an extremely volatile market environment in the first quarter of 2016. After gaining around 52% in the 2015 financial year, CTS EVENTIM shares lost in value by approximately 15% in the first quarter of 2016. By comparison, the MDAX dropped 2% in the first quarter of 2016 following an almost 28% increase in 2015.

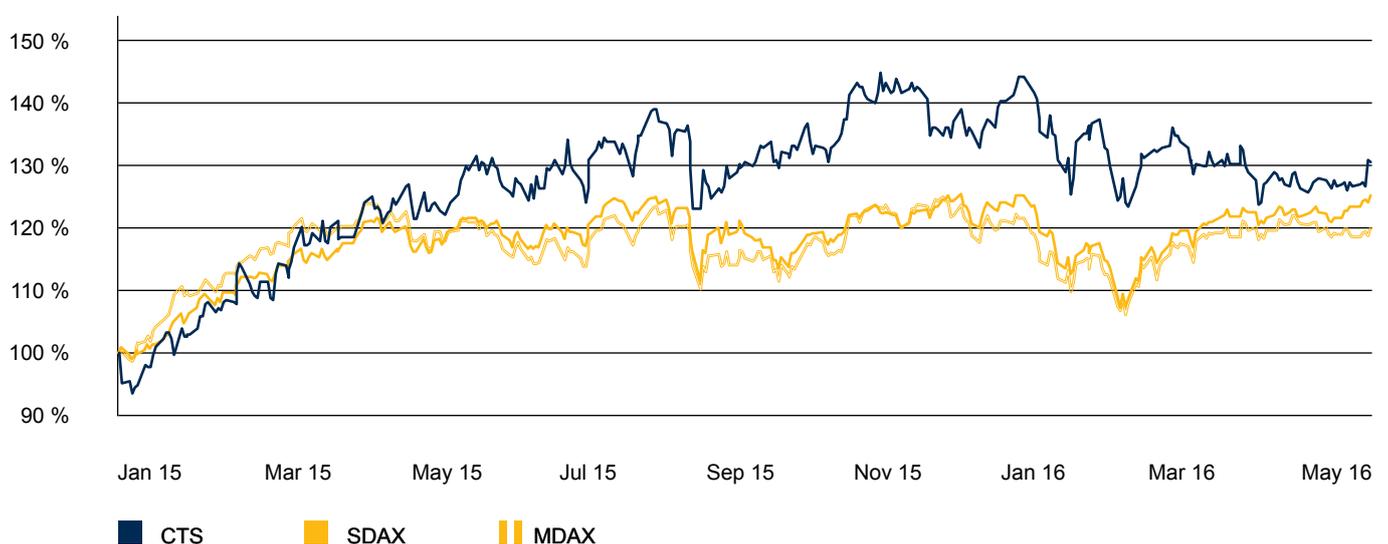
In view of the unchanged, successful business model of CTS EVENTIM AG & Co. KGaA (hereinafter: CTS KGaA) and the related constant growth, CTS EVENTIM shares remain a highly profitable investment. Over the last three and five years (as at the reporting date 31 March 2016), CTS EVENTIM shares have outperformed the MDAX benchmark by 94% and 107% respectively.

With the publication of the 2015 Annual Report, corporate management decided to propose a dividend of EUR 0.46 per eligible share for the past financial year. This is the eleventh dividend that the company has paid to its shareholders. Since the first dividend payment in 2006, the sum of total dividend payments therefore increases to nearly EUR 250 million with an average dividend growth of 18.3% per year.

Interest in CTS KGaA continues unabated. In the first quarter of 2016, CTS KGaA was again presented at several investor conferences and national and international road shows. Both national and international investors continued to show considerable interest in CTS KGaA's business model and appreciate the ongoing dialogue with corporate management in this respect.

Financial analysts of various banks continue to rate CTS KGaA shares positively. In addition to Bankhaus Lampe and Berenberg, Bankhaus Metzler, Commerzbank, DZ Bank, M.M. Warburg and Oddo Seydler Bank AG all issued buy recommendations. Deutsche Bank, Exane BNP Paribas and Nord LB recommend that their customers hold CTS EVENTIM shares.

### THE CTS EVENTIM SHARE PRICE (01.01.2015 – 20.05.2016 - INDEXED)



Number of shares held by members of executive organs as at 31 March 2016:

|  | Number of<br>shares | Share  |
|--|---------------------|--------|
|  | [Qty.]              | [in %] |
| <b>Members of the corporate management:</b>                        |                     |        |
| Klaus-Peter Schulenberg (Chief Executive Officer) / KPS Stiftung * | 48,194,000          | 50.202 |
| Volker Bischoff  | 0                   | 0.000  |
| Alexander Ruoff  | 8,000               | 0.008  |
| <b>Members of the Supervisory Board:</b>                           |                     |        |
| Edmund Hug (Chairman)  | 21,300              | 0.022  |
| Prof. Jobst W. Plog  | 3,900               | 0.004  |
| Dr. Bernd Kundrun  | 14,600              | 0.015  |

\* Mr. Klaus-Peter Schulenberg has an indirect holding in CTS KGaA via KPS Stiftung. On 28 December 2015, Klaus-Peter Schulenberg transferred 48,194,000 shares with voting rights of CTS KGaA (50.2% of share capital) as well as 50,000 shares with voting rights of EVENTIM Management AG (100% of share capital) to KPS Stiftung seated in Hamburg. According to the current administrative practice of the German Federal Financial Supervisory Authority (hereinafter: BaFin), there is no reporting obligation pursuant to § 15a of the German Securities Trading Act (WpHG) (Directors' Dealings), as the given transfer involves an endowment, or a transfer of shares without any consideration. BaFin has also provided KPS Stiftung with an exemption according to § 37 of the German Securities Acquisition and Takeover Act (WpÜG) from submitting a mandatory takeover offer according to § 35 WpÜG, as Klaus-Peter Schulenberg's holdings in CTS KGaA and EVENTIM Management AG are only being converted from a direct into an indirect holding.

Change in company shares or related financial instruments by Board members:

| Name       | Position                    | Transaction | Date       | Number of<br>shares |
|------------|-----------------------------|-------------|------------|---------------------|
| Edmund Hug | Member of Supervisory Board | Purchase    | 22.01.2016 | 2,000               |

## 3. INTERIM GROUP MANAGEMENT REPORT

### 1. EARNINGS PERFORMANCE, FINANCIAL POSITION AND CASH FLOW

#### EARNINGS PERFORMANCE

|  | 01.01.2016<br>- 31.03.2016 | 01.01.2015<br>- 31.03.2015 | Change    |        |
|--|----------------------------|----------------------------|-----------|--------|
|  | [EUR'000]                  | [EUR'000]                  | [EUR'000] | [in %] |
| Revenue  | 163,210                    | 151,726                    | 11,484    | 7.6    |
| Gross profit   | 60,302                     | 54,751 <sup>1</sup>        | 5,551     | 10.1   |
| EBITDA   | 38,496                     | 36,749                     | 1,747     | 4.8    |
| EBIT   | 31,318                     | 29,847 <sup>1</sup>        | 1,471     | 4.9    |
| <b>Non-recurring items:</b>  |                            |                            |           |        |
| Acquisition costs  | 269                        | 0                          | 269       | -      |
| Normalised EBITDA  | 38,765                     | 36,749                     | 2,016     | 5.5    |
| Amortisation from purchase price allocation                        | 2,606                      | 2,878 <sup>1</sup>         | -272      | -9.5   |
| Normalised EBIT before amortisation from purchase price allocation | 34,193                     | 32,725 <sup>1</sup>        | 1,468     | 4.5    |
| Financial result   | -1,419                     | -380 <sup>2</sup>          | -1,039    | 273.4  |
| Earnings before tax (EBT)  | 29,899                     | 29,467 <sup>1,2</sup>      | 432       | 1.5    |
| Taxes  | -9,039                     | -8,871 <sup>1</sup>        | -168      | 1.9    |
| Non-controlling interest   | -2,273                     | -2,177 <sup>1</sup>        | -96       | 4.4    |
| Net income after non-controlling interest                          | 18,587                     | 18,419 <sup>1,2</sup>      | 168       | 0.9    |

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of the Italian ticketing business 'Listicket'

<sup>2</sup> Adjusted prior-year figures due to the final purchase price allocation for the investment accounted for at equity of SETP/HOI Holding B.V., Amsterdam

## REVENUE GROWTH

The **CTS Group** generated EUR 163.210 million in revenue in the period under review, compared to EUR 151.726 million in Q1/2015 (+7.6%). Revenue (before consolidation between segments) breaks down into EUR 84.814 million in the Ticketing segment (Q1/2015: EUR 75.974 million) and EUR 79.589 million in the Live Entertainment segment (Q1/2015: EUR 77.296 million). The share of revenue generated by foreign subsidiaries was at 33.3% (Q1/2015: 31.5%).

The **Ticketing segment** generated EUR 84.814 million in revenue in the period under review (before consolidation between segments), up 11.6% from EUR 75.974 million in Q1/2015. Revenue increased due to an internet ticket volume growth. The total volume of online tickets sold increased by 1.6 million to 9.4 million (Q1/2015: 7.8 million; +20.2%). The share of revenue generated by foreign subsidiaries was at 47.2% (Q1/2015: 47.4%).

In the first quarter of 2016, the **Live Entertainment segment** revenue increased to EUR 79.589 million (Q1/2015: EUR 77.296 million, +3.0%). Despite the lack of major events an increase in revenue was achieved during the reporting period mainly due to a higher number of musicals, shows (among others Cirque du Soleil - Varekai, ABBA THE SHOW) and exhibitions (including 'Star Wars Identities') and tours (including from Sarah Connor, Sinatra & Friends).

## GROSS PROFIT

As at 31 March 2016, the gross profit of the **CTS Group** increased from EUR 54.751 million by EUR 5.551 million to EUR 60.302 million. The consolidated gross margin rose from 36.1% to 36.9%.

In the **Ticketing segment**, the gross margin increased from 57.0% to 57.5%.

In the **Live Entertainment segment**, the gross margin was 14.5% compared to 14.8% in the same period last year.

## NON-RECURRING ITEMS

Non-recurring items in the Ticketing segment caused a temporary drop of EUR 269 thousand (Q1/2015: EUR 0 thousand) in **CTS Group** earnings in the period under review, due to implemented and planned acquisitions.

## NORMALISED EBITDA / EBITDA

Normalised **CTS Group** EBITDA increased by EUR 2.016 million or 5.5% to EUR 38.765 million (Q1/2015: EUR 36.749 million). The normalised Group EBITDA margin was at 23.8% slightly below the prior year level of 24.2%. Foreign subsidiaries accounted for 32.3% of normalised Group EBITDA (Q1/2015: 29.6%).

CTS Group EBITDA improved by EUR 1.747 million or 4.8% to EUR 38.496 million (Q1/2015: EUR 36.749 million). The EBITDA margin decreased to 23.6% (Q1/2015: 24.2%).

In the **Ticketing segment**, the normalised EBITDA figure improved by EUR 3.622 million (+12.4%) to EUR 32.776 million (Q1/2015: EUR 29.154 million). The ticket volume growth on the Internet both national and international contributed to this increase in earnings. The counteracting effect was a lack of earnings from currency conversions in the same period last year. Normalised EBITDA margin was at 38.6% slightly above the previous year (38.4%). The share of normalised EBITDA attributable to foreign companies increased year-on-year from 34.0% to 36.4% in the current reporting period.

In the Ticketing segment, EBITDA improved from EUR 29.154 million by 11.5% to EUR 32.507 million. The EBITDA margin fell slightly to 38.3% compared to previous year 38.4%.

In the **Live Entertainment segment**, EBITDA decreased from EUR 7.595 million in the previous year by EUR 1.606 million to EUR 5.989 million. The decrease resulted primarily from the lack of income from currency conversions and the lack of profit contributions from major events. The EBITDA margin in the first quarter 2016 decreased to 7.5% compared to 9.8% in the same period last year.

## NORMALISED EBIT BEFORE AMORTISATION FROM PURCHASE PRICE ALLOCATION / EBIT

In the first quarter of 2016, normalised **CTS Group** EBIT before amortisation from purchase price allocation rose by EUR 1.468 million from EUR 32.725 million to EUR 34.193 million. The normalised EBIT margin before amortisation from purchase price allocation decreased from 21.6% to 21.0%.

Group EBIT figure, at EUR 31.318 million, is EUR 1.471 million higher year-on-year (Q1/2015: EUR 29.847 million). Total depreciation and amortisation within the Group increased to EUR 7.178 million (Q1/2015: EUR 6.902 million) and includes EUR 2.606 million (Q1/2015: EUR 2.878 million) in amortisation from purchase price allocations for companies acquired from 2010 onwards. The EBIT margin rose to 19.2% (Q1/2015: 19.7%).

In the **Ticketing segment**, the normalised EBIT before amortisation from purchase price allocation improved year-on-year by 11.3% to EUR 28.513 million from EUR 25.625 million. The normalised EBIT margin before amortisation from purchase price allocation, at 33.6%, was slightly lower year-on-year (Q1/2015: 33.7%).

The EBIT improved compared to prior year by EUR 2.802 million from EUR 22.875 million to EUR 25.677 million (+12.3%). The EBIT margin was at 30.3% slightly higher than the 30.1% figure achieved in Q1/2015.

In the **Live Entertainment segment** normalised EBIT before amortisation from purchase price allocation decreased to EUR 5.680 million compared to EUR 7.100 million in Q1/2015.

The EBIT decreased from EUR 6.972 million to EUR 5.641 million (-19.1%). The EBIT margin was 7.1% (Q1/2015: 9.0%).

## FINANCIAL RESULT

The financial result, at EUR -1.419 million (Q1/2015: EUR -380 thousand) mainly includes EUR 241 thousand in financial income (Q1/2015: EUR 435 thousand), EUR 1.835 million in financial expenses (Q1/2015: EUR 1.350 million), EUR 41 thousand in income from affiliated companies and associates accounted for at equity (Q1/2015: EUR 535 thousand) and income from participations of EUR 134 thousand (Q1/2015: EUR 0).

## EARNINGS BEFORE TAX (EBT) / CONSOLIDATED NET INCOME

As at 31 March 2016, earnings before tax (EBT) increased from EUR 29.467 million in Q1/2015 by EUR 432 thousand to EUR 29.899 million. After deduction of tax expenses and non-controlling interest, consolidated net income amounted to EUR 18.587 million (Q1/2015: EUR 18.419 million). Earnings per share (EPS) amounted to EUR 0.19 in the first quarter of 2016 (Q1/2015: EUR 0.19).

## PERSONNEL

On average over the year to date, the companies in the CTS Group had a total of 2,181 employees on their payroll, including 373 part-time workers (Q1/2015: 2,072, including 323 part-timers). Of that total, 1,594 are employed in the Ticketing segment (Q1/2015: 1,528 employees) and 587 in the Live Entertainment segment (Q1/2015: 544 employees). The increase in the number of employees in the Ticketing segment was mainly attributable to technological development and the expansion of the number of companies included in consolidation. The increase in the Live Entertainment segment resulted primarily from temporary staff working part-time for the operation of the Lanxess Arena and Arena Berlin.

Personnel expenses increased to EUR 26.395 million (Q1/2015: EUR 25.217 million; +4.7%). The Ticketing segment rose by EUR 1.299 million while in the Live Entertainment segment a decrease of EUR -121 thousand occurred.

## FINANCIAL POSITION

The main changes in **ASSETS** were decreases in cash and cash equivalents (EUR -30.298 million), in short-term trade receivables (EUR -9.947 million) and in short-term other financial assets (EUR -12.059 million). These decreases are offset by an increase in short-term marketable securities and other investments (EUR +5.671 million), in payments on account (EUR +19.302 million) and in property, plant and equipment (EUR +8.941 million).

The EUR -30.298 million decline in **cash and cash equivalents** mainly results from lower liabilities in respect of ticket monies from not yet invoiced presales for events (ticket monies not yet invoiced in the Ticketing segment), higher payments on account and the acquisition of marketable securities and other investments. The seasonal reduction in cash and cash equivalents in the Ticketing segment from ticket monies not yet invoiced was partially offset by cash inflow in the Live Entertainment segment due to advance payments received.

Cash and cash equivalents at EUR 470.518 million (31.12.2015: EUR 500.816 million) include ticket monies from presales for events in subsequent quarters (ticket monies not yet invoiced in the Ticketing segment), which are reported under other financial liabilities at EUR 185.999 million (31.12.2015: EUR 237.498 million); other financial assets also include receivables relating to ticket monies from presales in the Ticketing segment (EUR 35.662 million; 31.12.2015: EUR 40.963 million).

Short-term **marketable securities and other investments** increased by EUR 5.671 million due to of the acquisition in short-term investments.

The decrease in short-term **trade receivables** (EUR -9.947 million) relates to the ongoing business operations.

The increase in **payments on account** (EUR +19.302 million) relates to future events to be held in subsequent quarters in the Live Entertainment segment.

The short-term **other financial assets** decreased by EUR 12.059 million. The decline mainly results from the decrease in receivables relating to ticket revenue from presales in the Ticketing segment (EUR -5.302 million) and factoring receivables (EUR -4.805 million).

The increase in **property, plant and equipment** of EUR 8.941 million results from higher payments on account for property, plant and equipment.

The main changes on the **SHAREHOLDERS' EQUITY AND LIABILITIES SIDE** were decreases in trade payables (EUR -14.759 million) and short-term other financial liabilities (EUR -51.690 million). These decreases were offset by an increase in short-term financial liabilities (EUR +24.469 million), advance payments received (EUR +27.040 million) and medium- and long-term financial liabilities (EUR +1.214 million).

The **short-term financial liabilities** increased by EUR 24.469 million. In the reporting period the timely reclassification of medium and long-term financial liabilities in short-term financial liabilities and taking up a loan primarily led to an increase in short-term financial liabilities. Furthermore, purchase price obligations in respect of put options of existing non-controlling interests led to higher short-term financial liabilities.

**Trade payables** decreased by EUR 14.759 million in the context of ongoing business operations in the Ticketing segment.

The **advance payments received** in the Live Entertainment segment (EUR +27.040 million) increased, mainly due to the ticket monies received in the first quarter of 2016 from presales of festivals, tours and other events that will be held after 31 March 2016. The advanced payments received in the Live Entertainment segment are transferred to revenue, when the respective events have taken place.

The EUR 51.690 million reduction in current **other financial liabilities** is predominantly due to lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment. Due to the strong fourth quarter at the end of each year, there is usually a large amount of liabilities for ticket monies not yet invoiced, which is then reduced over the course of the following year, when the events are held and invoiced.

The **medium and long-term financial liabilities** increased by EUR 1.214 million. The timely reclassification of medium and long-term financial liabilities to current financial liabilities are opposed by long-term purchase obligations from put options (put option; in accordance with IAS 32) of existing non-controlling interests.

**Shareholders' equity** declined by EUR 1.928 million to EUR 352.244 million. The positive net income is offset by purchase price obligations in respect of put options of non-controlling interests (cf. Notes 3. accounting principles) recognised in shareholders' equity according to IAS 32. In addition change in currency differences of EUR -1.377 million impacted shareholders' equity.

The equity ratio (shareholders' equity divided by the balance sheet total) increased from 32.2% to 32.6%.

## CASH FLOW

The amount of cash and cash equivalents shown in the cash flow statement corresponds to the cash and cash equivalents stated in the balance sheet. Compared to the closing date of 31 December 2015, cash and cash equivalents decreased by EUR 30.298 million to EUR 470.518 million.

**Cash flow from operating activities** increased year-on-year by EUR 33.121 million from EUR -54.738 million to EUR -21.617 million.

This year-on-year increase in cash flow from operating activities was mainly the result of the changes in other non-cash transactions (EUR +5.300 million), in receivables and other assets (EUR +6.980 million) and liabilities (EUR +41.340 million). The increase was offset by negative cash flow effects resulting from the acquisition of marketable securities and other investments (EUR -5.671 million).

The positive cash flow effect from the development of **other non-cash transactions** (EUR +5.300 million) mainly include effects from currency translation.

The positive cash flow effect of EUR 6.980 million deriving from changes in **receivables and other assets** is mainly the result of lower reduction in receivables relating to ticket monies from presales in the reporting period in the Ticketing segment.

The positive cash flow effect arising from the change in **liabilities** (EUR +41.340 million) is mainly due to the fact that a lower amount of liabilities for ticket monies not yet invoiced in the Ticketing segment was reduced.

As at 31 December, owing to the seasonally very high level of ticket presales in the fourth quarter, there is usually a large amount of liabilities for ticket monies not yet invoiced in the Ticketing segment, which leads in the course of the following year to cash outflows of ticket monies to promoters due to many events being held and invoiced.

Negative **cash flow from investing activities** increased year-on-year by EUR 10.180 million to EUR -14.033 million. The increase in cash flow from investing activities mainly results from higher investments in intangible assets and payments on account for property, plant and equipment.

The **cash flow from financing activities** increased year-on-year by EUR 19.961 million to EUR 5.576 million. The positive change in cash flow from financing activities mainly relates to higher financial loans taken out in the reporting period. Furthermore, lower redemptions of financial liabilities were made.

The changes in **net increase/decrease in cash and cash equivalents due to currency translation** of EUR -8.355 million resulted mainly from the appreciation of the Swiss franc in the same period last year.

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

## 2. EVENTS AFTER THE BALANCE SHEET DATE

### EXPANSION OF THE NUMBER OF COMPANIES

In April 2016, the CTS KGaA signed a transaction agreement with Nordisk Film A/S, Copenhagen, Denmark, which belongs to the Danish Egmont Group. The agreement concerns the formation of a holding company in Denmark, which is used in the future to provide jointly ticketing services in Scandinavia and to take a leading market position in Denmark, Sweden and Norway. The Swedish ticketing company of CTS KGaA CTS Eventim Sweden AB, Stockholm, and the Danish, Swedish and Norwegian ticketing companies of Nordisk Film A/S were sold by the parties at fair value to the Venuepoint Holding A/S, Copenhagen. CTS KGaA acquired 50% of the shares in the Venuepoint Holding A/S, Copenhagen, for a purchase price of EUR 4.226 million and secured the controlling interest over operating and financial decisions in the group.

CTS KGaA and Sony Music Entertainment, the leading music label in Latin America, have entered into a cooperation to provide ticketing services in Latin America, at the beginning of April 2016. As part of the cooperation Sony Music Entertainment and the CTS KGaA each hold 50% of the shares in Eventim Sony Holding Ltd., London, at nominal value. The CTS KGaA secured over substantive rights the controlling interest in Eventim Sony Holding Ltd., London. Via the Eventim Sony Holding Ltd., London, and its operating subsidiary Eventim Brasil Sao Paulo Sistemas e Servicos de Ingressos Ltda., Sao Paulo, (hereinafter: Eventim Brasil Sao Paulo) the business operations started in April. Eventim Brasil Sao Paulo will operate in Brazil under the EVENTIM brand and will provide ticketing systems and related services to concert promoters and venues. The group will leverage both EVENTIM's state-of-the-art technology platform and Sony Music's broad range of Latin American relationships, music assets and marketing reach.

### RESOLUTIONS OF THE ANNUAL SHAREHOLDERS' MEETING

At the Annual Shareholders' Meeting of the company, held on 9 May 2016 in Bremen, the following resolutions were adopted:

The annual financial statements of CTS KGaA for the business year 2015 were approved.

Of the EUR 143.256 million in balance sheet profit of CTS KGaA, at the end of the 2015 financial year, EUR 44.156 million is used to distribute a dividend of EUR 0.46 per eligible share and the remaining EUR 99.100 million shall be carried forward to the new account.

Since the change of form took effect on 30 June 2014, the company has existed in the legal form of a 'Kommanditgesellschaft auf Aktien' (partnership limited by shares). The EVENTIM Management AG, Hamburg, as the general partner of CTS KGaA was discharged for the 2015 financial year.

Formal approval was given at the Annual Shareholders' Meeting to the activities of the Supervisory Board during the 2015 business year.

The firm of PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Osnabrück, was elected as auditor for the company and its Group for the 2016 financial year.

Until the end of the Annual Shareholders' Meeting which resolves on discharging the Supervisory Board for fiscal year 2018, Dr. Kundrun (Chairman of the Board), Prof. Jobst Plog and Dr. Juliane Thümmel was elected to the Supervisory Board.

The full German wording of each resolution is identical to the proposals by the Corporate management and Supervisory Board, which can be found on the company website in the notice convening the 2016 Shareholders' Meeting. For each resolution, the majority required by law and by the Articles of Association was reached.

Since the balance sheet date, there have been no further events requiring disclosures.

### **3. CORPORATE GOVERNANCE DECLARATION**

The executive bodies of CTS KGaA are guided in their actions by the principles of responsible and good corporate governance. The Management Board of the EVENTIM Management AG submits a report on corporate governance in a declaration, in accordance with § 289a (1) HGB. The current and all previous declarations of compliance are permanently available on the Internet at [www.eventim.de](http://www.eventim.de).

### **4. REPORT ON EXPECTED FUTURE DEVELOPMENT**

After the economy has resumed momentum in 2014 and 2015 the European Commission projects growth of 1.6% in 2016 and 1.8% in 2017 for the eurozone in its spring forecast.

According to the Kiel Institute for World Economy (IfW), the moderate recovery, however, has recently slowed slightly in the eurozone. The slowdown in global economic growth is the main reason for this, alongside the perceivable increase in political uncertainty which have led to a temporary cooling. Notwithstanding, the ongoing low interest rate environment and low oil prices are seen as factors that will support robust domestic demand in the eurozone. This view is also confirmed by the European Commission, which largely based its growth forecast for overall economic growth in the eurozone in 2016 and 2017 on domestic demand in the private and public sectors. In addition to an ongoing low inflation rate due to low energy prices, the constantly improving situation on the labour market is also supporting domestic demand in Europe as a driver of growth.

The economic momentum of individual member states in the eurozone reflects the overall picture. The economic momentum in Spain, Ireland and Italy in particular stabilised considerably compared to 2012 and 2013. The European Commission forecasts a gross domestic product increase of 1.6% for both 2016 and 2017 for the Federal Republic of Germany.

Overall, the European Commission continues to rate the economic outlook for the current year and 2017 as moderate. Despite positive factors that will further stimulate domestic European demand, such as a low inflation rate and an ongoing increase in employment, the global geopolitical environment and subdued global economic growth due to subsiding momentum in various Asian and Latin American emerging economies, remains a challenge to economic growth in the eurozone.

In the financial year 2015, **CTS Group** achieved strong improvement in both revenue and earnings, thereby exceeding forecasts for key financial figures. Provided that business expectations and strategic planning are realised, solid business development can be expected for CTS Group in the 2016 financial year. These expectations are further supported by the constant expansion in Internet ticketing operations, ongoing international expansion and the launch of new products and services by the CTS Group. Here, the CTS Group continues to focus on organic growth by continuously optimising what are already the world's leading ticketing systems and on strategic cooperation and acquisition opportunities in the international ticketing and live entertainment market.

The CTS Group also has opportunities to grow outside of Europe. An initial major step in the Latin American market has already been taken in Brazil with the successful ticketing launch for the Olympic Summer Games in Rio de Janeiro and the joint venture with Sony Music Entertainment, which began in April. Another milestone in international growth is the joint venture with Denmark's largest media company, Egmont, completed in April.

With an expanded service portfolio and an attractive financial profile, CTS Group has developed convincing solutions in a dynamic market environment.

Growth in **Ticketing segment** is particularly driven by CTS EVENTIM's consistent E-Commerce strategy. Our online ticketing systems are leaders on the market. Thanks to the constantly improved EVENTIM apps for smartphones and tablets, we are continuously winning more customers who search for and book their tickets on a mobile basis. These innovations are paying off: the volume of tickets sold online in the first quarter increased by 20.2% to around 9.4 million tickets. In this way, we will continue to expand our position as the world's second largest ticketing service provider.

The trend towards the mobile use of our online services remains strong as well. millions of customers have already downloaded our ticket apps for iPhone and Android onto their smart phones and tablets. To continue propagating the use of digital ticketing on mobile devices, the CTS Group promotes the utilisation of electronic access systems. This makes attending events more and more convenient.

The professional analysis of extensive user data from our ticketing portals allows us to continue tailoring our offers more precisely to the needs of our customers. Constantly improving the online services of the CTS Group not only benefits ticket buyers. With EVENTIM Analytics, the CTS Group also offers promoters a tool that can make the design of marketing plans significantly more efficient.

Based on the record results in the **Live Entertainment segment** in 2015 due to an exceptionally high number of major tours, the first quarter 2016 saw moderate business development as expected. The CTS Group plans to continue to expand its large network of subsidiaries and participations in the 2016 financial year. With our portfolio of venues and a unique offering of attractive music, cultural, sports and leisure events, we regard ourselves as excellently positioned in the Live Entertainment segment.

Both acquisitions and shareholding increases in existing affiliated companies are planned in the Live Entertainment segment as part of a strategic and geographic market expansion.

There are no significant changes in the reporting period compared to the information on the expected development of the CTS Group stated in the outlook of the 2015 Annual Report.

## **5. RISK AND OPPORTUNITIES REPORT**

Against the backdrop of the existing risk management systems, risk exposure is limited and manageable in the CTS Group. No risks are evident that could endanger the continuation of the Group as a going concern.

The statements made in the risk and opportunities report included in the 2015 Annual Report remain valid.

## **6. RELATED PARTY DISCLOSURES**

For disclosures on material transactions with related parties, reference is made to item 9 in the selected notes.

Bremen, 26 May 2016

CTS EVENTIM AG & Co. KGaA,  
represented by:  
EVENTIM Management AG, the general partner

The Management Board

## 4. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2016

### CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016 (IFRS)

| ASSETS   | 31.03.2016           | 31.12.2015           |
|--|----------------------|----------------------|
|  | [EUR]                | [EUR]                |
| <b>Current assets</b>  |                      |                      |
| Cash and cash equivalents  | 470,517,505          | 500,816,217          |
| Marketable securities and other investments  | 11,548,432           | 5,877,799            |
| Trade receivables  | 24,053,895           | 34,001,185           |
| Receivables from affiliated and associated companies accounted for at equity           | 5,243,122            | 4,746,267            |
| Inventories  | 2,012,551            | 2,074,026            |
| Payments on account  | 47,144,530           | 27,842,808           |
| Receivables from income tax  | 6,260,062            | 4,984,630            |
| Other financial assets   | 47,092,676           | 59,151,666           |
| Other non-financial assets   | 15,331,146           | 11,812,594           |
| <b>Total current assets</b>  | <b>629,203,919</b>   | <b>651,307,192</b>   |
| <b>Non-current assets</b>  |                      |                      |
| Property, plant and equipment  | 29,515,017           | 20,573,962           |
| Intangible assets  | 105,183,258          | 107,513,493          |
| Investments  | 2,956,152            | 2,965,734            |
| Investments in associates accounted for at equity                                      | 18,274,347           | 19,485,832           |
| Loans  | 185,018              | 190,835              |
| Trade receivables  | 2,668                | 22,264               |
| Receivables from affiliated companies and associated companies accounted for at equity | 1,409,819            | 1,533,917            |
| Marketable securities and other investments  | 1,000,000            | 1,000,000            |
| Other financial assets   | 2,561,098            | 3,429,159            |
| Other non-financial assets   | 26,053               | 26,015               |
| Goodwill   | 277,635,992          | 278,222,458          |
| Deferred tax assets  | 13,167,893           | 12,208,485           |
| <b>Total non-current assets</b>  | <b>451,917,315</b>   | <b>447,172,154</b>   |
| <b>Total assets</b>  | <b>1,081,121,234</b> | <b>1,098,479,346</b> |

| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>                             | <b>31.03.2016</b>    | <b>31.12.2015</b>    |
|---|----------------------|----------------------|
|   | <b>[EUR]</b>         | <b>[EUR]</b>         |
| <b>Current liabilities</b>  |                      |                      |
| Short-term financial liabilities  | 41,090,721           | 16,621,451           |
| Trade payables  | 65,183,789           | 79,942,316           |
| Payables to affiliated and associated companies accounted for at equity | 1,174,607            | 597,675              |
| Advance payments received   | 180,863,858          | 153,824,211          |
| Other provisions  | 10,234,958           | 10,711,870           |
| Tax provisions  | 29,296,298           | 27,492,725           |
| Other financial liabilities   | 193,966,219          | 245,656,555          |
| Other non-financial liabilities   | 48,169,715           | 52,778,505           |
| <b>Total current liabilities</b>  | <b>569,980,165</b>   | <b>587,625,308</b>   |
| <b>Non-current liabilities</b>  |                      |                      |
| Medium- and long-term financial liabilities                             | 133,777,176          | 132,562,780          |
| Other financial liabilities   | 735,571              | 766,845              |
| Pension provisions  | 11,466,499           | 9,914,857            |
| Deferred tax liabilities  | 12,918,094           | 13,438,090           |
| <b>Total non-current liabilities</b>                                    | <b>158,897,340</b>   | <b>156,682,572</b>   |
| <b>Shareholders' equity</b>   |                      |                      |
| Share capital   | 96,000,000           | 96,000,000           |
| Capital reserve   | 1,890,047            | 1,890,047            |
| Statutory reserve   | 7,200,000            | 7,200,000            |
| Retained earnings   | 225,235,572          | 225,961,993          |
| Treasury stock  | -52,070              | -52,070              |
| Non-controlling interest  | 21,838,990           | 20,880,626           |
| Total comprehensive income  | -2,688,956           | -1,905,806           |
| Currency differences  | 2,820,146            | 4,196,676            |
| <b>Total shareholders' equity</b>                                       | <b>352,243,729</b>   | <b>354,171,466</b>   |
| <b>Total shareholders' equity and liabilities</b>                       | <b>1,081,121,234</b> | <b>1,098,479,346</b> |

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD  
FROM 1 JANUARY TO 31 MARCH 2016 (IFRS)**

|  | <b>01.01.2016<br/>- 31.03.2016</b> | <b>01.01.2015<br/>- 31.03.2015</b> | <b>Change</b>    |
|--|------------------------------------|------------------------------------|------------------|
|  | <b>[EUR]</b>                       | <b>[EUR]</b>                       | <b>[EUR]</b>     |
| Revenue  | 163,209,513                        | 151,726,317                        | 11,483,196       |
| Cost of sales  | -102,907,030                       | -96,975,578 <sup>1</sup>           | -5,931,452       |
| <b>Gross profit</b>  | <b>60,302,483</b>                  | <b>54,750,739 <sup>1</sup></b>     | <b>5,551,744</b> |
| Selling expenses   | -17,287,908                        | -17,293,935 <sup>1</sup>           | 6,027            |
| General administrative expenses  | -11,744,298                        | -12,180,809 <sup>1</sup>           | 436,511          |
| Other operating income   | 3,103,873                          | 6,370,697                          | -3,266,824       |
| Other operating expenses   | -3,055,767                         | -1,799,598                         | -1,256,169       |
| <b>Operating profit (EBIT)</b>   | <b>31,318,383</b>                  | <b>29,847,094 <sup>1</sup></b>     | <b>1,471,289</b> |
| Income / expenses from participations                                    | 133,568                            | 0                                  | 133,568          |
| Income / expenses from investments in associates accounted for at equity | 40,824                             | 533,928 <sup>2</sup>               | -493,104         |
| Financial income   | 240,828                            | 435,373                            | -194,545         |
| Financial expenses   | -1,834,769                         | -1,349,826                         | -484,943         |
| <b>Income before tax (EBT)</b>   | <b>29,898,834</b>                  | <b>29,466,569 <sup>1,2</sup></b>   | <b>432,265</b>   |
| Taxes  | -9,038,403                         | -8,870,596 <sup>1</sup>            | -167,807         |
| <b>Net income before non-controlling interest</b>                        | <b>20,860,431</b>                  | <b>20,595,973 <sup>1,2</sup></b>   | <b>264,458</b>   |
| Thereof attributable to non-controlling interest                         | -2,273,328                         | -2,177,434 <sup>1</sup>            | -95,894          |
| <b>Net income after non-controlling interest</b>                         | <b>18,587,103</b>                  | <b>18,418,539 <sup>1,2</sup></b>   | <b>168,564</b>   |
| Earnings per share (in EUR); undiluted (= diluted)                       | 0.19                               | 0.19 <sup>1,2</sup>                |                  |
| Average number of shares in circulation; undiluted (= diluted)           | 96 million                         | 96 million                         |                  |

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of the Italian ticketing business 'Listicket'

<sup>2</sup> Adjusted prior-year figures due to the final purchase price allocation for the investment accounted for at equity of SETP/HOI Holding B.V., Amsterdam

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD  
FROM 1 JANUARY TO 31 MARCH 2016 (IFRS)**

|  | 01.01.2016<br>- 31.03.2016 | 01.01.2015<br>- 31.03.2015       | Change            |
|--|----------------------------|----------------------------------|-------------------|
|  | [EUR]                      | [EUR]                            | [EUR]             |
| Net income before non-controlling interest   | 20,860,431                 | 20,595,973 <sup>1,2</sup>        | 264,458           |
| Remeasurement of the net defined benefit obligation for pension plans                                  | -1,078,871                 | -2,021,173                       | 942,302           |
| <b>Items that will not be reclassified to profit or loss</b>   | <b>-1,078,871</b>          | <b>-2,021,173</b>                | <b>942,302</b>    |
| Exchange differences on translating foreign subsidiaries   | -1,422,730                 | 3,420,114                        | -4,842,844        |
| Changes from the measurement of available-for-sale financial assets                                    | -48,156                    | 6,813                            | -54,969           |
| Cash flow hedges   | -85,535                    | 33,540                           | -119,075          |
| <b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b> | <b>-1,556,421</b>          | <b>3,460,467</b>                 | <b>-5,016,888</b> |
| <b>Other results</b>   | <b>-2,635,292</b>          | <b>1,439,294</b>                 | <b>-4,074,586</b> |
| <b>Total comprehensive income</b>  | <b>18,225,139</b>          | <b>22,035,267 <sup>1,2</sup></b> | <b>-3,810,128</b> |
| <b>Total comprehensive income attributable to</b>  |                            |                                  |                   |
| Shareholders of CTS KGaA   | 16,427,422                 | 19,525,930 <sup>1,2</sup>        |                   |
| Non-controlling interest   | 1,797,717                  | 2,509,337 <sup>1,2</sup>         |                   |

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of the Italian ticketing business 'Listicket'

<sup>2</sup> Adjusted prior-year figures due to the final purchase price allocation for the investment accounted for at equity of SETP/HOI Holding B.V., Amsterdam

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)

|   | Share capital     | Capital reserve  | Statutory reserve | Retained earnings                | Treasury stock | Non-controlling interest      | Other comprehensive income | Currency differences | Total shareholders' equity       |
|---|-------------------|------------------|-------------------|----------------------------------|----------------|-------------------------------|----------------------------|----------------------|----------------------------------|
|   | [EUR]             | [EUR]            | [EUR]             | [EUR]                            | [EUR]          | [EUR]                         | [EUR]                      | [EUR]                | [EUR]                            |
| <b>Status 01.01.2015</b>  | <b>96,000,000</b> | <b>1,890,047</b> | <b>5,218,393</b>  | <b>178,109,800</b>               | <b>-52,070</b> | <b>18,854,562</b>             | <b>-1,920,518</b>          | <b>2,188,682</b>     | <b>300,288,896</b>               |
| Dividends to non-controlling interest                                 | 0                 | 0                | 0                 | 0                                | 0              | -813,629                      | 0                          | 0                    | -813,629                         |
| Consolidated net income   | 0                 | 0                | 0                 | 18,418,539 <sup>1,2</sup>        | 0              | 2,177,434 <sup>1</sup>        | 0                          | 0                    | 20,595,973 <sup>1,2</sup>        |
| Available-for-sale financial assets                                   | 0                 | 0                | 0                 | 0                                | 0              | 0                             | 6,813                      | 0                    | 6,813                            |
| Cash flow hedges  | 0                 | 0                | 0                 | 0                                | 0              | 0                             | 33,540                     | 0                    | 33,540                           |
| Foreign exchange differences  | 0                 | 0                | 0                 | 0                                | 0              | 1,081,584                     | 0                          | 2,338,530            | 3,420,114                        |
| Remeasurement of the net defined benefit obligation for pension plans | 0                 | 0                | 0                 | 0                                | 0              | -749,679                      | -1,271,494                 | 0                    | -2,021,173                       |
| <b>Status 31.03.2015</b>  | <b>96,000,000</b> | <b>1,890,047</b> | <b>5,218,393</b>  | <b>196,528,339<sup>1,2</sup></b> | <b>-52,070</b> | <b>20,550,272<sup>1</sup></b> | <b>-3,151,659</b>          | <b>4,527,212</b>     | <b>321,510,534<sup>1,2</sup></b> |
| <b>Status 01.01.2016</b>  | <b>96,000,000</b> | <b>1,890,047</b> | <b>7,200,000</b>  | <b>225,961,993</b>               | <b>-52,070</b> | <b>20,880,626</b>             | <b>-1,905,806</b>          | <b>4,196,676</b>     | <b>354,171,466</b>               |
| Change in the scope of consolidation                                  | 0                 | 0                | 0                 | -19,313,524                      | 0              | 13,170                        | 0                          | 0                    | -19,300,354                      |
| Dividends to non-controlling interest                                 | 0                 | 0                | 0                 | 0                                | 0              | -852,522                      | 0                          | 0                    | -852,522                         |
| Consolidated net income   | 0                 | 0                | 0                 | 18,587,103                       | 0              | 2,273,328                     | 0                          | 0                    | 20,860,431                       |
| Available-for-sale financial assets                                   | 0                 | 0                | 0                 | 0                                | 0              | 0                             | -48,156                    | 0                    | -48,156                          |
| Cash flow hedges  | 0                 | 0                | 0                 | 0                                | 0              | -4,724                        | -80,811                    | 0                    | -85,535                          |
| Foreign exchange differences  | 0                 | 0                | 0                 | 0                                | 0              | -46,200                       | 0                          | -1,376,530           | -1,422,730                       |
| Remeasurement of the net defined benefit obligation for pension plans | 0                 | 0                | 0                 | 0                                | 0              | -424,688                      | -654,183                   | 0                    | -1,078,871                       |
| <b>Status 31.03.2016</b>  | <b>96,000,000</b> | <b>1,890,047</b> | <b>7,200,000</b>  | <b>225,235,572</b>               | <b>-52,070</b> | <b>21,838,990</b>             | <b>-2,688,956</b>          | <b>2,820,146</b>     | <b>352,243,729</b>               |

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of the Italian ticketing business 'Listicket'

<sup>2</sup> Adjusted prior-year figures due to the final purchase price allocation for the investment accounted for at equity of SETP/HOI Holding B.V., Amsterdam

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD  
FROM 1 JANUARY TO 31 MARCH 2016 (IFRS) (SHORT FORM)**

|  | 01.01.2016<br>- 31.03.2016 | 01.01.2015<br>- 31.03.2015       | Change             |
|--|----------------------------|----------------------------------|--------------------|
|  | [EUR]                      | [EUR]                            | [EUR]              |
| Net income after non-controlling interest  | 18,587,103                 | 18,418,539 <sup>1,2</sup>        | 168,564            |
| Non-controlling interest   | 2,273,328                  | 2,177,434 <sup>1</sup>           | 95,894             |
| Depreciation and amortisation on fixed assets                                    | 7,177,811                  | 6,902,236 <sup>1</sup>           | 275,575            |
| Changes in pension provisions  | 1,551,642                  | 3,110,397                        | -1,558,755         |
| Deferred tax expenses / income   | -1,060,059                 | -594,996 <sup>1</sup>            | -465,063           |
| <b>Cash flow</b>   | <b>28,529,825</b>          | <b>30,013,610 <sup>1,2</sup></b> | <b>-1,483,785</b>  |
| Other non-cash transactions  | 1,452,416                  | -3,847,597 <sup>1</sup>          | 5,300,013          |
| Book profit / loss from disposal of fixed assets                                 | 69,058                     | 7,382                            | 61,676             |
| Interest expenses / Interest income  | 746,953                    | 734,113                          | 12,840             |
| Income tax expenses  | 10,098,462                 | 9,465,591                        | 632,871            |
| Interest received  | 257,837                    | 260,142                          | -2,305             |
| Interest paid  | -788,037                   | -808,237                         | 20,200             |
| Income tax paid  | -9,508,457                 | -2,624,037                       | -6,884,420         |
| Increase (-) / decrease (+) in inventories                                       | 64,819                     | 693,362                          | -628,543           |
| Increase (-) / decrease (+) in payments on account                               | -19,315,302                | -12,867,414                      | -6,447,888         |
| Increase (-) / decrease (+) in marketable securities and other investments       | -5,670,634                 | 0                                | -5,670,634         |
| Increase (-) / decrease (+) in receivables and other assets                      | 15,776,015                 | 8,796,001                        | 6,980,014          |
| Increase (+) / decrease (-) in provisions  | -569,386                   | -460,213                         | -109,173           |
| Increase (+) / decrease (-) in liabilities                                       | -42,760,680                | -84,100,925                      | 41,340,245         |
| <b>Cash flow from operating activities</b>                                       | <b>-21,617,111</b>         | <b>-54,738,222</b>               | <b>33,121,111</b>  |
| <b>Cash flow from investing activities</b>                                       | <b>-14,032,756</b>         | <b>-3,853,176</b>                | <b>-10,179,580</b> |
| <b>Cash flow from financing activities</b>                                       | <b>5,576,049</b>           | <b>-14,385,058</b>               | <b>19,961,107</b>  |
| <b>Net increase / decrease in cash and cash equivalents</b>                      | <b>-30,073,818</b>         | <b>-72,976,456</b>               | <b>42,902,638</b>  |
| Net increase / decrease in cash and cash equivalents due to currency translation | -224,894                   | 8,129,599                        | -8,354,493         |
| Cash and cash equivalents at beginning of period                                 | 500,816,217                | 505,842,631                      | -5,026,414         |
| <b>Cash and cash equivalents at end of period</b>                                | <b>470,517,505</b>         | <b>440,995,774</b>               | <b>29,521,731</b>  |
| <b>Composition of cash and cash equivalents</b>                                  |                            |                                  |                    |
| Cash and cash equivalents  | 470,517,505                | 440,995,774                      | 29,521,731         |
| <b>Cash and cash equivalents at end of period</b>                                | <b>470,517,505</b>         | <b>440,995,774</b>               | <b>29,521,731</b>  |

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of the Italian ticketing business 'Listicket'

<sup>2</sup> Adjusted prior-year figures due to the final purchase price allocation for the investment accounted for at equity of SETP/HOI Holding B.V., Amsterdam

## SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. PRELIMINARY STATEMENTS

CTS EVENTIM AG & Co. KGaA (hereinafter: CTS KGaA) is a listed partnership limited by shares under German law with its registered office in Munich; the head office is located in Bremen. The corporate management of the CTS KGaA is perceived by the EVENTIM Management AG, Hamburg. The representative of EVENTIM Management AG, Hamburg, is given by the Management Board. Shares in CTS KGaA are traded under securities code 547030 in the MDAX segment of the Frankfurt Stock Exchange.

This Group interim report of CTS KGaA and its subsidiaries for the first three months of the 2016 financial year was approved for publication by resolution of the Management Board of EVENTIM Management AG on 26 May 2016.

### 2. REPORTING PRINCIPLES

The present, unaudited Group interim report as at 31 March 2016 was prepared in compliance with the International Financial Reporting Standards (IFRS) for interim financial reporting, as they apply in the European Union (IAS 34 'Interim Financial Reporting'), and in accordance with the applicable regulations in the Securities Trading Act (Wertpapierhandelsgesetz – WpHG). A condensed form of report compared to the Annual Report as at 31 December 2015 was chosen, as provided for in IAS 34. The Group interim report should be read in conjunction with the consolidated financial statements as at 31 December 2015. The Group interim report contains all the information required to give a true and fair view of the earnings performance and financial position of the company. Consolidated financial statements reflecting applicable HGB principles were not prepared.

The comparative figures in the income statements relate to the adjusted Group interim report as at 31 March 2015, and those in the balance sheet to the consolidated financial statements as at 31 December 2015. The final purchase price allocation of the Italian ticketing business Listicket acquired in July 2014 and the final purchase price allocation of SETP/HOI Holding B.V., Amsterdam, acquired in October 2014, caused adjustments to the comparative figures as at 31 March 2015. Detailed explanations are provided in the purchase price allocations section 4.3 of the notes.

In the Group interim report, all amounts are subjected to commercial rounding; this may lead to minor deviations on addition.

### 3. NOTES CONCERNING ACCOUNTING PRINCIPLES AND METHODS

#### ACCOUNTING PRINCIPLES AND METHODS

The accounting principles and consolidation methods are the same as those applied in the consolidated financial statements as at 31 December 2015.

In accordance with IAS 32, contracts which obligate a company to purchase its own equity instruments are recognised as a financial liability carried at the present value of the purchase price. This principle also applies if the obligation to purchase such instruments is conditional on the contractual partner exercising an option, and is independent of the probability of such option being exercised. In compliance with changes in international accounting practice, this principle is also applicable to the forward purchase of non-controlling shares and to put options granted to third-party shareholders in the event of imminent acquisitions and also existing non-controlling interests in the CTS Group. The liabilities are recognised under earnings reserve. The change in the present value of purchase price obligations in respect of put options is recorded in the financial result. Non-controlling shares continue to be recognised if the opportunities and risks are not yet transferred to CTS Group with the conclusion of the respective agreement. Non-controlling shares are derecognised if the opportunities and risks of the respective concluded agreement are transferred to CTS Group; in this event non-controlling shares are reclassified from equity to liabilities in order to reflect purchase price obligations.

For new acquisitions, goodwill is capitalised in the amount of the difference between the present value of the liabilities and the carrying amount of the non-controlling shares, provided that the purchase price obligations resulting from put options have a contractually agreed exercise price and all opportunities and risks deriving from the put options are kept within the CTS Group.

The CTS Group has applied all relevant accounting standards adopted by the EU and effective for the periods beginning on or after 1 January 2016.

The following new and amended standards have been applied for the first time as from 1 January 2016:

- IAS 1, IAS 16, IAS 27, IAS 28, IAS 38, IAS 41, IFRS 10, IFRS 11, IFRS 12, IFRS 14
- Amendments within the Annual Improvements Process 2012-2014: amendments to IFRS 5, IFRS 7, IAS 19, IAS 34

These accounting standards applicable for the first time in the 2016 financial year have no significant impact on the financial position, cash flow and earnings performance of the CTS Group.

## 4. BUSINESS COMBINATIONS AND JOINT VENTURES

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

### 4.1 BUSINESS COMBINATIONS AND JOINT VENTURES IN THE TICKETING SEGMENT

#### CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes occurred in the scope of consolidation in the reporting period and/or in relation to the 31 March 2015 closing date:

#### FULLY CONSOLIDATED COMPANIES

The name change from Entradas See Tickets S.A., Madrid, to Entradas Eventim S.A., Madrid, took effect as at 10 April 2015, when the entry was made in the commercial register.

With a purchase agreement concluded on 23 July 2015 CTS KGaA acquired 51% of the shares in kinoheld GmbH, Munich, (hereinafter: kinoheld). This effort is within the strategic context of the continuous expansion of customer reach. The CTS Group expands the range of its offer portfolio. Purpose of the company is the sale of cinema tickets and the software required to sell cinema tickets and the development of such software, as well as online marketing and online publishing.

With a purchase agreement concluded on 10 November 2015, Ticket Express, Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Vienna, acquired 33.3% of the shares in Ö-Ticket-Südost, Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Wiener Neustadt, and now holds 100% of the shares in the company. The registered office was officially relocated to Vienna on 17 November 2015, when the relevant entry was made in the commercial register.

The name change from TEMPODOME GmbH, Bremen, to GRETA'S BISTRO GmbH, Bremen, took effect as at 19 November 2015, when the entry was made in the commercial register.

At the beginning of March 2016, the CTS KGaA took over 100% of the shares in the shelf company Eventim Sony Holding Ltd., London, at its nominal value. The Eventim Sony Holding Ltd., London, holds 99.9% of the newly founded Eventim Brasil Sao Paulo Sistemas e Servicos de Ingressos Ltda, Sao Paulo, (hereinafter: Eventim Brasil Sao Paulo). The remaining 0.1% stake in Eventim Brasil Sao Paulo is held by CTS Eventim Sports GmbH, Hamburg. The Eventim Brasil Sao Paulo will provide ticketing services in the brasilian market.

## **4.2 BUSINESS COMBINATIONS AND JOINT VENTURES IN THE LIVE ENTERTAINMENT SEGMENT**

### **CHANGES IN THE SCOPE OF CONSOLIDATION**

The following changes in the scope of consolidation occurred during the reporting period and/or in relation to the 31 March 2015 closing date:

With the entry in the commercial register on 1 April 2015, the Semmelconcerts Veranstaltungsservice GmbH, Bayreuth, was renamed in Semmel Concerts Entertainment GmbH, Bayreuth.

## **4.3 PURCHASE PRICE ALLOCATIONS**

### **PROVISIONAL PURCHASE PRICE ALLOCATION OF KINOHELD**

As at 31 March 2016 the purchase price allocation for kinoheld was still provisional because investigations regarding the intangible assets and assessment of legal aspects are still pending. An overview of the fair values of the respective balance sheet items as of initial consolidation is shown in the notes of the Annual Report 2015.

## EFFECTS OF FINAL PURCHASE PRICE ALLOCATIONS ON THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

In July 2015, the purchase price allocation relating to the acquisition of the Italian ticketing business Listicket and in October 2015 the purchase price allocation relating to the acquisition of the investment accounted for at equity SETP/HOI Holding B.V., Amsterdam, was finally completed according to IFRS 3.45 within the stipulated 12-month period. According to IFRS 3.49, corrections to the provisional fair values must be reported as if the accounting for the business combination was completed at the date of acquisition. Comparative information for the reporting periods prior to completion of accounting for the business combination must be presented as if the purchase price allocation had already been completed, and subsequently revised if necessary. An overview of the fair values of the respective balance sheet positions as at initial consolidation is disclosed in the notes section of the Annual Report 2015.

The comparative figures in the income statement and balance sheet as at 31 March 2015 had to be adjusted on account of the final purchase price allocation of SETP/HOI Holding B.V., Amsterdam, and the Italian ticketing business Listicket.

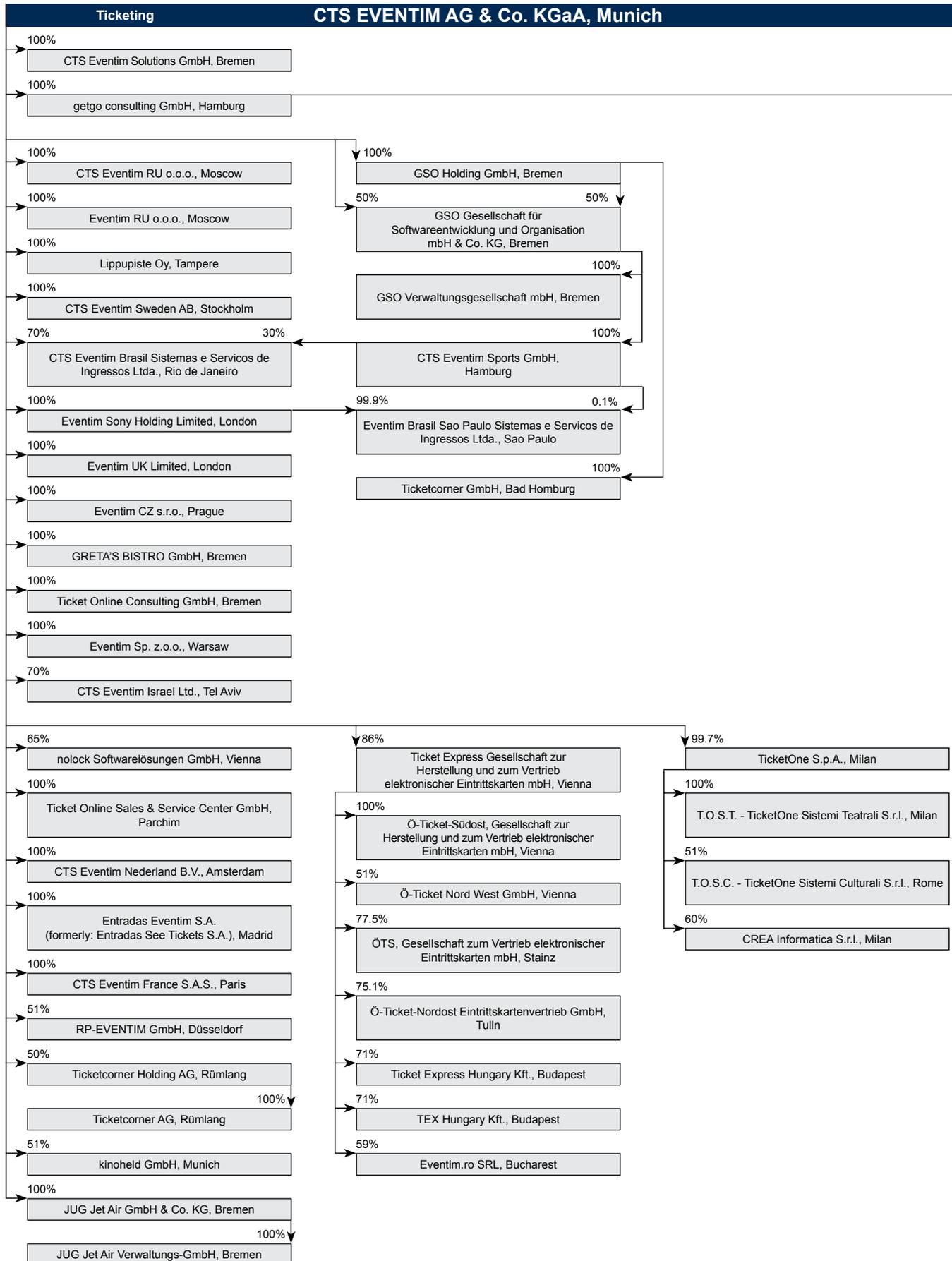
The following table provides an overview of the changes in the consolidated income statement as at 31 March 2015 as a result of the final purchase price allocation:

|   | Consolidated Income statement                                    |  | Change<br>[EUR'000] |
|---|--|--|---------------------|
|   | final<br>purchase price<br>allocation<br>31.03.2015<br>[EUR'000] | provisional<br>purchase price<br>allocation<br>31.03.2015<br>[EUR'000] |                     |
| Revenue                                   | 151,726  | 151,726  | 0                   |
| EBIT                                      | 29,847   | 29,791   | 56                  |
| EBT                                       | 29,467   | 29,402   | 65                  |
| Taxes                                     | -8,871   | -8,811   | -60                 |
| Net income after non-controlling interest | 18,419   | 18,414   | 5                   |

The following table provides an overview of the changes in the consolidated balance sheet as at 31 March 2015 as a result of the final purchase price allocation:

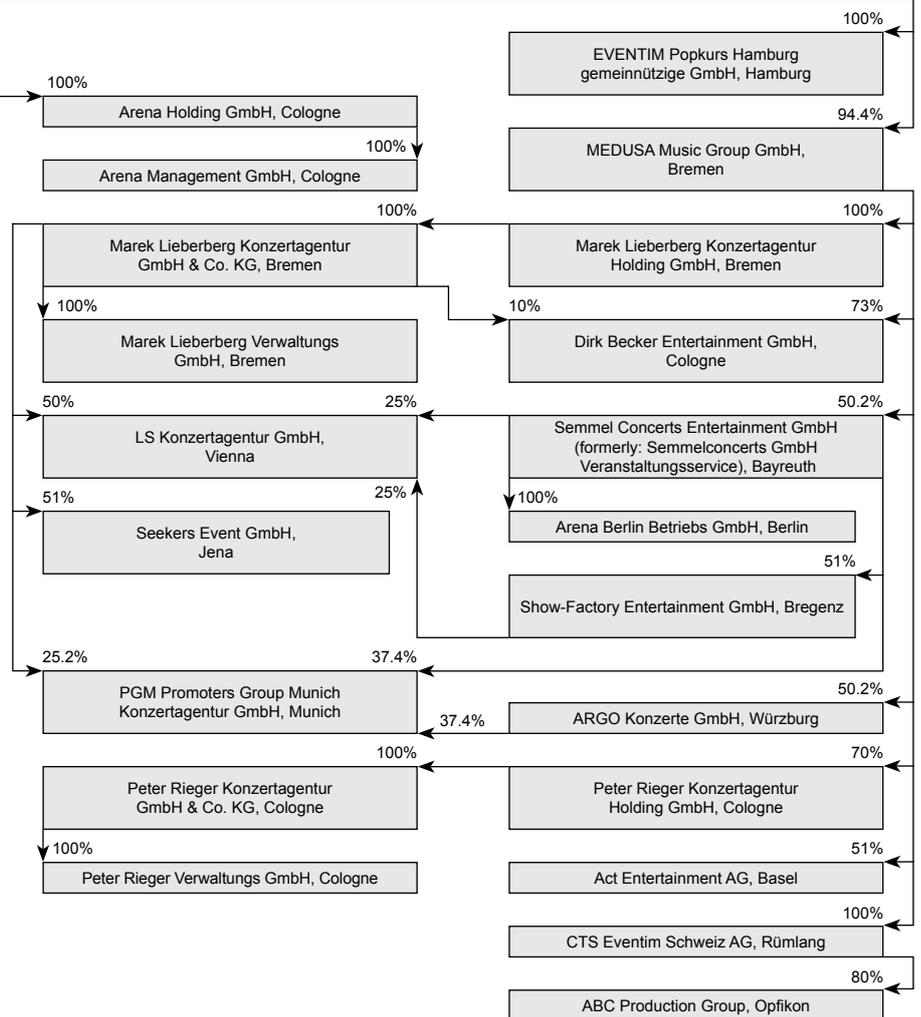
| <b>Consolidated Balance Sheet</b>                 |   |   |                  |
|---|---|---|------------------|
|   | <b>final<br/>purchase price<br/>allocation<br/>31.03.2015</b> | <b>provisional<br/>purchase price<br/>allocation<br/>31.03.2015</b> | <b>Change</b>    |
|   | <b>[EUR'000]</b>  | <b>[EUR'000]</b>  | <b>[EUR'000]</b> |
| <b>ASSETS</b>                                     |   |   |                  |
| Intangible assets                                 | 111,901   | 112,358   | -457             |
| Goodwill  | 279,739   | 279,551   | 188              |
| Investments in associates accounted for at equity | 19,286  | 19,269  | 17               |
| Deferred tax assets                               | 10,740  | 10,446  | 294              |
|   |   |   | <b>42</b>        |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |   |   |                  |
| Deferred tax liabilities                          | 15,626  | 15,530  | 96               |
| Retained earnings                                 | 196,528   | 196,581   | -53              |
| Non-controlling interests                         | 20,550  | 20,551  | -1               |
|   |   |   | <b>42</b>        |

The corporate structure as at 31 March 2016 is shown in the following table:



**CTS EVENTIM AG & Co. KGaA, Munich**

**Live Entertainment**



## 5. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

**Cash and cash equivalents** in the CTS Group decreased by EUR 30.298 million to EUR 470.518 million (31.12.2015: EUR 500.816 million). The decline mainly results from lower liabilities in respect of ticket monies from not yet invoiced presales for events (ticket monies not yet invoiced in the Ticketing segment), higher payments on account and the acquisition of marketable securities and other investments. The seasonal reduction in cash and cash equivalents in the Ticketing segment from ticket monies not yet invoiced was partially offset by cash inflow in the Live Entertainment segment due to advance payments received.

Cash and cash equivalents at EUR 470.518 million (31.12.2015: EUR 500.816 million) include ticket monies from presales for events in subsequent quarters (ticket monies not yet invoiced in the Ticketing segment), which are reported under other financial liabilities at EUR 185.999 million (31.12.2015: EUR 237.498 million); other financial assets also include receivables relating to ticket monies from presales in the Ticketing segment (EUR 35.662 million; 31.12.2015: EUR 40.963 million).

The increase in **payments on account** (EUR +19.302 million) relates to future events to be held in subsequent quarters in the Live Entertainment segment.

The short-term **other financial assets** decreased by EUR 12.059 million. The decline mainly results from the decrease in receivables relating to ticket revenue from presales in the Ticketing segment (EUR -5.302 million) and factoring receivables (EUR -4.805 million).

The **short-term financial liabilities** increased by EUR 24.469 million. In the reporting period the timely reclassification of medium and long-term financial liabilities in short-term financial liabilities and taking up a loan primarily led to an increase in short-term financial liabilities. Furthermore, purchase price obligations in respect of put options of existing non-controlling interests led to higher short-term financial liabilities.

The **advance payments received** in the Live Entertainment segment (EUR +27.040 million) increased, mainly due to the ticket monies received in the first quarter of 2016 from presales of festivals, tours and other events that will be held after 31 March 2016. The advanced payments received in the Live Entertainment segment are transferred to revenue, when the respective events have taken place.

The EUR 51.690 million reduction in current **other financial liabilities** is predominantly due to lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment. Due to the strong fourth quarter at the end of each year, there is usually a large amount of liabilities for ticket monies not yet invoiced, which is then reduced over the course of the following year, when the events are held and invoiced.

The **medium and long-term financial liabilities** increased by EUR 1.214 million. The timely reclassification of medium and long-term financial liabilities to current financial liabilities are opposed by long-term purchase obligations from put options (put option; in accordance with IAS 32) of existing non-controlling interests.

**Shareholders' equity** declined by EUR 1.928 million to EUR 352.244 million. The positive net income is offset by purchase price obligations in respect of put options of non-controlling interests (cf. Notes 3. accounting principles) recognised in shareholders' equity according to IAS 32. In addition change in currency differences of EUR -1.377 million impacted shareholders' equity.

The equity ratio (shareholders' equity divided by the balance sheet total) increased from 32.2% to 32.6%.

## 6. SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

### PROFIT REALISATION

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

### REVENUE

The **CTS Group** generated EUR 163.210 million in revenue in the period under review, compared to EUR 151.726 million in Q1/2015 (+7.6%).

The **Ticketing segment** generated EUR 84.814 million in revenue in the period under review (before consolidation between segments), up 11.6% from EUR 75.974 million in Q1/2015. Revenue increased due to an internet ticket volume growth. The total volume of online tickets sold increased by 1.6 million to 9.4 million (Q1/2015: 7.8 million; +20.2%). The share of revenue generated by foreign subsidiaries was at 47.2% (Q1/2015: 47.4%).

In the first quarter of 2016, the **Live Entertainment segment** revenue increased to EUR 79.589 million (Q1/2015: EUR 77.296 million, +3.0%). Despite the lack of major events an increase in revenue was achieved during the reporting period mainly due to a higher number of musicals, shows (among others Cirque du Soleil - Varekai, ABBA THE SHOW) and exhibitions (including 'Star Wars Identities') and tours (including from Sarah Connor, Sinatra & Friends).

### COST OF SALES

Cost of sales increased from EUR 96.976 million by EUR 5.931 million to EUR 102.907 million.

As at 31 March 2016, the gross profit of the **CTS Group** increased from EUR 54.751 million by EUR 5.551 million to EUR 60.302 million. The consolidated gross margin rose from 36.1% to 36.9%.

In the **Ticketing segment**, the gross margin increased from 57.0% to 57.5%.

In the **Live Entertainment segment**, the gross margin was 14.5% compared to 14.8% in the same period last year.

## **SELLING EXPENSES**

Selling expenses decreased by EUR 6 thousand to EUR 17.288 million. This decrease was mainly due to lower other operating expenses amongst other things marketing expenses. In contrast, there are higher personnel expenses as well as depreciation.

## **GENERAL ADMINISTRATIVE EXPENSES**

General administrative expenses decreased by EUR 437 thousand to EUR 11.744 million. This decrease of general administrative expenses was mainly due to lower expenses in respect of levies and insurance contributions.

## **OTHER OPERATING INCOME**

Other operating income decreased by EUR 3.267 million to EUR 3.104 million. This was due, among other things to a lack of income from currency translation.

## **OTHER OPERATING EXPENSES**

Other operating expenses increased by EUR 1.256 million to EUR 3.056 million. This was due, among other things to higher expenses from currency translation.

## **FINANCIAL RESULT**

The financial result, at EUR -1.419 million (Q1/2015: EUR -380 thousand) mainly includes EUR 241 thousand in financial income (Q1/2015: EUR 435 thousand), EUR 1.835 million in financial expenses (Q1/2015: EUR 1.350 million), EUR 41 thousand in income from affiliated companies, associates accounted for at equity (Q1/2015: EUR 535 thousand) and income from participations of EUR 134 thousand (Q1/2015: EUR 0).

## **TAXES**

Taxes increased by EUR 168 thousand to EUR 9.039 million mainly due to ongoing business operations. The tax rate amounts to 30.2% (Q1/2015: 30.1%).

## **EARNINGS BEFORE TAX (EBT) / CONSOLIDATED NET INCOME**

As at 31 March 2016, earnings before tax (EBT) increased from EUR 29.467 million in Q1/2015 by EUR 432 thousand to EUR 29.899 million. After deduction of tax expenses and non-controlling interest, consolidated net income amounted to EUR 18.587 million (Q1/2015: EUR 18.419 million). Earnings per share (EPS) amounted to EUR 0.19 in the first quarter of 2016 (Q1/2015: EUR 0.19).

## 7. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying values, recognition and fair values as at 31 March 2016 are shown in the following table according to recognition categories:

|  | Balance sheet value according to IAS 39 |                         |   |   |               | Fair value<br>[EUR'000] |
|--|---|-------------------------|---|---|---------------|-------------------------|
|  | Carrying value<br>31.03.2016            | At<br>amortised<br>cost | At fair value<br>through<br>profit and loss | At fair value<br>not through<br>profit and loss | Purchase cost |                         |
|  | [EUR'000]                               | [EUR'000]               | [EUR'000]                                   | [EUR'000]                                       | [EUR'000]     |                         |
| <b>ASSETS</b>  |   |                         |   |   |               |                         |
| Cash and cash equivalents  | 470,518                                 | 470,518                 |   |   |               | 470,518                 |
| Marketable securities and other investments<br>(at fair value not through profit and loss) | 11,548                                  |                         |   | 11,548  |               | 11,548                  |
| Marketable securities and other investments<br>(at amortised cost)                         | 1,000                                   | 1,000                   |   |   |               | 993                     |
| Trade receivables  | 24,057                                  | 24,057                  |   |   |               | 23,872                  |
| Receivables from affiliated and associated<br>companies accounted for at equity            | 6,653                                   | 6,653                   |   |   |               | 6,575                   |
| Other original financial assets  | 49,458                                  | 49,458                  |   |   |               | 49,204                  |
| Other derivative financial assets<br>(at fair value not through profit and loss)           | 4                                       |                         |   | 4   |               | 4                       |
| Other derivative financial assets<br>(at fair value through profit and loss)               | 192                                     |                         | 192   |   |               | 192                     |
| Investments (held-to-maturity)   | 1,027                                   | 1,027                   |   |   |               | 1,043                   |
| Investments (at amortised cost)  | 1,929                                   |                         |   |   | 1,929         |                         |
| Loans  | 185                                     | 185                     |   |   |               | 191                     |
| <b>LIABILITIES</b>   |   |                         |   |   |               |                         |
| Short-term financial liabilities   | 41,091                                  | 41,091                  |   |   |               | 41,055                  |
| Medium- and long-term financial liabilities  | 133,777                                 | 133,777                 |   |   |               | 133,342                 |
| Trade payables   | 65,184                                  | 65,184                  |   |   |               | 64,992                  |
| Payables to affiliated and associated<br>companies accounted for at equity                 | 1,175                                   | 1,175                   |   |   |               | 1,171                   |
| Other original financial liabilities   | 194,502                                 | 194,502                 |   |   |               | 193,923                 |
| Other derivative financial liabilities<br>(at fair value not through profit and loss)      | 200                                     |                         |   | 200   |               | 200                     |
| <b>Categories according to IAS 39:</b>   |   |                         |   |   |               |                         |
| Loans and receivables  | 551,871                                 | 551,871                 |   |   |               | 551,353                 |
| Financial liabilities at amortised cost  | 435,729                                 | 435,729                 |   |   |               | 434,483                 |
| Available-for-sale financial assets  | 13,477                                  |                         |   | 11,548  | 1,929         | 11,548                  |
| Held-to-maturity investments   | 1,027                                   | 1,027                   |   |   |               | 1,043                   |

Carrying values, recognition and fair values as at 31 December 2015 are shown in the following table according to recognition categories:

|  | <b>Balance sheet value according to IAS 39</b> |                         |   |   |               |            |
|--|--|-------------------------|---|---|---------------|------------|
|  | Carrying value<br>31.12.2015                   | At<br>amortised<br>cost | At fair value<br>through<br>profit and loss | At fair value<br>not through<br>profit and loss | Purchase cost | Fair value |
|  | [EUR'000]                                      | [EUR'000]               | [EUR'000]                                   | [EUR'000]                                       | [EUR'000]     | [EUR'000]  |
| <b>ASSETS</b>  |  |                         |   |   |               |            |
| Cash and cash equivalents  | 500,816  | 500,816                 |   |   |               | 500,816    |
| Marketable securities and other investments<br>(at fair value not through profit and loss) | 5,600  |                         |   | 5,600   |               | 5,600      |
| Marketable securities and other investments<br>(at amortised cost)                         | 1,278  | 1,278                   |   |   |               | 1,290      |
| Trade receivables  | 34,024   | 34,024                  |   |   |               | 34,002     |
| Receivables from affiliated and associated<br>companies accounted for at equity            | 6,280  | 6,280                   |   |   |               | 6,277      |
| Other original financial assets  | 62,474   | 62,474                  |   |   |               | 62,649     |
| Other derivative financial assets<br>(at fair value through profit and loss)               | 106  |                         | 106   |   |               | 106        |
| Investments (held-to-maturity)   | 1,031  | 1,031                   |   |   |               | 1,043      |
| Investments (at amortised cost)  | 1,935  |                         |   |   | 1,935         |            |
| Loans  | 191  | 191                     |   |   |               | 197        |
| <b>LIABILITIES</b>   |  |                         |   |   |               |            |
| Short-term financial liabilities   | 16,622   | 16,622                  |   |   |               | 16,530     |
| Medium- and long-term financial liabilities  | 132,563  | 132,563                 |   |   |               | 137,557    |
| Trade payables   | 79,942   | 79,942                  |   |   |               | 79,894     |
| Payables to affiliated and associated<br>companies accounted for at equity                 | 598  | 598                     |   |   |               | 597        |
| Other original financial liabilities   | 246,355  | 246,355                 |   |   |               | 246,205    |
| Other derivative financial liabilities<br>(at fair value not through profit and loss)      | 69   |                         |   | 69  |               | 69         |
| <b>Categories according to IAS 39:</b>   |  |                         |   |   |               |            |
| Loans and receivables  | 605,063  | 605,063                 |   |   |               | 605,231    |
| Financial liabilities at amortised cost  | 476,080  | 476,080                 |   |   |               | 480,783    |
| Available-for-sale financial assets  | 7,535  |                         |   | 5,600   | 1,935         | 5,600      |
| Held-to-maturity investments   | 1,031  | 1,031                   |   |   |               | 1,043      |

## DISCLOSURES REGARDING FAIR VALUE

The principles and methods used to determine fair values are unchanged compared to the previous year.

Financial instruments are measured on the basis of uniform valuation methods and parameters.

Cash and cash equivalents, marketable securities and other investments (short-term discount certificates, funds and term deposits), trade receivables and other financial assets generally have short remaining terms. The reported carrying amounts as at the balance sheet date are therefore approximations of fair value.

In the case of marketable securities and other investments (non-current long-term deposit), receivables and other financial assets with remaining terms of more than one year, the fair values represent the present value of the future payments associated with the assets, taking current interest parameters into account.

Trade payables and other financial liabilities generally have short remaining terms. The reported carrying amounts as at the balance sheet date are therefore approximations of fair value.

The fair values of medium- and long-term financial liabilities correspond to the discounted payments associated with the debts.

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

Derivative financial instruments are recognised at their fair value. The carrying amount of the forward exchange transactions is therefore equal to the respective fair value.

According to IFRS 13, the fair values of financial assets and liabilities are classified according to the three levels of the fair value hierarchy. Level 1 contains fair values of financial instruments for which a market price can be quoted; securities are an example. In Level 2, fair values are based on market data, such as currency rates or interest curves, using market-based valuation techniques. Examples include derivatives. Fair values in Level 3 are derived using valuation techniques based on unobservable inputs, due to the lack of an active or measurable market, in the reporting period no financial instruments were classified in Level 3.

Reclassifications between the levels within the fair value hierarchy are carried out at the beginning of the respective quarter in which the reason or the change in circumstances occurred that results in the reclassification. No reclassifications were carried out in the first three months of 2016.

The following table provides an overview of the financial assets and liabilities measured at fair value, and their allocation to the three levels within the fair value hierarchy according to IFRS 13 as at 31 March 2016:

|   | <b>31.03.2016</b> |                |                |
|---|-------------------|----------------|----------------|
|   | Level 1           | Level 2        | Total          |
|   | [EUR'000]         | [EUR'000]      | [EUR'000]      |
| <b>ASSETS</b>   |                   |                |                |
| Cash and cash equivalents   | 0                 | 470,518        | 470,518        |
| Marketable securities and other investments (at fair value not through profit and loss) | 11,548            | 0              | 11,548         |
| Marketable securities and other investments (at amortised cost)                         | 0                 | 993            | 993            |
| Trade receivables   | 0                 | 23,872         | 23,872         |
| Receivables from affiliated and associated companies accounted for at equity            | 0                 | 6,575          | 6,575          |
| Other original financial assets   | 0                 | 49,204         | 49,204         |
| Other derivative financial assets (at fair value not through profit and loss)           | 0                 | 4              | 4              |
| Other derivative financial assets (at fair value through profit and loss)               | 0                 | 192            | 192            |
| Investments (held-to-maturity)  | 1,043             | 0              | 1,043          |
| Loans   | 0                 | 191            | 191            |
|   | <b>12,591</b>     | <b>551,549</b> | <b>564,140</b> |
| <b>LIABILITIES</b>  |                   |                |                |
| Short-term liabilities  | 0                 | 41,055         | 41,055         |
| Medium- and long-term financial liabilities   | 0                 | 133,342        | 133,342        |
| Trade payables  | 0                 | 64,992         | 64,992         |
| Payables to affiliated and associated companies accounted for at equity                 | 0                 | 1,171          | 1,171          |
| Other original financial liabilities  | 0                 | 193,923        | 193,923        |
| Other derivative financial liabilities (at fair value not through profit and loss)      | 0                 | 200            | 200            |
|   | <b>0</b>          | <b>434,683</b> | <b>434,683</b> |

The following table provides an overview of the financial assets and liabilities measured at fair value, and their allocation to the three levels within the fair value hierarchy according to IFRS 13 as at 31 December 2015:

|   | <b>31.12.2015</b> |                |                |
|---|-------------------|----------------|----------------|
|   | Level 1           | Level 2        | Total          |
|   | [EUR'000]         | [EUR'000]      | [EUR'000]      |
| <b>ASSETS</b>   |                   |                |                |
| Cash and cash equivalents   | 0                 | 500,816        | 500,816        |
| Marketable securities and other investments (at fair value not through profit and loss) | 5,600             | 0              | 5,600          |
| Marketable securities and other investments (at amortised cost)                         | 0                 | 1,290          | 1,290          |
| Trade receivables   | 0                 | 34,002         | 34,002         |
| Receivables from affiliated and associated companies accounted for at equity            | 0                 | 6,277          | 6,277          |
| Other original financial assets   | 0                 | 62,649         | 62,649         |
| Other derivative financial assets (at fair value through profit and loss)               | 0                 | 106            | 106            |
| Investments (held-to-maturity)  | 1,043             | 0              | 1,043          |
| Loans   | 0                 | 197            | 197            |
|   | <b>6,643</b>      | <b>605,337</b> | <b>611,980</b> |
| <b>LIABILITIES</b>  |                   |                |                |
| Short-term liabilities  | 0                 | 16,530         | 16,530         |
| Medium- and long-term financial liabilities   | 0                 | 137,557        | 137,557        |
| Trade payables  | 0                 | 79,894         | 79,894         |
| Payables to affiliated and associated companies accounted for at equity                 | 0                 | 597            | 597            |
| Other original financial liabilities  | 0                 | 246,205        | 246,205        |
| Other derivative financial liabilities (at fair value not through profit and loss)      | 0                 | 69             | 69             |
|   | <b>0</b>          | <b>480,852</b> | <b>480,852</b> |

## 8. SEGMENT REPORTING

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

|   | Ticketing     |               | Live Entertainment |               | Total segments |                |
|---|---------------|---------------|--------------------|---------------|----------------|----------------|
|   | 31.03.2016    | 31.03.2015    | 31.03.2016         | 31.03.2015    | 31.03.2016     | 31.03.2015     |
|   | [EUR'000]     | [EUR'000]     | [EUR'000]          | [EUR'000]     | [EUR'000]      | [EUR'000]      |
| External revenue                                      | 84,182        | 75,689        | 79,028             | 76,037        | 163,210        | 151,726        |
| Internal revenue                                      | 12,653        | 9,912         | 6,498              | 11,979        | 19,151         | 21,891         |
| <b>Total revenue</b>                                  | <b>96,835</b> | <b>85,601</b> | <b>85,526</b>      | <b>88,016</b> | <b>182,361</b> | <b>173,617</b> |
| Consolidation within the segment                      | -12,021       | -9,627        | -5,937             | -10,720       | -17,958        | -20,347        |
| <b>Revenue after consolidation within the segment</b> | <b>84,814</b> | <b>75,974</b> | <b>79,589</b>      | <b>77,296</b> | <b>164,403</b> | <b>153,270</b> |

Reconciliation of the operating profit (EBIT) of the segments to Group earnings:

|  | Ticketing  |                     | Live Entertainment |            | Intersegment consolidation |            | Group      |                       |
|--|------------|---------------------|--------------------|------------|----------------------------|------------|------------|-----------------------|
|  | 31.03.2016 | 31.03.2015          | 31.03.2016         | 31.03.2015 | 31.03.2016                 | 31.03.2015 | 31.03.2016 | 31.03.2015            |
|  | [EUR'000]  | [EUR'000]           | [EUR'000]          | [EUR'000]  | [EUR'000]                  | [EUR'000]  | [EUR'000]  | [EUR'000]             |
| Revenue  | 84,814     | 75,974              | 79,589             | 77,296     | -1,193                     | -1,544     | 163,210    | 151,726               |
| EBITDA   | 32,507     | 29,154              | 5,989              | 7,595      | 0                          | 0          | 38,496     | 36,749                |
| EBIT   | 25,677     | 22,875 <sup>1</sup> | 5,641              | 6,972      | 0                          | 0          | 31,318     | 29,847 <sup>1</sup>   |
| Depreciation and amortisation                                      | -6,830     | -6,279 <sup>1</sup> | -348               | -623       | 0                          | 0          | -7,178     | -6,902 <sup>1</sup>   |
| Financial result   |            |                     |                    |            |                            |            | -1,419     | -380 <sup>2</sup>     |
| Earnings before tax (EBT)  |            |                     |                    |            |                            |            | 29,899     | 29,467 <sup>1,2</sup> |
| Taxes  |            |                     |                    |            |                            |            | -9,039     | -8,871 <sup>1</sup>   |
| Net income before non-controlling interest                         |            |                     |                    |            |                            |            | 20,860     | 20,596 <sup>1,2</sup> |
| Non-controlling interest   |            |                     |                    |            |                            |            | -2,273     | -2,177 <sup>1</sup>   |
| Net income after non-controlling interest                          |            |                     |                    |            |                            |            | 18,587     | 18,419 <sup>1,2</sup> |
| Average number of employees  | 1,594      | 1,528               | 587                | 544        |                            |            | 2,181      | 2,072                 |
| Normalised EBITDA  | 32,776     | 29,154              | 5,989              | 7,595      | 0                          | 0          | 38,765     | 36,749                |
| Normalised EBIT before amortisation from purchase price allocation | 28,513     | 25,625 <sup>1</sup> | 5,680              | 7,100      | 0                          | 0          | 34,193     | 32,725 <sup>1</sup>   |

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of the Italian ticketing business 'Listicket'

<sup>2</sup> Adjusted prior-year figures due to the final purchase price allocation for the investment accounted for at equity of SETP/HOI Holding B.V., Amsterdam

## 9. OTHER DISCLOSURES

### APPROPRIATION OF EARNINGS

The Shareholders' Meeting on 9 May 2016 adopted a resolution to distribute EUR 44.156 million (EUR 0.46 per eligible share) of the balance sheet profit of EUR 143.256 million as at 31 December 2015 to shareholders. This distribution was carried out on 10 May 2016, and the remaining balance sheet profit of EUR 99.100 million was carried forward to the new account.

### FINANCIAL OBLIGATIONS

There have been no material changes in contingent liabilities since 31 December 2015.

### RELATED PARTY DISCLOSURES

The transactions of the CTS Group with related companies and persons pertain to reciprocal services and were concluded only at the arm's-length conditions which normally apply between third parties.

As the majority shareholder of the general partner of EVENTIM Management AG and majority shareholder of CTS KGaA, Mr. Klaus-Peter Schulenberg was the controlling shareholder until 28 December 2015. On 28 December 2015, Klaus-Peter Schulenberg transferred his shares of CTS KGaA as well as his shares of EVENTIM Management AG to KPS Stiftung seated in Hamburg. Klaus-Peter Schulenberg's holdings in CTS KGaA and EVENTIM Management AG are only being converted from a direct into an indirect holding. He is also the controlling shareholder of other companies associated with the KPS Group.

The contractual relationships with related companies and persons resulted in the following goods and services being sold to and bought from related parties in the 2016 reporting period:

|  | 31.03.2016   | 31.03.2015   |
|--|--------------|--------------|
|  | [EUR'000]    | [EUR'000]    |
| <b>Goods and services supplied by the Group</b>                  |              |              |
| Subsidiaries not included in consolidation due to insignificance | 169          | 132          |
| Associated companies accounted for at equity                     | 660          | 253          |
| Other related parties  | 1,659        | 1,093        |
|  | <b>2,488</b> | <b>1,478</b> |

|  | 31.03.2016   | 31.03.2015   |
|--|--------------|--------------|
|  | [EUR'000]    | [EUR'000]    |
| <b>Goods and services received by the Group</b>                  |              |              |
| Subsidiaries not included in consolidation due to insignificance | 509          | 371          |
| Associated companies accounted for at equity                     | 622          | 807          |
| Other related parties  | 5,993        | 5,510        |
|  | <b>7,124</b> | <b>6,688</b> |

Bremen, 26 May 2016

CTS EVENTIM AG & Co. KGaA  
 represented by:  
 EVENTIM Management AG, general partner

Klaus-Peter Schulenberg

Volker Bischoff

Alexander Ruoff

## **FORWARD-LOOKING STATEMENTS**

This Group interim report contains forecasts based on assumptions and estimates by the management of CTS KGaA. These statements based on assumptions and estimates are in the form of forward-looking statements using terms such as 'believe', 'assume', 'expect' and the like. Even though management believes that these assumptions and estimates are correct, it is possible that actual results in the future may deviate materially from such assumptions and estimates due to a variety of factors. The latter may include changes in the macroeconomic environment, in the statutory and regulatory framework in Germany and the EU, and changes within the industry. CTS KGaA does not provide any guarantee or accept any liability or responsibility for any divergence between future developments and actual results, on the one hand, and the assumptions and estimates expressed in this Group interim report. CTS KGaA has no intention and undertakes no obligation to update forward-looking statements in order to adjust them to actual events or developments occurring after the date of this report.

The German version of the Group interim report takes priority over the English translation in the event of any discrepancies. Both language versions can be downloaded at [www.eventim.de](http://www.eventim.de).

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