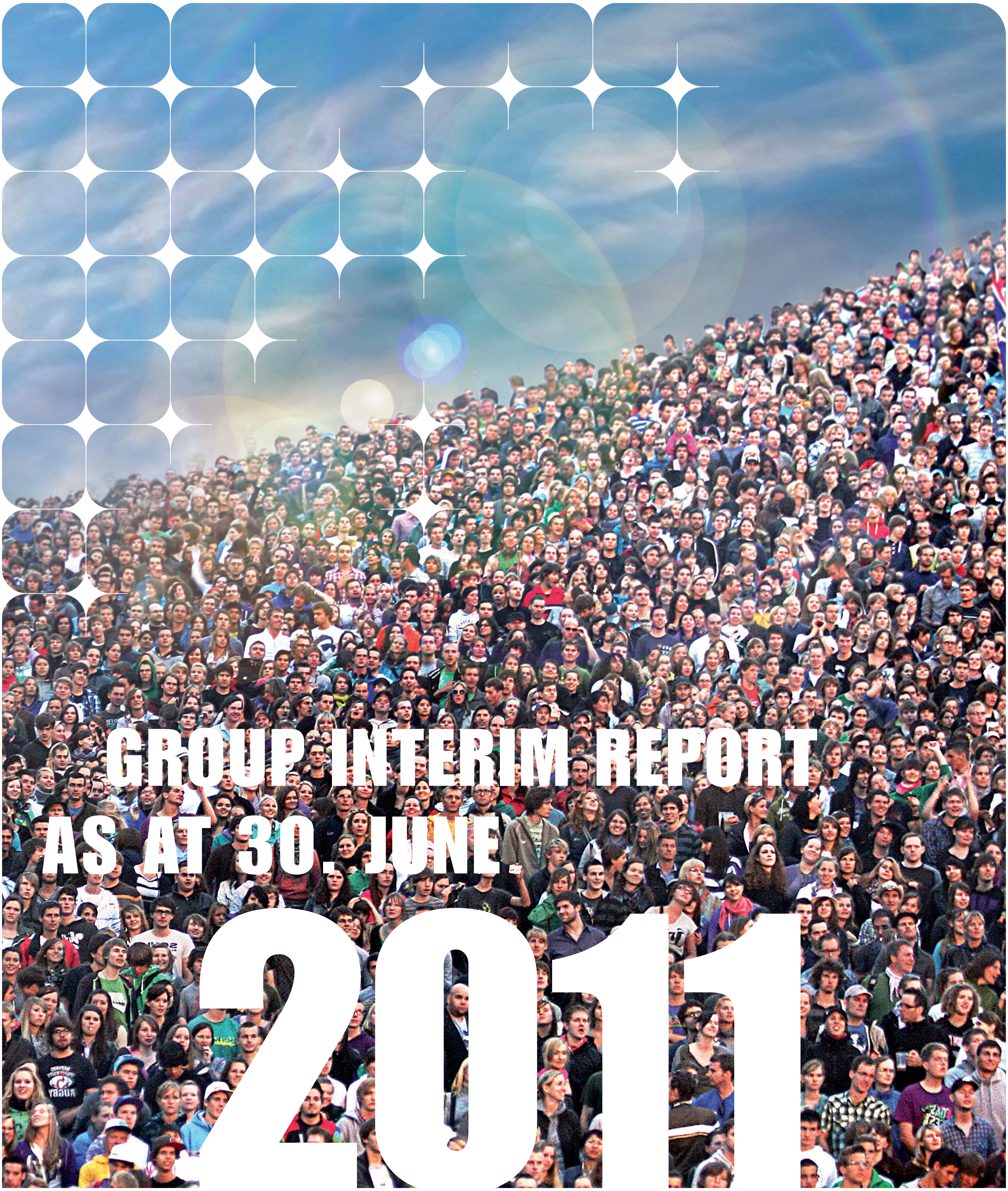

GROUP INTERIM REPORT AS AT 30. JUNE 2011

eventim

CONTENT

KEY GROUP FIGURES

	01.01.2011 - 30.06.2011	01.01.2010 - 30.06.2010		Change
	EUR'000	EUR'000		[in %]
Revenue	263,846	270,856		-2.6%
EBITDA	41,242	43,610	5	-5.4%
EBIT	30,146	37,852	5	-20.4%
Normalised EBITDA	47,062	46,666	5	0.8%
Normalised EBIT before amortisation resulting from purchase price allocation	41,167	42,205	5	-2.5%
Normalised EBITDA margin	17.8%	17.2%		0.6 pp
Normalised EBIT margin before amortisation resulting from purchase price allocation	15.6%	15.6%		0.0 pp
Non-recurring items [1]	5,820	3,056		90.4%
Amortisation resulting from purchase price allocation [2]	5,201	1,297	5	301.0%
Earnings before tax (EBT)	28,793	37,954	5	-24.1%
Net income after minority interest	17,136	18,926	5	-9.5%
Cash flow	28,597	31,541		-9.3%
	[EUR]	[EUR]		
Earnings per share [3], undiluted (= diluted)	0.36	0.39	5/6	
	[Qty.]	[Qty.]		
Number of employees [4]	1,447	1,015		
Of which temporary	(139)	(101)		

[1] Cf. page 9 for a detailed statement of non-recurring items

[2] Purchase price allocation of Ticketcorner Holding AG und See Tickets Germany GmbH; cf. Annual Report 2010 page 25 "Corporate Management" for further information

[3] Number of shares: 48 million

[4] Number of employees at end of year (active workforce)

[5] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. section 1.6.1.2 in notes to the consolidated financial statements 2010)

[6] pro forma calculation based on 48 million shares

2. LETTER TO THE SHAREHOLDERS

Klaus-Peter Schulenberg
Chief Executive Officer

Dear Shareholders,

CTS EVENTIM is a superbly positioned company with a strong brand. Millions of satisifed customers are evidence of the fact – and the ticketing business is running better than ever before. In addition to gaining new market shares with the various acquisitions made in 2010, the CTS Group continued to profit from high-margin ticket sales via the Internet. As a consequence, revenue in the Ticketing segment rose a substantial 28%. The encouragingly strong revenue growth in this segment makes us confident of reaching our targets for the year.

SUCCESSFUL INTEGRATION OF 2010 ACQUISITIONS IN THE TICKETING SEGMENT

Our strategy of growth also through targeted acquisitions is a keystone for our success. In 2010, we took over Germany's second-ranking ticketing company, See Tickets Germany / Ticket Online Group, and the market leader in Switzerland, the Ticketcorner Group. By making these transactions, CTS Group boosted annual ticket volume and reinforced its position as market leader. Through the See Tickets Germany / Ticket Online Group, we have also secured exclusive ticketing access to the musical productions of Stage Entertainment Germany, which has produced box-office successes like 'The Lion King', 'Mamma Mia' and 'Holiday on Ice'. The CTS Group, for its part, is strong in the fields of rock/pop and sport. We complement each other superbly.

SUCCESS THANKS TO TECHNOLOGICAL ADVANCEMENT

Our market leadership in Europe is the result of hard work on our part, with a rigorous focus on service orientation and advancing our technologies. CTS EVENTIM has the most modern Ticketing software on the market and is continuously optimising it. We also gain from high-margin ticket sales via the Internet, which enables a significantly higher level of value creation. This year, we will attain new record figures in web sales; more than one million people a day visit our websites.

REVENUE AND EARNINGS IN LIVE ENTERTAINMENT SEGMENT TRUE TO EXPECTATIONS

As expected, the Live Entertainment segment was unable to match the record figures achieved in 2010, also due in part to the reduction in revenue following the deconsolidation of the FKP Scorpio Group as well as a reduced number of major tours and events. As at 30 June 2011, revenue in Live Entertainment was down year-on-year by 16% as a result. That said, a string of successful festivals and events in the second quarter produced a revenue boost of 11%.

FULL-SCALE SERVICE FOR OUR CUSTOMERS

The success of CTS EVENTIM stems not only from the combination of two segments in which we operate, Ticketing and Live Entertainment, but also from our mission to provide our customers with reliable, full-scale service. After all, we are the promoter of a large proportion of events and are responsible for both the ticketing operation and advertising. On the Internet, customers can book tickets or concert trips, watch video excerpts or download songs and entire albums. Anyone who wants to can even order VIP package deals that fulfil every wish – from car parking tickets and admission tickets to buffet dinner and special gifts. Our declared aim is that the customer receives the smoothest possible service.

ATTRACTIVE EVENTS

CTS EVENTIM holds the topmost rank: Whatever the category, be it pop, rock, German Schlagermusik, folk music, theatre, musicals, classical music or sports events, there is no other company that offers the public more. In the months ahead, for example, we will be thrilling audiences with top acts like Bob Dylan and Mark Knopfler, George Michael, Roxette and Rihanna. We also attach great importance to sports events. We handled the ticketing operation for the FIFA 2011 Women's World Cup in Germany, for example. Our Finnish subsidiary, Lippupiste Oy, is also responsible for most of the ticketing for the Ice Hockey World Championships to be held in Finland and Sweden in 2012 and 2013. In total, more than 80 clubs, associations and sports promoters from 20 different sports disciplines now make use of CTS EVENTIM services.

SUCCESS THROUGH ENDURANCE

More than eleven years have passed since our IPO. During that period, CTS EVENTIM has increased both revenue and earnings in impressive manner. With organic growth and smart acquisitions, we have succeeded in becoming Europe's market leader. This shows that we have an attractive business and that we make rigorous efforts to satisfy the expectations of our shareholders, customers and employees. That will remain our mission in the future as well.

At this point we would briefly like to address the dispute with Live Nation. We have made it clear that we do not accept the termination of our contract by Live Nation and are insisting that the contract be honoured and that damages be paid. We are very confident that an outcome in our favour will be achieved.

Yours sincerely,

Klaus-Peter Schulenberg
Chief Executive Officer

3. CTS SHARES

Shares in CTS EVENTIM AG (ISIN DE0005470306) performed well during the period under review (1 January – 30 June 2011) and rose in value by 4.7% in a highly volatile market environment. At the end of April 2011, the share price attained a new all-time high at EUR 51.18 (after the increase in share capital using company funds: EUR 25.59).

The appreciation in share price and the highly stable ownership structure are confirmation of the CTS AG business model. Efforts will continue to be concentrated on further expansion of the Ticketing segment. With organic growth and its ability to implement and integrate acquisitions efficiently, the CTS Group will maintain its capacity to increase its market shares in future periods as well. Another key factor from the company's perspective is that the entertainment industry, and live events especially, have proved in recent years to be exceedingly resistant to economic crises.

CTS shares have been followed by various analysts for some considerable time already: Analyses of CTS shares are produced not only by the Designated Sponsors – ICF Kursmakler AG on behalf of DZ Bank and Commerzbank AG – but also by Berenberg Bank, Crédit Agricole Cheuvreux, Deutsche Bank, HSBC, Macquarie Securities Group, Bank of America Merrill Lynch, M.M. Warburg and NordLB.

THE CTS SHARE PRICE (01.01.2011 TO 23.08.2011 – INDEXED)

NUMBER OF SHARES HELD BY MEMBERS OF EXECUTIVE ORGANS AS AT 30 JUNE 2011:	Number of shares	Share
Members of the Management Board:	[Qty. after increase in capital share]	[in %]
Klaus-Peter Schulenberg (Chief Executive Officer)	24,032,000	50.067%
Volker Bischoff	0	0.000%
Alexander Ruoff	4,000	0.008%
Members of the Supervisory Board:		
Edmund Hug (Chairman)	8,430	0.018%
Prof. Jobst W. Plog	1,300	0.003%
Dr. Bernd Kundrum	0	0.000%

During the period under review, executive officers of CTS AG engaged in the following transactions involving no-par value bearer shares of the company (ISIN DE0005470306):

Name	Position	Transaction	Date	Number of shares (before increase in share capital)
Edmund Hug	Chairman of Supervisory Board	Purchase	30.03.2011	565
Prof. Jobst W. Plog	Member of Supervisory Board	Sale	28.06.2011	650
Prof. Jobst W. Plog	Member of Supervisory Board	Purchase	29.06.2011	650

4. INTERIM MANAGEMENT REPORT FOR THE GROUP

1. EARNINGS PERFORMANCE, FINANCIAL POSITION AND CASH FLOW

EARNINGS PERFORMANCE

	01.01.2011 - 30.06.2011	01.01.2010 - 30.06.2010		Change	
	[EUR'000]	[EUR'000]		[EUR'000]	[in %]
Revenue	263,846	270,856		-7,010	-2.6%
Gross profit	75,656	69,838	2	5,818	8.3%
EBITDA	41,242	43,610	2	-2,368	-5.4%
EBIT	30,146	37,852	2	-7,706	-20.4%
Non-recurring items:					
Acquisition / workforce restructuring	1,330	1,974		-644	-32.6%
Legal consultancy cost in connection with the arbitration proceedings against Live Nation	4,490	1,082		3,408	315.0%
	5,820	**3,056**		**2,764**	**90.4%**
Amortisation resulting from purchase price allocation [1]	**5,201**	**1,297**	2	**3,904**	**301.0%**
Normalised EBITDA	47,062	46,666	2	396	0.8%
Normalised EBIT before amortisation resulting from purchase price allocation	41,167	42,205	2	-1,038	-2.5%

[1] Purchase price allocation of Ticketcorner Holding AG und See Tickets Germany GmbH; cf.Annual Report 2010 page 25 "Corporate Management" for further information

[2] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. section 1.6.1.2 in notes to the consolidated financial statements 2010)

REVENUE GROWTH

The **CTS Group** generated EUR 263.846 million in revenue in the period under review, compared to EUR 270.856 million in HY1/2010 (-3%). Revenue (before consolidation between the segments) breaks down into EUR 104.096 million (HY1/2010: EUR 81.530 million) in the Ticketing segment and EUR 162.912 million (HY1/2010: EUR 192.849 million) in the Live Entertainment segment.

In the **Ticketing segment**, organic growth in the core European markets and a number of successful acquisitions resulted in a significant increase in revenue in the first six month 2011, despite the absence of revenue from the partnership agreement that was terminated by Live Nation in June 2010. Revenue rose 28% from EUR 81.530 million to EUR 104.096 million. As expected, the percentage share of revenues generated by foreign companies decreased in the 2011 reporting period to 40% (HY1/2010: 50%) due to the lack of revenue from the Live Nation partnership, and to higher revenue in Germany resulting from the acquisition of See Tickets Germany / Ticket Online Group.

As at 30 June 2010, about 204 million music and event fans visited the Group's Internet portals, buying around 8.5 million tickets in total (HY1/2010: around 7.4 million). This equates to percentage growth in Internet ticketing of around 16%. In the first half of 2010, the partnership with Live Nation that was later terminated was still having a positive impact on Internet sales volume.

As expected, revenue in the **Live Entertainment segment**, at EUR 162.912 million (HY1/2010: EUR 192.849 million; -16%), was below the record figures achieved in 2010. The main reason – besides the deconsolidation of FKP Scorpio Konzertproduktionen GmbH and its subsidiaries (hereinafter: the FKP Scorpio Group) as at 1 July 2010 – was the smaller number of major tours and events compared with the previous year.

GROSS PROFIT

The gross profit of the **Group** increased by 8% during the first half of 2011 to EUR 75.656 million. Due to the increasing percentage share of total Group gross profit now generated by the high-margin Ticketing segment, the gross margin for the Group as a whole improved year-on-year from 25.8% to 28.7%.

In the **Ticketing segment**, the gross margin rose from 53.1% to 54.7% in the first half of 2011. In the **Live Entertainment segment**, the gross margin slipped from 13.7% to 11.5% due to changes in the portfolio of events.

NON-RECURRING ITEMS

As in the same period last year, Group earnings in the reporting period were temporarily burdened by non-recurring items in the Ticketing segment. These non-recurring items were normalised in both reporting periods and are comprised as follows:

- In the first six months of 2011, profits were reduced by effects totalling EUR 1.330 million; these resulted from executed and planned acquisitions and personnel restructuring, mainly for settlements and for benefits paid to interim employment ('transfer') companies. In the first half of 2010, EUR 1.974 million in acquisition costs mainly for Ticketcorner Holding AG and See Tickets Germany GmbH were recognised.

- In the first six months of 2011, EUR 4.490 million (HY1/2010: EUR 1.082 million) in legal consultancy costs were incurred in connection with the arbitration proceedings against Live Nation.

NORMALISED EBITDA / EBITDA

Normalised **Group** EBITDA increased by EUR 396 thousand or 1% to EUR 47.062 million. The normalised EBITDA margin was 17.8% (HY1/2010: 17.2%). This increase in EBITDA is mainly attributable to the Ticketing segment, whereas the drop in earnings in the first quarter in the Live Entertainment segment meant it was unable to reach the record figures achieved in HY1/2010. Foreign subsidiaries accounted for around 21% of normalised Group EBITDA (HY1/2010: 25%). Group EBITDA amounted to EUR 41.242 million (HY1/2010: EUR 43.610 million).

In the **Ticketing segment**, the normalised EBITDA figure rose significantly by EUR 7.467 million or 27% to EUR 34.787 million. The main drivers for improved profits in the Ticketing segment were continued growth in Internet ticketing volume and the profit contributions of the companies newly acquired in the 2010 financial year. The profits generated by companies newly acquired in 2010 over-compensated for the shortfall in profit contributions caused by termination of the partnership with Live Nation in June 2010. The normalised EBITDA margin was 33.4% (HY1/2010: 33.5%). The normalised EBITDA margin is adversely affected by the consolidation of newly acquired companies with ticketing operations that still produce lower margins. The share of normalised Ticketing segment EBITDA attributable to foreign companies declined, as expected, from 35% in HY1/2010 to 23% in the period under review, mainly due to the acquisition of See Tickets Germany GmbH / Ticket Online Group in Germany. The EBITDA figure rose from EUR 24.264 million in HY1/2010 to EUR 28.968 million in HY1/2011 (+19%).

With an EBITDA of EUR 12.274 million (HY1/2010: EUR 19.346 million), the **Live Entertainment segment** fell short of the record figures achieved in 2010. This was in line with expectations, in that the above-average earnings generated by the tours and events put on in the first quarter of 2010 (including Depeche Mode, 'Dinosaurs – in the Realm of the Giants' exhibition, the Cirque du Soleil Show 'Saltimbanco' and the 'Elisabeth' musical) could not be matched by less profitable events in the first quarter of 2011. After adjustment for the prior-year results of the deconsolidated FKP Scorpio Group, in contrast, the Group generated an increase in EBITDA in the second quarter of 2011. The EBITDA margin in the first half of 2011 is 7.5%, after 10.0% in HY1/2010.

NORMALISED EBIT BEFORE AMORTISATION FROM PURCHASE PRICE ALLOCATION / EBIT

In the first six months of 2011, normalised **Group** EBIT before amortisation from purchase price allocation fell 3% from EUR 42.205 million to EUR 41.167 million. The normalised EBIT margin, before amortisation from purchase price allocation, was 15.6%, the same level as a year before. The EBIT figure, at EUR 30.146 million, is 20% lower year-on-year (HY1/2010: EUR 37.852 million). Depreciation and amortisation within the Group rose from EUR 5.758 million to EUR 11.096 million, and include EUR 5.201 million (HY1/2010: EUR 1.297 million) in amortisation from purchase price allocation by the Ticketing segment companies acquired in the 2010 financial year.

In the **Ticketing** segment, normalised EBIT before amortisation from purchase price allocation rose substantially by 25% from EUR 23.908 million to EUR 29.875 million. The normalised EBIT margin, before amortisation from purchase price allocation, was 28.7% (HY1/2010: 29.3%). The EBIT figure, at EUR 18.855 million, was 4% lower year-on-year (HY1/2010: EUR 19.556 million).

The **Live Entertainment** segment achieved an EBIT of EUR 11.291 million after EUR 18.296 million in HY1/2010 (-38%). The EBIT margin was 6.9%, compared to 9.5% in HY1/2010.

FINANCIAL RESULT

The financial result, at EUR -1.353 million (HY1/2010: EUR +102 thousand) includes EUR 1 thousand in income from participations (HY1/2010: EUR 26 thousand), EUR 778 thousand in income from associates (HY1/2010: EUR 74 thousand), EUR 1.280 million in financial income (HY1/2010: EUR 1.037 million) and EUR 3.413 million in financial expenses (Q1/2010: EUR 1.036 million).

The decrease in financial result was mainly due to higher borrowing costs (especially interest expense) to finance the acquisitions made during the 2010 financial year.

EARNINGS BEFORE TAX (EBT) AND NET INCOME AFTER NON-CONTROLLING INTEREST

As at 30 June 2011, earnings before tax (EBT) decreased from EUR 37.954 million in HY1/2010 to EUR 28.793 million. After deduction of tax expenses and non-controlling interest, net income amounted to EUR 17.136 million (HY1/2010: EUR 18.926 million). Earnings per share (EPS) for the first half of 2011 came to EUR 0.36, compared to EUR 0.39 in HY1/2010.

PERSONNEL

On average over the year to date, the companies in the CTS Group had a total of 1,441 employees on their payroll, including 133 part-time workers (HY1/2010: 1,161 employees, including 127 part-timers). Of that total, 1,235 are employed in the Ticketing segment (HY1/2010: 840 employees) and 206 in the Live Entertainment segment (HY1/2010: 321 employees). The main reason for this increase in the number of employees in the Ticketing segment was the greater scope of consolidation, whereas the reduction in the number of employees in the Live Entertainment segment was principally due to the deconsolidation of FKP Scorpio Group as at 1 July 2010.

Due to larger workforces, personnel expenses increased year-on-year by EUR 7.732 million from EUR 26.545 million to EUR 34.277 million. This increase in personnel expenses stems from the Ticketing segment (EUR +10.526 million), whereas personnel expenses in the Live Entertainment segment were reduced by EUR 2.794 million. The increased personnel expenses in the Ticketing segment resulted primarily from business expansion through acquisitions. The reduction in personnel expenses in the Live Entertainment segment resulted primarily from the deconsolidation of FKP Scorpio Group as at 1 July 2010.

FINANCIAL POSITION

On the **assets side**, the main changes were in cash and cash equivalents (EUR -16.590 million), receivables from affiliated and associated companies (EUR -4.291 million), payments on account (EUR -7.328 million) and intangible assets (EUR -4.800 million) .

The EUR -16.590 million drop in **cash and cash equivalents** is mainly due to reduced liabilities in the Ticketing segment for ticket monies not yet invoiced and to distribution of dividend in the second quarter of 2011; these effects were offset by cash inflows from the positive Group net income. Total cash and cash equivalents, at EUR 161.446 million, (31.12.2010: EUR 178.036 million), include EUR 96.987 million in ticket monies from pre-sales for events in subsequent quarters (ticket monies not yet invoiced in the Ticketing segment), which are reported under other liabilities at (31.12.2010: EUR 116.767 million). Other assets also include ticket money receivables from pre-sales in the Ticketing segment (EUR 17.103 million; 31.12.2010: EUR 19.512 million).

The EUR -4.291 million decrease in **receivables from affiliated and associated companies** resulted above all from lower receivables in the Live Entertainment segment.

The reduction in **payments on account** (EUR -7.328 million) was mainly due to the execution and invoicing of events (especially by the Herbert Grönemeyer tour) in the first half of 2011.

The EUR -4.800 million change in **intangible assets** was principally the result of systematic amortisation of the trademark, customer base and software that were capitalised as assets in the purchase price allocation in respect of the Ticketcorner Group and See Tickets Germany / Ticket Online Group.

On the liabilities side, mainly short-term financial liabilities increased by EUR 7.495 million, and trade liabilities by EUR 9.132 million. These increases were offset by decreases in advance payments received (EUR 17.469 million), in other liabilities (EUR 24.251 million) and in medium- and long-term financial liabilities (EUR 4.851 million).

The EUR 7.495 million increase in **short-term financial liabilities and current portion of long-term financial liabilities** is mainly due to the timely reclassification of loan liabilities from medium- and long-term liabilities to current loan liabilities due to a shorter remaining term of the loan.

Trade payables (EUR +9.132 million) increased in the the Live Entertainment segment, especially, in the context of ongoing business operations.

The EUR 17.469 million decrease in **advance payments received** in the Live Entertainment segment as at the closing date of 30 June 2011 resulted mainly from the large number of events put on during the second quarter (festivals, including Rock im Park and Rock am Ring, as well as tours).

The EUR 24.251 million decrease in **other liabilities** as at 30 June 2011 is predominantly due to lower liabilities for 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 dismantled in the first two quarters of the following year when the events are held and invoiced.

Medium- and long-term financial liabilities (EUR -4.851 million) mainly decreased because of the timely reclassification of loan liabilities as short-term financial liabilities. That decrease is offset by an increase in loan liabilities (EUR +1.667 million) arising from currency translation of liabilities (EUR/CHF) as at the closing date.

As at 30 June 2011, **shareholders' equity** decreased by EUR 2.686 million to EUR 155.925 million. The distribution of EUR 20.878 million in dividend in the second quarter of 2011 was offset by the EUR 17.136 million increase in shareholders' equity provided by Group profits so far in the 2011 reporting period. The Shareholders' Meeting in May 2011 adopted a resolution to increase the share capital by EUR 24.000 million to EUR 48.000 million. The increase was effected on 3 June 2011, when the relevant entry was made in the register of companies.

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 reporting date of 30 June 2010, cash and cash equivalents increased by EUR 20.721 million to EUR 161.446 million. This EUR 20.721 million change includes outflows of cash amounting to EUR 51.757 million during the 2010 financial year (especially due to the reduction of liabilities and to payments for increasing shareholdings in subsidiaries) as well as EUR 72.478 million in cash inflows in the first six months of 2011 relative to HY1/2010.

Cash flow from operating activities increased year-on-year by EUR 49.226 million from EUR -37.614 million to EUR +11.612 million.

This year-on-year increase in cash flow is mainly the result of the change in liabilities (EUR +53.996 million).

The positive cash-flow effect of EUR +53.996 million from change in **liabilities** is predominantly attributable to advance payments received in the Live Entertainment segment (EUR +20.633 million), to trade liabilities liabilities (EUR +13.123 million) and to liabilities for ticketing monies not yet invoiced (EUR +16.119 million).

The positive cash-flow effect arising in the Live Entertainment segment from **liabilities from advance payments received**, at EUR +20.633 million, results from less reduction in the January to June 2011 reporting period of liabilities from advance payments received compared to the same period in 2010. In the Live Entertainment segment, ticket monies generated by the promoter in the pre-sales period are recognised under liabilities as advance payments received. When the event is subsequently held, these advance payments received are transferred to revenue.

The positive cash-flow effect resulting from **trade liabilities**, at EUR +13.123 million, mainly derive from increased liabilities in the Live Entertainment segment, since many events were carried out at the end of the second quarter of 2011, especially, for which the cash outflows are not effected until the beginning of the third quarter.

As at 31 December, owing to the seasonally very high level of ticket pre-sales 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 first half of the following year to cash outflows of ticket monies to promoters due to many events being held and invoiced. Compared to the first six months of 2010, a smaller volume of ticket monies had to be paid out to promoters, thus resulting in a positive year-on-year cash flow effect of EUR 16.119 million.

Cash flow from investing activities fell EUR 35.416 million to EUR -5.154 million. The high volume of cash outflow in HY1/2010 was mainly the result of payments for the acquisition of shares in the Ticketcorner Group.

Cash flow from financing activities increased year-on-year by EUR -13.217 million to EUR -23.323 million. In the first half of 2010, cash flow from financing activities was characterised by loans to acquire the Tickercorner Group (EUR +35.532 million) and by payments made in connection with the acquisition of additional shares in a subsidiary in the Ticketing segment that was already included in consolidation (EUR -20.589 million).

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

2. EVENTS AFTER THE BALANCE SHEET DATE

With an agreement concluded on 5 July 2011, Ticket Express, Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Vienna, acquired 100% of the shares in Ticket Online Austria GmbH, Vienna. The purchase price paid for the shares was EUR 373 thousand.

Since the closing date, there have been no other events requiring disclosure.

3. CORPORATE GOVERNANCE DECLARATION

The executive bodies of CTS AG are guided in their actions by the principles of responsible and good corporate governance. The Management Board submits a report on corporate governance in a declaration of compliance, in accordance with § 289a (1) HGB. The current and all previous declarations of compliance are permanently available on the Internet at the www.eventim.de website (http://www.eventim.de/tickets.html?affiliate=GMD&fun=tdoc&doc=eventim/default/info/en/investor/investorCorporateGovernance/managementDeclaration).

4. OUTLOOK

In 2011, the Group will remain focused on the continuous growth of Internet ticketing operations, on international expansion and on integrating its newly acquired companies.

The Internet is of fundamental importance for the future perspectives of the CTS Group. More and more people, across all generations, are using the Internet as a simple and reliable medium. The CTS Group expects a disproportionate increase in online sales. Moreover, in comparison with Great Britain and the USA, there is still a considerable amount of catching up to be done.

The CTS Group is the technology leader in the ticketing field, not least on account of its innovative software. With a full spectrum of services – including exclusive pre-sales, an iPhone-App, VIP package deals, online reservation of specific seats, special business offers, or print-at-home solutions – standards are set for the industry as a whole.

International expansion to other core European markets remains another key strategic priority. New industries and/or customer-specific services and sales initiatives are being developed to achieve further improvements in the European market position.

Integration of the companies newly acquired in the prior year is running according to plan, and initial synergies have already been realised. In the medium term, it is expected that additional and substantial synergies can be tapped, especially through scale effects.

In the Live Entertainment segment, the CTS Group is as superbly positioned as ever. Whatever the category inter alia, be it pop, rock, German Schlagermusik, festivals or musicals – the CTS Group offers its customers an extraordinarily wide range of events. In the months ahead, the CTS Group will inspire audiences with world-class performers such as Roxette, Rihanna, Bob Dylan & Mark Knopfler and Lenny Kravitz.

The hearing in the ongoing arbitration proceedings against Live Nation London was held in London at the end of July.

The Management Board expects the Group to achieve further business growth in the 2011 business year as well as a further improvement in revenue and earnings.

5. RISKS AND OPPORTUNITIES

The risk management system now in place means that the risks facing the CTS Group are limited and controllable. There are no discernible risks that might jeopardise the continued existence of the Group as a going concern. The statements made in the risk report included in the 2010 Annual Report remain valid.

6. RELATED PARTY DISCLOSURES

For disclosures of important transactions with related parties, reference is made to item 7 in the selected notes.

FORWARD-LOOKING STATEMENTS

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

Bremen, 25 August 2011

CTS EVENTIM Aktiengesellschaft

The Management Board

5. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2011

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2011 (IFRS)

ASSETS	30.06.2011	31.12.2010	Change
	[EUR]	[EUR]	[EUR]
Current assets			
Cash and cash equivalents	161,446,160	178,036,473	-16,590,313
Trade receivables	30,213,192	31,893,172	-1,679,980
Receivables from affiliated and associated companies	2,688,193	6,978,834	-4,290,641
Inventories	1,471,636	1,585,575	-113,939
Payments on account	10,401,372	17,729,381	-7,328,009
Receivables from income tax	7,785,796	10,513,476	-2,727,680
Other assets	40,135,925	41,380,839	-1,244,914
Total current assets	**254,142,274**	**288,117,750**	**-33,975,576**
Non-current assets			
Property, plant and equipment	14,932,538	15,356,589	-424,051
Intangible assets	95,537,938	100,338,408 [1]	-4,800,470
Investments	2,076,820	2,035,092	41,728
Investments in associates	2,770,900	1,992,660	778,240
Loans	469,517	533,814	-64,297
Trade receivables	148,094	211,603	-63,509
Other assets	51,093	201,304	-150,211
Goodwill	250,718,812	248,553,379 [1]	2,165,433
Deferred tax assets	3,552,718	2,354,646 [1]	1,198,072
Total non-current assets	**370,258,430**	**371,577,495**	**-1,319,065**
Total assets	**624,400,704**	**659,695,245**	**-35,294,541**

[1] adjusted prior-year figures due to final purchase price allocation of See Tickets Germany / Ticket Online Group (cf. section 3.1.2 in selected notes to the consolidated financial statements)

SHAREHOLDERS' EQUITY AND LIABILITIES	30.06.2011	31.12.2010	Change
	[EUR]	[EUR]	[EUR]
Current liabilities			
Short-term financial liabilities and current portion of long-term financial liabilities	14,062,333	6,567,412	7,494,921
Trade payables	47,875,469	38,743,409	9,132,060
Payables to affiliated and associated companies	813,253	2,919,716	-2,106,463
Advance payments received	47,080,838	64,550,219	-17,469,381
Other provisions	4,868,762	4,384,600	484,162
Tax provisions	8,433,072	8,359,099	73,973
Other liabilities	126,128,055	150,379,083	-24,251,028
Total current liabilities	**249,261,782**	**275,903,538**	**-26,641,756**
Non-current liabilities			
Medium- and long-term financial liabilities	194,939,953	199,790,947	-4,850,994
Other liabilities	247,024	320,337	-73,313
Pension provisions	4,029,515	4,417,210	-387,695
Deferred tax liabilities	19,997,394	20,652,167 [1]	-654,773
Total non-current liabilities	**219,213,886**	**225,180,661**	**-5,966,775**
Shareholders' equity			
Share capital	48,000,000	24,000,000	24,000,000
Capital reserve	1,890,046	23,310,940	-21,420,894
Retained earnings	92,217,598	98,538,828 [1]	-6,321,230
Treasury stock	-52,070	-52,070	0
Non-controlling interest	12,101,222	11,431,304	669,918
Total comprehensive income	-157	21,842	-21,999
Currency differences	1,768,397	1,360,202	408,195
Total shareholders' equity	**155,925,036**	**158,611,046**	**-2,686,010**
Total shareholders' equity and liabilities	**624,400,704**	**659,695,245**	**-35,294,541**

[1] adjusted prior-year figures due to final purchase price allocation of See Tickets Germany / Ticket Online Group (cf. section 3.1.2 in selected notes to the consolidated financial statements)

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2011 (IFRS)

	01.01.2011 - 30.06.2011 [EUR]	01.01.2010 - 30.06.2010 [EUR]	Change [EUR]
Revenue	263,845,907	270,855,728	-7,009,821
Cost of sales	-188,189,491	-201,017,297 [1]	12,827,806
Gross profit	**75,656,416**	**69,838,431**	**5,817,985**
Selling expenses	-23,904,589	-20,357,316 [1]	-3,547,273
General administrative expenses	-15,698,829	-12,965,105 [1]	-2,733,724
Other operating income	5,509,197	5,602,305	-93,108
Other operating expenses	-11,416,028	-4,266,256	-7,149,772
Operating profit (EBIT)	**30,146,167**	**37,852,059**	**-7,705,892**
Income / expenses from participations	906	26,456	-25,550
Income / expenses from investments in associates	778,240	74,258	703,982
Financial income	1,280,479	1,036,673	243,806
Financial expenses	-3,412,692	-1,035,749	-2,376,943
Income before tax (EBT)	**28,793,100**	**37,953,697**	**-9,160,597**
Taxes	-9,042,650	-12,236,492	3,193,842
Net income before non-controlling interest	**19,750,450**	**25,717,205**	**-5,966,755**
Non-controlling interest	-2,614,466	-6,791,537	4,177,071
Net income after non-controlling interest	**17,135,984**	**18,925,668**	**-1,789,684**
Earnings per share (in EUR); undiluted (= diluted)	0.36	0.39 [1/2]	
Average number of shares in circulation; undiluted (= diluted)	48 million	48 million	

[1] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. 1.6.1.2 in notes to the consolidated financial statements 2010)

[2] pro forma calculation based on 48 million shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2011 (IFRS)

	01.04.2011 - 30.06.2011	01.04.2010 - 30.06.2010		Change
	[EUR]	[EUR]		[EUR]
Revenue	162,815,570	143,009,355		19,806,215
Cost of sales	-125,104,683	-110,239,979	[1]	-14,864,704
Gross profit	**37,710,887**	**32,769,376**		**4,941,511**
Selling expenses	-12,207,987	-10,772,925	[1]	-1,435,062
General administrative expenses	-7,978,253	-7,023,177	[1]	-955,076
Other operating income	2,830,599	2,904,480		-73,881
Other operating expenses	-4,925,893	-2,691,033		-2,234,860
Operating profit (EBIT)	**15,429,353**	**15,186,721**		**242,632**
Income / expenses from participations	286	24,575		-24,289
Income / expenses from investments in associates	203,592	61,800		141,792
Financial income	573,795	456,258		117,537
Financial expenses	-1,744,036	-627,655		-1,116,381
Income before tax (EBT)	**14,462,990**	**15,101,699**		**-638,709**
Taxes	-5,769,971	-5,904,247		134,276
Net income before non-controlling interest	**8,693,019**	**9,197,452**		**-504,433**
Non-controlling interest	-191,201	-2,422,736		2,231,535
Net income after non-controlling interest	**8,501,818**	**6,774,716**		**1,727,102**
Earnings per share (in EUR); undiluted (= diluted)	0.18	0.14	[1/2]	
Average number of shares in circulation; undiluted (= diluted)	48 million	48 million		

[1] adjusted prior-year figures (cf. 1.6.1.2 in notes to the consolidated financial statements 2010)

[2] pro forma calculation based on 48 million shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2011 (IFRS)

	01.01.2011 - 30.06.2011 [EUR]	01.01.2010 - 30.06.2010 [EUR]	Change [EUR]
Net income before non-controlling interest	**19,750,450**	**25,717,205** [1]	**-5,966,755**
Exchange differences on translating foreign subsidiaries	408,195	1,598,293 [1]	-1,190,098
Available-for-sale financial assets	-21,999	-38,208	16,209
Other income	**386,196**	**1,560,085**	**-1,173,889**
Total comprehensive income	**20,136,646**	**27,277,290**	**-7,140,644**
Total comprehensive income attributable to			
Shareholders of CTS AG	17,306,865	20,472,715 [1]	
Non-controlling interest	2,829,781	6,804,575	

[1] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. 1.6.1.2 in notes to the consolidated financial statements 2010)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2011 (IFRS)

	01.04.2011 - 30.06.2011 [EUR]	01.04.2010 - 30.06.2010 [EUR]	Change [EUR]
Net income before non-controlling interest	**8,693,019**	**9,197,452** [1]	**-504,433**
Exchange differences on translating foreign subsidiaries	747,453	1,171,628 [1]	-424,175
Available-for-sale financial assets	-53,362	-79,522	26,160
Other income	**694,091**	**1,092,106**	**-398,015**
Total comprehensive income	**9,387,110**	**10,289,558**	**-902,448**
Total comprehensive income attributable to			
Shareholders of CTS AG	8,777,849	7,861,372 [1]	
Non-controlling interest	609,261	2,428,186	

[1] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. 1.6.1.2 in notes to the consolidated financial statements 2010)

In accordance with IAS 1, a statement of comprehensive income must be presented, showing not only the income and expense recognised in the income statement, but also the components of other comprehensive income recognised in equity, not through profit and loss.

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2011 (IFRS) (SHORT FORM)

The following cash flow statement states the flow of funds from operating activities, investing activities and financing activities of the Group, and the resultant change in cash and cash equivalents:

	01.01.2011 - 30.06.2011	01.01.2010 - 30.06.2010	Change
	[EUR]	[EUR]	[EUR]
Net income after non-controlling interest	17,135,984	18,925,668 [1]	-1,789,684
Non-controlling interest	2,614,466	6,791,537	-4,177,071
Depreciation and amortisation on fixed assets	11,095,630	5,757,560 [1]	5,338,070
Changes in pension provisions	-431,104	662,672 [1]	-1,093,776
Deferred tax expenses / income	-1,818,141	-596,137	-1,222,004
Cash flow	**28,596,835**	**31,541,300**	**-2,944,465**
Other non-cash transactions	476,354	305,289	171,065
Book profit / loss from disposal of fixed assets	9,553	-144,795	154,348
Interest income	-1,242,696	-1,013,289	-229,407
Interest expenses	3,002,563	969,473	2,033,090
Income tax expenses	10,860,791	12,832,630	-1,971,839
Interest received	925,545	900,616	24,929
Interest paid	-2,180,318	-416,065	-1,764,253
Income tax paid	-8,065,138	-15,917,972	7,852,834
Increase (-) / decrease (+) in inventories and payments on account	7,453,124	6,948,544	504,580
Increase (-) / decrease (+) in receivables and other assets	7,061,637	9,369,944	-2,308,307
Increase (+) / decrease (-) in provisions	-786,634	5,505,205	-6,291,839
Increase (+) / decrease (-) in liabilities	-34,499,516	-88,495,109	53,995,593
Cash flow from operating activities	**11,612,100**	**-37,614,229**	**49,226,329**
Cash flow from investing activities	**-5,153,570**	**-40,569,294**	**35,415,724**
Cash flow from financing activities	**-23,322,656**	**-10,105,268**	**-13,217,388**
Net increase / decrease in cash and cash equivalents	**-16,864,126**	**-88,288,791**	**71,424,665**
Net increase / decrease in cash and cash equivalents due to change in scope of consolidation	0	-2,372,774	2,372,774
Net increase / decrease in cash and cash equivalents due currency translation	273,813	1,593,193	-1,319,380
Cash and cash equivalents at beginning of period	178,036,473	229,793,885	-51,757,412
Cash and cash equivalents at end of period	**161,446,160**	**140,725,513**	**20,720,647**
Composition of cash and cash equivalents			
Cash and cash equivalents	161,446,160	140,725,513	20,720,647
Cash and cash equivalents at end of period	**161,446,160**	**140,725,513**	**20,720,647**

[1] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. 1.6.1.2 in notes to the consolidated financial statements 2010)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)

	Share capital	Capital reserve	Retained earnings	Treasury stock	Non-controlling interest	Other comprehen-sive income	Currency differences	Total shareholders' equity
	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]
01.01.2010	**24,000,000**	**23,310,940**	**97,868,776**	**-52,070**	**4,945,973**	**52,078**	**-261,967**	**149,863,730**
Change in the scope of consolidation	0	-61,999	-1,241,124	0	2,205,445	0	0	902,322
Dividends	0	0	-19,918,195	0	-4,575,388	0	0	-24,493,583
Total comprehensive income	0	0	18,925,668 [1]	0	6,791,537	-38,208	1,598,293 [1]	27,277,290
30.06.2010	**24,000,000**	**23,248,941**	**95,635,125**	**-52,070**	**9,367,567**	**13,870**	**1,336,326**	**153,549,759**
01.01.2011	**24,000,000**	**23,310,940**	**98,538,828** [2]	**-52,070**	**11,431,304**	**21,842**	**1,360,202**	**158,611,046**
Increase in share capital	24,000,000	-21,420,894	-2,579,106	0	0	0	0	0
Dividends	0	0	-20,878,108	0	-1,944,548	0	0	-22,822,656
Total comprehensive income	0	0	17,135,984	0	2,614,466	-21,999	408,195	20,136,646
30.06.2011	**48,000,000**	**1,890,046**	**92,217,598**	**-52,070**	**12,101,222**	**-157**	**1,768,397**	**155,925,036**

[1] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. 1.6.1.2 in notes to the consolidated financial statements 2010)

[2] adjusted prior-year figures due to final purchase price allocation of See Tickets Germany / Ticket Online Group (cf. section 3.1.2 in selected notes to the consolidated financial statements)

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRELIMINARY STATEMENTS

CTS EVENTIM AG (hereinafter: 'CTS AG') is a corporate enterprise listed on the stock exchange and domiciled in Munich; its head office is located in Bremen. The consolidated financial statements for the first six months of fiscal 2011, presented as an interim report for CTS AG and its subsidiaries, were approved by the Management Board for publication, in its decision of 25 August 2011.

2. BASIS OF REPORTING

The present, unaudited Group Interim Report as at 30 June 2011 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 consolidated financial statements as at 31 December 2010 was chosen, as provided for in IAS 34. The interim financial statements should be read in conjunction with the consolidated financial statements as at 31 December 2010. 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 statement relate to the adjusted interim Group report as at 30 June 2010, and those in the balance sheet to the adjusted consolidated financial statements as at 31 December 2010. The comparative figures in the income statement as at 30 June 2010 had to be adjusted due to the final purchase price allocation in respect of the Ticketcorner Group as at 31 December 2010. The comparative figures in the balance sheet as at 31 December 2010 had to be adjusted due to the final purchase price allocation of See Tickets Germany / Ticket Online Group, as at 30 June 2011. The Ticketcorner Group was first included in consolidation at the beginning of March 2010; the See Tickets Germany / Ticket Online Group at the beginning of July 2010.

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

The accounting policies and consolidation methods are the same as those applied in the consolidated financial statements as at 31 December 2010.

The following new and amended standards and interpretation were applied for the first time as from 1 January 2011:

- Amendment to IAS 32 “Classification of Rights Issues” (applicable on or after 1 February 2010)

- Amendments to IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters” (applicable on or after 1 July 2010)

- IAS 24 (revised November 2009) “Related Party Disclosures” (applicable on or after 1 January 2011)

- Amendments to IFRIC 14 ‘Prepayments of a Minimum Funding Requirement’ (applicable on or after 1 January 2011)

- IFRIC 19 ‘Extinguishing Financial Liabilities with Equity Instruments’ (applicable on or after 1 July 2010)

- Improvements to IFRS May 2010 – minor amendments to a number of IFRSs (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) and consequential amendments to other standards (applicable on or after 1 January 2011 and 1 July 2010 respectively)

The accounting standards applicable for the first time in fiscal 2011 have no material impacts on the reported earnings performance and financial position of the CTS Group.

Among other aspects, purchase price obligations in relation to non-controlling interests issued with put options are recognised in accordance with IAS 32 as liabilities, and carried at the present value of the purchase price. Goodwill is recognised as the difference between the present value of the liabilities and the carrying amount of non-controlling interest. A detailed description of the main accounting principles is published in the 2010 Annual Report, section 1.9 of the Notes to the consolidated financial statements.

The amendments to IAS 27 and IFRS 3 as applicable since beginning of 2010 financial year have led to changes in the presentation of business combinations. Changes in interest held in subsidiaries that are already fully consolidated, and which do not lead to a loss of control, are no longer reported in goodwill, but in shareholders’ equity.

3. BUSINESS COMBINATIONS

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

3.1 BUSINESS COMBINATIONS IN THE TICKETING SEGMENT

3.1.1 CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes in consolidation occurred during the reporting period and/or in relation to the closing date 30 June 2010.

Ticketcorner AG, Rümlang, was merged with Ticketcorner Holding AG, Rümlang, on the basis of a merger agreement concluded on 27 June 2011. Ticketcorner Holding AG then changed its name to Ticketcorner AG, the change of name has been registered on 30 June 2011.

Ticketcorner GmbH, Vienna, was merged with Ticket Express Gesellschaft zur Herstellung und zum Vertrieb elektronischer Eintrittskarten mbH, Vienna, when the merger was entered in the register of companies at 25 June 2011.

In a contract dated 1 June 2011, Ticket Online Software GmbH, Hamburg, sold 100% of its shares in Ticket Online Polska Sp zoo, Poland, to CTS AG.

TSC EVENTIM Ticket- & Touristik-Service-Center GmbH, Bremen, was merged with CTS AG when the merger was entered in the register of companies in June 2011.

In December 2010, CTS AG established CTS EVENTIM Israel, Tel Aviv, with another shareholder. CTS AG holds 70% of the shares in said company.

In a contract dated 13 September 2010, TicketOne S.p.A., Milan, acquired 51% of the shares in Ticketeria S.r.l, Rome. The change of company name to T.O.S.C. – TicketOne Sistemi Culturali S.r.l. was entered in the register of companies on 24 November 2010.

On 6 July 2010, CTS AG acquired 100% of the shares in See Tickets Germany GmbH, Hamburg. See Tickets Germany was a member company of See Tickets International BV in Amsterdam; 40% of which is owned by Stage Entertainment BV and 60% by Parcom, a private-equity group. By acquiring See Tickets Germany, CTS AG simultaneously took over Ticket Online Software GmbH, Ticket Online Sales & Service Center GmbH and Ticket Online Polska Sp zoo in Poland. A 12-year exclusive ticketing contract with Stage Entertainment Germany was concluded simultaneously with the share purchase agreement.

3.1.2 PURCHASE PRICE ALLOCATION

FINAL PURCHASE PRICE ALLOCATION FOR SEE TICKETS GERMANY / TICKET ONLINE GROUP

As at 30 June 2011, the purchase price allocation relating to the acquisition of shares in See Tickets Germany / Ticket Online Group was finally completed within the stipulated 12-month period, in accordance with IFRS 3.45. According to IFRS 3.49, corrections of the provisional fair values must be reported as if the accounting for the business combination was completed at the date of acquisition.

The following table shows the fair values at the time of initial consolidation, after provisional and final purchase price allocation, and the carrying values immediately before acquisition of the See Tickets Germany / Ticket Online Group:

	Fair value at the time of initial consolidation		Carrying value immediately before acquisition
	provisional purchase price allocation	final purchase price allocation	
	[EUR'000]	[EUR'000]	[EUR'000]
Cash and cash equivalents	7,777	7,777	7,777
Inventories	103	103	103
Trade receivables	2,489	2,489	2,489
Other assets	4,831	4,831	4,831
Total current assets	**15,200**	**15,200**	**15,200**
Property, plant and equipment	2,566	2,566	2,566
Intangible assets	54,358	62,782	13,783
Trade receivables	242	242	242
Deferred tax assets	1,540	1,573	0
Total non-current assets	**58,706**	**67,163**	**16,591**
Short-term financial liabilities	969	969	969
Trade payables	1,743	1,743	1,743
Provisions	5,634	5,634	5,634
Other liabilities	8,810	8,810	8,810
Total current liabilities	**17,156**	**17,156**	**17,156**
Medium- and long-term financial liabilities	11,184	11,184	11,184
Deferred tax liabilities	16,390	19,141	1,754
Total non-current liabilities	**27,574**	**30,325**	**12,938**
Total net assets	**29,176**	**34,882**	**1,697**

Assets and debts were recognised at fair value in the final purchase price allocation. Recognition of intangible assets at fair value led to an increase, particularly in respect of customer base and trademark rights.

The fair value of trade receivables, at EUR 2.731 million, derives from the gross carrying value of receivables, at EUR 2.916 million, less allowances for doubtful accounts amounting to EUR 185 thousand.

Deferred tax assets of EUR 1.573 million and deferred tax liabilities of EUR 19.141 were formed on the temporary differences arising from the remeasurement of intangible assets.

In accordance with the revised IFRS 3, ancillary purchase expenses are mostly recognised as administrative expenses in the income statement for the 2010 financial year. The total amount of such expenses was EUR 1.017 million.

In the context of final purchase price allocation as at the date of initial consolidation, the fair value of intangible assets, in particular the customer base, increased relative to the provisional purchase price allocation from EUR 54.358 million to EUR 62.782 million, due to revised planning assumptions. At Group level, this led to a lower amount of goodwill, at EUR 98.327 million (provisional purchase price allocation: EUR 104.033 million). Within the context of the final purchase price allocation, deferred tax assets were recognised at EUR 1.573 million (provisional purchase price allocation: EUR 1.540 million) and deferred tax liabilities at EUR 19.141 million (provision purchase price allocation: EUR 16.390 million).

The following table provides an overview of the changes resulting from the final purchase price allocation in the consolidated balance sheet as at 31 December 2010:

	Consolidated balance sheet		Change
	final purchase price allocation 31.12.2010	provisional purchase price allocation 31.12.2010	
	[EUR'000]	[EUR'000]	[EUR'000]
Assets			
Intangible assets	100.338	91.397	8.941
Goodwill	248.553	254.259	-5.706
Deferred tax assets	2.355	2.364	-9
	351.246	**348.020**	**3.226**
Liabilities and shareholders' equity			
Deferred tax liabilities	20.652	17.930	2.722
Retained earnings	98.539	98.035	504
	119.191	**115.965**	**3.226**

The capitalised goodwill is not tax deductible in Germany.

Reconciliation of acquisition cost as at the date of acquisition (6 July 2010):

	[EUR'000]
Acquisition cost	133,209
Cash and cash equivalents	7,777
Inventories	103
Trade receivables	2,731
Other assets	4,831
Property, plant and equipment	2,566
Intangible assets	62,782
Short-term financial liabilities	-969
Trade payables	-1,743
Provisions	-5,634
Other liabilities	-8,810
Medium- and long-term financial liabilities	-11,184
Deferred tax liabilities	-17,568
Total net assets	**34,882**
Goodwill	98,327
	133,209

In the course of the acquisition, CTS AG acquired intercompany receivables (EUR 11.260 million) from the former shareholders against the See Tickets Germany / Ticket Online Group; these receivables are recognised under financial liabilities of the See Tickets Germany / Ticket Online Group. Taking the acquisition cost of EUR 133.209 million into account, as well as the acquired intercompany receivables, results in a total purchase price of EUR 144.469 million.

The resultant difference between the acquisition cost and the remeasured net assets that were acquired embodies synergy and other growth potential and was recognised as EUR 98.327 million in goodwill.

3.2 BUSINESS COMBINATIONS IN THE LIVE ENTERTAINMENT SEGMENT

In the Live Entertainment Segment there were no changes in the companies included in consolidation during the reporting period and/or in relation to the closing date 30 June 2010.

The corporate structure as at 30 June 2011 is shown in the following table:

4. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

The main changes in the consolidated balance sheet as at 30 June 2011 compared to 31 December 2010 are explained below.

The EUR -16.590 million reduction in cash and cash equivalents resulted primarily from reductions in liabilities for ticket monies not yet invoiced in the Ticketing segment and from the distribution of dividend in the second quarter of 2011; these effects were offset by cash inflows from the positive Group net income.

The reduction in payments on account (EUR -7.328 million) was mainly due to the execution and invoicing of events (including the Herbert Grönemeyer tour) in the first half of 2011.

The EUR -4.800 million change in intangible assets was principally the result of systematic amortisation of the trademark, customer base and software that were capitalised as assets in the purchase price allocation in respect of the Ticketcorner Group and See Tickets Germany / Ticket Online Group.

The increase in goodwill was purely due to currency translation effects (EUR +2.165 million) resulting from the measurement of goodwill in foreign currencies (EUR/CHF) as at the closing date.

Trade payables increased by EUR 9.132 million, above all in the Live Entertainment segment in the context of ongoing business operations.

The EUR 17.469 million decrease in advance payments received in the Live Entertainment segment as at the closing date of 30 June 2011 resulted mainly from the large number of events put on during the second quarter (festivals, including Rock im Park and Rock am Ring, as well as tours).

The EUR 24.251 million decrease in other liabilities as at 30 June 2011 is predominantly due to lower liabilities from ticket monies not yet invoiced in the Ticketing segment.

On the asset side, cash and cash equivalents and payments on account, and on the liabilities side, advance payments received and liabilities in respect of ticket monies not yet invoiced, fluctuate due to major tours and seasonal effects. Due to the strong fourth quarter at the end of each year, there is usually a higher amount of the above mentioned balance sheet positions, which is then dismantled in the first two quarters of the following year when the events are held and invoiced.

Reserves were transferred to share capital, with a corresponding reduction in capital reserves and retained earnings, in connection with the share capital increase from own funds. According to § 150 AktG, a stock corporation must form statutory reserves if the capital reserve accounts for less than 10% of the registered share capital. The annual addition to the statutory reserve is 5% of the net income for the year of CTS AG, until a total 10% of the share capital is covered by the capital reserve and the statutory reserve. As at 31 December 2011, the statutory reserve must be formed for the first time.

5. SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

REALISATION OF PROFITS

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 presales 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 263.846 million in revenue in the period under review, compared to EUR 270.856 million in HY1/2010 (-3%). Revenue (before consolidation between the segments) breaks down into EUR 104.096 million (HY1/2010: EUR 81.530 million) in the Ticketing segment and EUR 162.912 million (HY1/2010: EUR 192.849 million) in the Live Entertainment segment.

In the Ticketing segment, organic growth in the core European markets and a number of successful acquisitions resulted in a significant increase in revenue in the first six month 2011, despite the absence of revenue from the partnership agreement that was terminated by Live Nation in June 2010. Revenue rose 28% from EUR 81.530 million to EUR 104.096 million.

As expected, revenue in the Live Entertainment segment, at EUR 162.912 million (HY1/2010: EUR 192.849 million; -16%), was below the record figures achieved in 2010. The main reason – besides the deconsolidation of FKP Scorpio Group as at 1 July 2010 – was the smaller number of major tours and events compared with the previous year.

COST OF SALES

Cost of sales decreased by EUR 12.828 million to EUR 188.189 million. The lower costs are attributable to the Live Entertainment segment (EUR -22.214 million; before consolidation between segments), mainly due to the deconsolidation of the FKP Scorpio Group, whereas the cost of sales in the Ticketing segment increased by EUR 8.949 million as a result of organic and external revenue growth.

OTHER OPERATING EXPENSES

Other operating expenses increased by EUR 7.150 million to EUR 11.416 million, especially due to the non-recurring items.

6. SEGMENT REPORTING

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

	Ticketing		Live Entertainment		Total for segment	
	30.06.2011 [EUR'000]	30.06.2010 [EUR'000]	30.06.2011 [EUR'000]	30.06.2010 [EUR'000]	30.06.2011 [EUR'000]	30.06.2010 [EUR'000]
External revenue	102,248	79,689	161,598	191,167	263,846	270,856
Internal revenue	14,235	10,248	37,105	44,616	51,340	54,864
Total revenue	**116,483**	**89,937**	**198,703**	**235,783**	**315,186**	**325,720**
Consolidation within segment	-12,387	-8,407	-35,791	-42,934	-48,178	-51,341
Revenue after consolidation within segment	**104,096**	**81,530**	**162,912**	**192,849**	**267,008**	**274,379**

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

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	30.06.2011 [EUR'000]	30.06.2010 [EUR'000]	30.06.2011 [EUR'000]	30.06.2010 [EUR'000]	30.06.2011 [EUR'000]	30.06.2010 [EUR'000]	30.06.2011 [EUR'000]	30.06.2010 [EUR'000]
Revenue	104,096	81,530	162,912	192,849	-3,162	-3,523	263,846	270,856
EBITDA	28,968	24,264 [2]	12,274	19,346	0	0	41,242	43,610 [2]
EBIT	18,855	19,556 [2]	11,291	18,296	0	0	30,146	37,852 [2]
Depreciation and amortisation	-10,113	-4,708 [2]	-983	-1,049	0	0	-11,096	-5,758 [2]
Financial result							-1,353	102
Earnings before tax (EBT)							28,793	37,954
Taxes							-9,043	-12,236
Net income before non-controlling interest							19,750	25,717
Non-controlling interest							-2,614	-6,792
Net income after non-controlling interest							17,136	18,926
Average number of employees	1,235	840	206	321			1,441	1,161
Segment assets [1]	504,664	314,939 [2]	148,358	143,107				
Normalised EBITDA	34,787	27,320 [2]	12,274	19,346	0	0	47,062	46,666 [2]
Normalised EBIT before amortisation resulting from purchase price allocation	29,875	23,908 [2]	11,291	18,296	0	0	41,167	42,205 [2]

[1] Disclosure of segment assets before consolidation between sgements

[2] adjusted prior-year figures due to the final purchase price allocation of Ticketcorner Group (cf. section 1.6.1.2 in notes to the consolidated financial statements 2010)

7. OTHER DISCLOSURES

APPROPRIATION OF EARNINGS

In the 2010 financial year, CTS AG generated net income (according to HGB accounting principles) of EUR 26.170 million. The Shareholders' Meeting on 13 May 2011 adopted a resolution to distribute EUR 20.878 million (EUR 0.87 per eligible share; after the increase in share capital using company funds) of the balance sheet profit of EUR 69.417 million as at 31 December 2010 to shareholders, and to transfer EUR 2.579 million to other earnings reserves. The distribution was carried out on 16 May 2011, and the remaining balance sheet profit of EUR 45.960 million was carried forward to the new account.

FINANCIAL OBLIGATIONS

Since 31 December 2010, there have been no material changes in contingent liabilities.

RELATED PARTY DISCLOSURES

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

The contractual relationships with related parties resulted in the following goods and services being sold to and bought from related parties in the 2011 reporting period:

	30.06.2011	30.06.2010
	[EUR'000]	[EUR'000]
Goods and services supplied by the Group		
Subsidiaries not included in consolidation due to insignificance	287	242
Associated companies	385	335
Other related parties	4,655	3,983
	5,327	**4,560**

	30.06.2011	30.06.2010
	[EUR'000]	[EUR'000]
Goods and services received by the Group		
Subsidiaries not included in consolidation due to insignificance	186	320
Associated companies	1,422	51
Other related parties	7,674	6,529
	9,282	**6,900**

As from 1 July 2010, transactions between the CTS Group and FKP Scorpio Group must be disclosed as relationships with associates, due to the deconsolidation of FKP Scorpio Group.

ASSURANCE BY LEGAL REPRESENTATIVES

To the best of our knowledge, the interim consolidated finacial statements give a true and fair view of the Group’s earnings performance and financial position, in accordance with the applicable reporting principles, and that the interim management report for the Group presents the course of the business, including the Group’s profits and situation, in a way that accurately reflects actual circumstances and truthfully describes the main opportunities and risks associated with the Group’s expected development over the remainder of the 2011 year.

Bremen, 25. August 2011

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