GROUP INTERIM REPORT AS AT 30 JUNE 2017

eventim

KEY GROUP FIGURES

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	Change
	[EUR'000]	[EUR'000]	[in %]
Revenue	489,032	421,774	16.0
EBITDA	82,766	81,036	2.1
EBITDA margin	16.9%	19.2%	-2.3 pp
EBIT	64,950	66,036 [1]	-1.6
EBIT margin	13.3%	15.7% [1]	-2.4 pp
Normalised EBITDA	84,179	81,428	3.4
Normalised EBIT before amortisation from purchase price allocation	73,237	71,840 [1]	1.9
Normalised EBITDA margin	*17.2%*	*19.3%*	*-2.1 pp*
Normalised EBIT margin before amortisation from purchase price allocation	*15.0%*	*17.0%* [1]	*-2.0 pp*
Non-recurring items [3]	1,412	392	>100.0
Amortisation resulting from purchase price allocation	6,874	5,412 [1]	27.0
Earnings before tax (EBT)	70,995	63,484 [1]	11.8
Net income after non-controlling interest	47,131	36,949 [1]	27.6
Cash flow	60,726	59,761 [1]	1.6
	[EUR]	[EUR]	
Earnings per share [3], undiluted (= diluted)	0.49	0.39 [1]	
	[Qty.]	[Qty.]	
Number of employees [4]	2,632	2,316	
Of which temporary	(483)	(393)	

[1] Adjusted prior-year figures due to the final purchase price allocation of the Venuepoint Group
[2] Cf. Page 7 for non-recurring items
[3] Number of shares: 96 million
[4] Number of employees at end of year (active workforce)

CONTENT

1. LETTER TO THE SHAREHOLDERS

Klaus-Peter Schulenberg
Chief Executive Officer

Ladies and Gentlemen,

Any company that has given millions of people access to tens of thousands of events within six months has earned the right to talk of literally an “eventful” first half of the year. And any company that has generated record revenue and EBITDA has most certainly also earned the right to call the first half of the year a success.

CTS EVENTIM succeeded in doing both in the first half of 2017. We once inspired millions of customers in Europe and South America. And we once again increased revenue and EBITDA.

Group revenue improved substantially year on year by 16.0% to EUR 489.0 million. Normalised EBITDA rose by 3.4% to EUR 84.2 million.

The Ticketing, which saw double-digit revenue and operating profit growth, once again accounted for a significant share of this positive development. While revenue in this segment increased by 10.2% to EUR 177.8 million, normalised EBITDA rose by 13.8% to EUR 65.6 million.

One important driver of success was the continued online ticketing trend, which we are actively helping to shape through strategic investments in our E-Commerce services. This allowed us to break another record: Never before had CTS EVENTIM sold more than 20 million tickets through its online channels in the first six months of a financial year. But we succeeded in doing so in the first half of 2017.

The digitalisation and internationalisation of our ticketing activities are well under way, as indicated not only by the aforementioned figures, but also by our ability to sell 200,000 tickets for four concerts in this year’s Rolling Stones “No Filter” tour within the space of just a few minutes – or by the contribution we had the privilege to make to the smooth success of a major international sporting event in our role as the exclusive ticketing provider for this year’s Ice Hockey World Championships. In the field of sport, we work with some of Europe’s most successful clubs. As a ticketing provider, we had the privilege of supporting Borussia Dortmund on its road to winning the DFB-Pokal, 1. FC Köln in its return to the European arena, Ajax Amsterdam all the way to the Europa League finals and Juventus S.C. in retaining their serie A championship to name just a few especially successful partners from the world of European club football.

We plan to continue dynamically advancing our ticketing systems with this performance, focus on partnership and innovative spirit in future. At the same time, we will benefit to an even greater extent from the findings permitted by the analysis of our veritable treasury of data. I am confident that big data holds a wide range of attractive possibilities for application in store, particularly for our industry and our company.

We are also satisfied with the development of our Live Entertainment business. Revenue in this segment increased by 20.7% to EUR 316.0 million in the first half of the year. The increase in the number of consolidated companies as a result of strategic takeovers had a positive impact, as did the higher number of well-attended concerts and events.

The 21.8% drop in EBITDA to EUR 18.6 million in the Live Entertainment segment was due to a number of factors, including upfront costs for events that will not take place until the second half of 2017. In addition, we made targeted investments in new festival brands that had temporary negative effects on earnings in the reporting period.

The segment's activities also include the development of new event formats and the successful management of our leading venues. We are proud that Cologne's Lanxess Arena has cemented its place among the world's five most-attended venues, and we are delighted that both the Eventim Apollo in London and Berlin's Waldbühne will once again serve as venues for the who's who of the international pop and rock scene this year and welcome artists such as Aerosmith, Pink, Sting, Robbie Williams and Steve Winwood.

None of these creative and business achievements would have been possible without the hard work, dedication and imagination of our roughly 2,600 employees. I would like to thank them for what has truly been an eventful and successful six months. I hope you find our interim report informative and inspiring.

Yours sincerely,

Klaus-Peter Schulenberg
Chief Executive Officer

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

2. CTS EVENTIM SHARES

Following a volatile market environment in the past financial year, among other things due to the United Kingdom's decision to leave the European Union, the US election and continuing geopolitical tensions, the capital markets have had a significantly more stable start to 2017. Despite ongoing political tensions, for example between the Unites States and North Korea, and continuing uncertainty about the monetary policies of various central banks, the capital markets have developed solidly in the first six months of the 2017 financial year, without significant volatility.

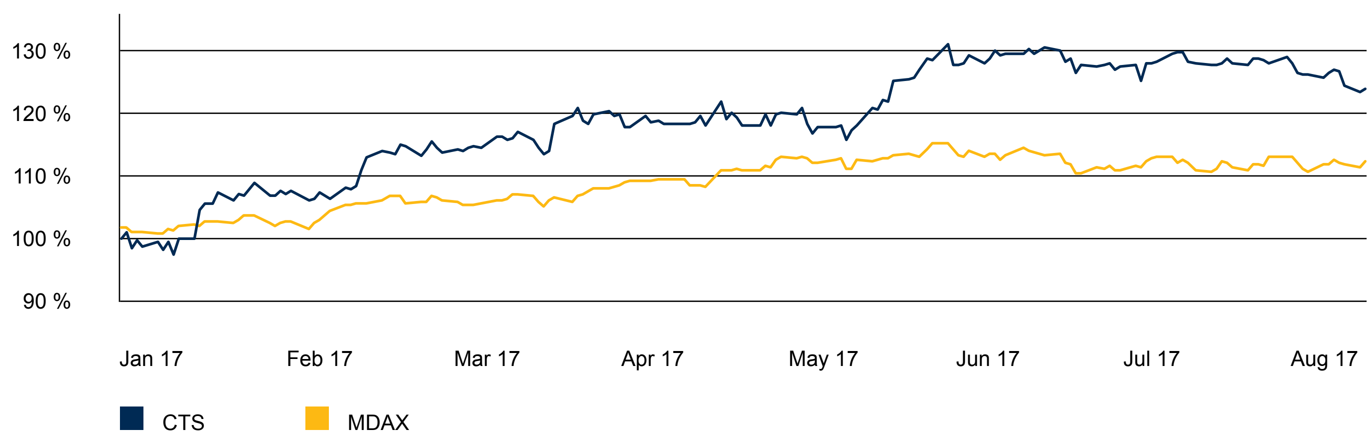
CTS EVENTIM shares clearly outperformed the benchmark MDAX index in the first six months of the 2017 financial year. With an absolute increase in value of 33.4% as of the reporting date, CTS EVENTIM shares achieved significantly greater gains than the MDAX (10.2%) and the DAX (7.4%). In the first half of the 2017 financial year, CTS EVENTIM shares once again further underlined their reputation as a solid investment and continued their long-term trend.

The consistent trend towards live entertainment and ongoing digitalisation continues to offer CTS EVENTIM AG & Co. KGaA attractive opportunities for growth. In the future, the company will continue to focus on organic and inorganic growth by means of international expansion and the constant development of its product, service and technology portfolio.

This strategic orientation is also mirrored by the assessment of CTS EVENTIM shares by financial analysts at various banks, which reflect the company's continued positive potential for growth. The investment advice of the individual analysts is entirely positive. Baader-Helvea, Berenberg, Commerzbank, DZ Bank, Equinet, Kepler-Cheuvreux, NordLB and Oddo BHF all issued buy recommendations for CTS EVENTIM shares. Bankhaus Lampe and M.M. Warburg recommend holding CTS EVENTIM shares.

As part of its group-wide communication strategy, in the second half of the 2017 financial year CTS EVENTIM AG & Co. KGaA will continue to be represented at various national and international capital market conferences, in order to uphold the ongoing conversation with shareholders. Active dialogue with existing and prospective investors will remain geared towards enhancing the excellent contact and transparent communication that the company maintains with all capital market participants.

THE CTS EVENTIM SHARE PRICE (01.01.2017 – 22.08.2017, INDEXED)



Number of shares held by members of executive organs as at 30 June 2017:

	Number of shares [Qty.]	Share [in %]
Members of the corporate management:		
Klaus-Peter Schulenberg (Chief Executive Officer)/ KPS Stiftung[1]	41,474,000	43.202
Volker Bischoff	0	0.000
Alexander Ruoff	8,000	0.008
Members of the Supervisory Board [2]:		
Dr. Bernd Kundrun	14,600	0.015
Prof. Jobst W. Plog	4,300	0.004
Dr. Juliane Thümmel	4,004	0.004
Justinus Spee[2]	0	0.000

[1] Mr. Klaus-Peter Schulenberg has an indirect holding in CTS KGaA and EVENTIM Management AG 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.

[2] Justinus Spee was elected as a further Supervisory Board member at the Annual Shareholders' Meeting of CTS KGaA on 9 May 2017 in Bremen.

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

Name	Position	Transaction	Date	Number of shares
Prof. Jobst W. Plog	Member of Supervisory Board	Purchase	19.01.2017	400
Klaus-Peter Schulenberg/ KPS Stiftung	Member of Corporate Management	Sale	25.04.2017	6,720,000

3. INTERIM GROUP MANAGEMENT REPORT

1. EARNINGS PERFORMANCE, FINANCIAL POSITION AND CASH FLOW

EARNINGS PERFORMANCE

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	**489,032**	**421,774**	**67,258**	**16.0**
Gross profit	**136,996**	**126,444** [1]	**10,552**	**8.3**
EBITDA	**82,766**	**81,036**	**1,730**	**2.1**
EBIT	**64,950**	**66,036** [1]	**-1,086**	**-1.6**
Non-recurring items:				
Acquisition costs	1,412	392	1,020	>100.0
Normalised EBITDA	**84,179**	**81,428**	**2,751**	**3.4**
Amortisation from purchase price allocation	**6,874**	**5,412** [1]	**1,462**	**27.0**
Normalised EBIT before amortisation from purchase price allocation	**73,237**	**71,840** [1]	**1,397**	**1.9**
Financial result	6,045	-2,552	8,597	<-100.0
Earnings before tax (EBT)	**70,995**	**63,484** [1]	**7,511**	**11.8**
Taxes	-23,768	-20,598 [1]	-3,170	15.4
Non-controlling interest	-96	-5,936	5,840	-98.4
Net income after non-controlling interest	**47,131**	**36,949** [1]	**10,182**	**27.6**

[1] Adjusted prior-year figures due to the final purchase price allocation of the Venuepoint Group

REVENUE PERFORMANCE

The **CTS Group** generated EUR 489.032 million in revenue in the period under review, compared to EUR 421.774 million in the previous year (+16.0%). Revenue (before consolidation between segments) breaks down into EUR 177.809 million in the Ticketing segment (previous year: EUR 161.303 million) and EUR 315.999 million in the Live Entertainment segment (previous year: EUR 261.859 million). The share of revenue generated by foreign subsidiaries was at 35.0% (previous year: 36.3%).

The **Ticketing segment** generated EUR 177.809 million in revenue in the period under review (before consolidation between segments), up 10.2% from EUR 161.303 million in the previous year. In the first half of 2017, an increase in the internet ticket volume resulted in corresponding revenue growth. The total volume of online tickets sold increased from 18.1 million by 2.3 million (+12.7%) to 20.4 million (thereof EUR 1.7 million from newly acquired subsidiaries). The share of revenue generated by foreign subsidiaries was at 47.8% (previous year: 48.9%).

In the first half year of 2017, the **Live Entertainment segment** revenue increased to EUR 315.999 million (previous year: EUR 261.859 million, 20.7%) due to the expansion of the number of consolidated companies, strategic market expansion and diversification compared to the previous year's period.

GROSS PROFIT

The gross profit of the **CTS Group** as at 30 June 2017 increased by EUR 10.552 million to EUR 136.996 million. The consolidated gross margin decreased from 30.0% to 28.0%.

In the **Ticketing segment**, the gross margin increased to 58.0% compared to 56.0% in the same period last year.

In the **Live Entertainment segment**, the gross margin decreased to 10.8% compared to 13.8% in the same period last year.

NON-RECURRING ITEMS

Non-recurring items in the Ticketing segment caused a temporary drop of EUR 1.412 million (previous year: EUR 392 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 2.751 million or 3.4% to EUR 84.179 million (previous year: EUR 81.428 million). The normalised Group EBITDA margin was at 17.2% slightly below the prior year level of 19.3%. The share of normalised Group EBITDA generated by foreign subsidiaries was at 25.0% (previous year: 29.4%).

CTS Group EBITDA improved by EUR 1.730 million or 2.1% to EUR 82.766 million (previous year: EUR 81.036 million). The EBITDA margin decreased to 16.9% (previous year: 19.2%).

In the **Ticketing segment**, the normalised EBITDA figure improved by EUR 7.943 million (+13.8%) to EUR 65.548 million (previous year: EUR 57.604 million). The ticket volume growth on the Internet both nationally and internationally contributed to this increase in earnings. On the other hand, the expansion of ticketing in South America and the expansion of the number of consolidated companies resulted in negative effects on earnings. Normalised EBITDA margin increased to 36.9% compared to the previous year level (35.7%). The share of normalised EBITDA attributable to foreign companies was on prior-year level at 33.4% (previous year: 33.3%).

In the Ticketing segment, EBITDA improved from EUR 57.212 million by 12.1% to EUR 64.135 million. The EBITDA margin increased to 36.1% compared to previous year 35.5%.

In the **Live Entertainment segment**, EBITDA decreased from EUR 23.824 million in the previous year by EUR 5.192 million to EUR 18.631 million due to temporary negative impacts, among other things by the establishment of new festival brands or diversification. In addition, already recorded higher advanced expenses for events in the second half of the year also had a negative effect. The EBITDA margin in the first half of 2017 decreased to 5,9% compared to 9,1% in the same period last year.

NORMALISED EBIT BEFORE AMORTISATION FROM PURCHASE PRICE ALLOCATION / EBIT

In the first half year of 2017, normalised **CTS Group** EBIT before amortisation from purchase price allocation rose by EUR 1.397 million from EUR 71.840 million to EUR 73.237 million. The normalised EBIT margin before amortisation from purchase price allocation decreased from 17.0% to 15.0%.

Group EBIT, at EUR 64.950 million, was EUR -1.086 million lower year-on-year (previous year: EUR 66.036 million). Total depreciation and amortisation within the Group increased to EUR 17.816 million (previous year: EUR 15.000 million) and includes EUR 6.874 million (previous year: EUR 5.412 million) in armortisation from purchase price allocations for companies acquired from 2010 onwards. The EBIT margin decreased to 13.3% (previous year: 15.7%).

In the **Ticketing segment**, normalised EBIT before amortisation from purchase price allocation improved year-on-year by 15.1% to EUR 55.966 million from EUR 48.635 million. The normalised EBIT margin before amortisation from purchase price allocation, at 31.5%, rose compared to the previous year (30.2%).

The EBIT improved compared to prior year by EUR 6.118 million from EUR 42.908 million to EUR 49.026 million (+14.3%). The EBIT margin was at 27.6% slightly higher than the 26.6% figure achieved in previous year.

In the **Live Entertainment segment** normalised EBIT before amortisation from purchase price allocation decreased to EUR 17.271 million from EUR 23.206 million (-25.6%) in the previous year.

EBIT decreased from EUR 23.128 million to EUR 15.924 million (-31.2%). The EBIT margin was at 5.0% (previous year: 8.8%).

FINANCIAL RESULT

The financial result, at EUR 6.045 million (previous year: EUR -2.552 million) mainly includes EUR 6.882 million in financial income (previous year: EUR 631 thousand), EUR -2.258 million in financial expenses (previous year: EUR 2.962 million), EUR 1.406 million in income from affiliated companies and associates accounted for at equity (previous year: EUR -369 thousand). As a result of the full consolidation of a group of companies which had previously been accounted for at equity during the 2017 reporting period, the difference between the equity value and the fair value of the former shares as at the acquisition date had to be recognised as financial income (EUR 5.373 million) in the income statement pursuant to IFRS 3.42. In addition, there was increased financial income from the updated fair value measurement of liabilities from put options granted to minority shareholders.

EARNINGS BEFORE TAX (EBT) / CONSOLIDATED NET INCOME

As of 30 June 2017, earnings before tax (EBT) increased from EUR 63.484 million in previous year by EUR 7.511 million to EUR 70.995 million. After deduction of tax expenses and non-controlling interests, consolidated net income amounted to EUR 47.131 million (previous year: EUR 36.949 million). Earnings per share (EPS) of EUR 0.49 was above prior-year level (EUR 0.39). In addition to the successful business development in the CTS Group, the increased positive financial result also led in a disproportionate increase in earnings per share, among other things from the fair value measurement of a subsidiary, which had previously been accounted for using the equity method and which is now fully consolidated.

PERSONNEL

On average over the year to date, the companies in the CTS Group had a total of 2,609 employees on their payroll, including 458 part-time workers (previous year: 2,240, including 374 part-timers). Of that total, 1,676 are employed in the Ticketing segment (previous year: 1,638 employees) and 933 in the Live Entertainment segment (previous year: 602 employees). The increase in the number of employees in the Ticketing segment was mainly attributable to technological developments and the expansion of the number of companies included in consolidation. The increase in the Live Entertainment segment resulted primarily from the expansion in the number of consolidated companies.

Personnel expenses increased to EUR 66.997 million (previous year: EUR 55.133 million; +21.5%) and are attributable to the Ticketing segment by EUR 3.816 million and to the Live Entertainment segment by EUR 8.048 million.

FINANCIAL POSITION

The main changes in **ASSETS** were decreases in cash and cash equivalents (EUR -105.160 million) and in short-term other financial assets (EUR -11.067 million). These decreases were offset by an increase in short-term marketable securities and other investments (EUR +10.483 million), trade receivables (EUR +20.053 million), payments on account (EUR +44.121 million) in short-term other non-financial assets (EUR +15.701 million), in intangible assets (EUR +14.123 million) and in goodwill (EUR +6.999 million).

Cash and cash equivalents in the CTS Group declined by EUR 105.160 million to EUR 448.481 million (31.12.2016: EUR 553.640 million). The cash outflow in the first half of 2017 concerns the increased dividend payment to the shareholders (in particular by the special dividend decided at the Annual Shareholders' Meeting in May 2017) in the second quarter of 2017 and the seasonal reduction in cash and cash equivalents in the Ticketing segment due to paid ticket monies. This was offset by an increase in advance payments received and the expansion of the consolidation group in the Live Entertainment segment.

Cash and cash equivalents at EUR 448.481 million (31.12.2016: EUR 553.640 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 203.706 million (31.12.2016: EUR 277.047 million); other financial assets also include receivables relating to ticket monies from presales in the Ticketing segment (EUR 36.827 million; 31.12.2016: EUR 48.661 million) and factoring receivables from ticket monies (EUR 9.058 million; 31.12.2016: EUR 18.929 million).

Short-term **marketable securities and other investments** increased by EUR 10.483 million because of the purchase of Commercial Paper and time deposits.

The increase in **trade receivables** (EUR +20.053 million) mainly results from the ongoing business activities and the expansion of the number of companies included in consolidation in the Live Entertainment segment.

The increase in **payments on account** (EUR +44.121 million) relates to already paid production costs for future events to be held in subsequent quarters in the Live Entertainment segment and results from the expansion in the number of consolidated companies.

The short-term **other financial assets** decreased by EUR -11.067 million. The decline mainly results from the decrease in receivables relating to ticket revenue from presales in the Ticketing segment (EUR -13.096 million) and factoring receivables (EUR -9.872 million). On the other hand, there is an increase in receivables from insurance claims, mainly in the Live Entertainment segment (EUR +4.111 million).

The short-term **other non-financial assets** increased by EUR +15.701 million. The increase results from the increase in higher VAT receivables and advance payments for business acquisitions.

The increase in **intangible assets** (EUR +14.123 million) resulted primarily from the capitalisation of the customer base and brands as a result of increases in share capital in the Live Entertainment segment during the reporting period.

Goodwill mainly increased by EUR 6.999 million due to the provisional purchase price allocation of the companies acquired at the beginning of the financial year in the Live Entertainment segment.

The main changes on the **SHAREHOLDERS´ EQUITY AND LIABILITIES SIDE** were increases in short-term other financial liabilities (EUR +18.387 million), in trade liabilities (EUR +53.531 million), short-term advance payments received (EUR +60.427 million), long-term advance payments received (EUR +8.811 million) and deferred tax liabilities (EUR +4.353 million). These increases were offset by a decrease in short-term other financial liabilities (EUR -71.202 million) and medium- and long-term financial liabilities (EUR -26.490 million).

The **short-term financial liabilities** increased by EUR 18.387 million. In the reporting period, the timely reclassification of medium and long-term financial liabilities in short-term financial liabilities primarily led to an increase in short-term financial liabilities.

Trade payables rose by EUR 53.531 million mainly due to the expansion in the scope of consolidation.

The short-term **advance payments** received (EUR +60.427 million) increased, mainly due to the expansion of the number of companies included in consolidation in the Live Entertainment segment. The advanced payments received in the Live Entertainment segment are transferred to revenue, when the respective events have taken place.

The EUR 71.202 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 decrease in **medium and long-term financial liabilities** (EUR -26.490 million) resulted primarily from the timely reclassification of medium and long-term financial liabilities to current financial liabilities.

The long-term **advance payments received** (EUR +8.811 million) relate to already collected ticket monies for a major tour in the second half of 2018 in the Live Entertainment segment.

Shareholders' equity declined by EUR 51.868 million to EUR 333.145 million. The positive net income is offset by dividend payments to shareholders (in particular by the special dividend decided at the Annual Shareholders' Meeting in May 2017). The equity ratio (shareholders' equity divided by the balance sheet total) decreased accordingly from 32.2% to 27.8%.

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 2016, cash and cash equivalents decreased by EUR 105.160 million to EUR 448.481 million.

Cash flow from operating activities increased year-on-year by EUR 78.167 million from EUR -82.328 million to EUR -4.161 million.

This year-on-year increase in cash flow from operating activities was mainly the result of the changes in payments on account (EUR -42.648 million), in marketable securities and other investments (EUR -15.589 million), in receivables and other assets (EUR -25.160 million) and liabilities (EUR +146.326 million).

The negative cash flow effect from the change in **payments on account** (EUR -42.648 million) mainly relates to a higher payments on account for production costs for future events held after the balance sheet date in the Live Entertainment segment.

The negative cash flow effect from the development of **marketable securities and other investments** (EUR -15.589 million) is primarily due to the purchase of Commercial Paper and time deposits.

The negative cash flow effect deriving from changes in **receivables and other assets** (EUR -25.160 million) is mainly the result of an increase in trade receivables as a result of ongoing business activity that was higher compared to the previous year.

The positive cash flow effect arising from the change in **liabilities** amounts to EUR +146.326 million.

The positive cash flow effect is mainly due to the fact that, in contrast to the previous year, the prepayments and trade payables received in the Live Entertainment segment were built up as part of ongoing business activities. In the previous period 2016, the liabilities were reduced as a result of missing major tours, while in the current reporting period 2017 the market expansion in the Live Entertainment segment led to an increase of liabilities; this resulted in a noticeable positive cash flow effect. The liabilities for ticket monies not yet invoiced also result in a further positive cash flow effect compared to the same period last year. As of 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.

The **cash flow from investing activities** increased year-on-year from EUR -18.023 million by EUR 21.574 million to EUR 3.550 million. The increase in cash flow from investing activities mainly results from lower investments in intangible assets as well as higher cash and cash equivalents related to newly acquired companies.

The **cash flow from financing activities** increased year-on-year by EUR -62.952 million to EUR -103.894 million. The negative change in cash flow from financing activities mainly relates to financial loans taken out in the previous period and higher dividend payments to shareholders in the reporting period (in particular by the special dividend decided at the Annual Shareholders' Meeting in May 2017).

The changes in **net increase/decrease in cash and cash equivalents due to currency translation** of EUR -1.157 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. 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

3. REPORT ON EXPECTED FUTURE DEVELOPMENT

In its most recent forecast the European Commission predicts positive economic development in the euro area despite a number of uncertainties. It increased its forecast regarding the growth of gross domestic product in the euro area for 2017 from 1.6% to 1.7%. The European Commission expects a further increase to 1.8% in 2018. According to the Brussels-based authority, the economic recovery in Europe is in its fifth year and has now reached all EU member states. The Commission also expects private consumption to increase in spite of higher inflation, but not to the same extent as in previous years. Along with the US economic and trade policy, the European Commission continues to see the Brexit negotiations with the United Kingdom as a risk. It predicts growth in Germany of 1.6% in 2017 and 1.9% in 2018.

The International Monetary Fund (IMF) recently revised its forecasts regarding global economic development upwards for almost all regions. Despite the negative effects of the Brexit and uncertainty regarding the US policy, the global economy is expected to grow by 3.5% in 2017 and 3.6% in the following year. While the IMF has revised its forecasts for the Eurozone for the current and coming year upwards to 1.9% and 1.7% respectively, those figures are far lower than expected growth in China (both > 6%) and the emerging economies (both > 4.5%).

The Kiel Institute for World Economy (IfW) currently predicts that the German economy will grow by 1.7% in 2017 and 2.0% in 2018, while also suggesting the possibility of an “overheating economy”. It argues that, considering its largely utilised capacity, Germany is on the brink of an economic boom, increasing economic risk. According to the IfW, private consumption will weaken in the future because inflation caused by oil prices is increasingly affecting buying power.

The Munich-based ifo Institute – Leibniz Institute for Economic Research at the University of Munich has revised its forecast of an economic slowdown issued at the end of last year and now expects comparatively high growth of gross domestic product of 1.8% in 2017 and 2.0% in 2018. However, it predicts that private consumption will only increase by 1.2% this year and 1.6% in 2018 – a significantly lower rate of growth than in previous years.

The **CTS Group’s** business model continues to be robust and successful. The Group’s corporate management still expects improved business performance for the 2017 financial year. Thanks to the continuous expansion of the product and service portfolio, ongoing internationalisation and the systematic implementation of the E-Commerce strategy, corporate management believes that the CTS Group is very well positioned to turn opportunities that arise into profitable medium- and long-term growth. The CTS Group will continue to pursue its growth strategy through organic growth and acquisitions.

In the **Ticketing segment** the volume of online ticket sales increased significantly in the first half of the year. Expansion in South America and Scandinavia contributed to that growth in the volume of online ticket sales. The CTS Group is constantly examining opportunities for cooperations and acquisitions in existing and new markets. Further areas of strategic focus in the Ticketing segment include the ongoing development of E-Commerce solutions and the use and analysis of big data. With EVENTIM Analytics, the Group has an innovative, market-ready tool that offers the customer significantly increased efficiency and greater knowledge in numerous relevant areas.

In the **Live Entertainment segment**, in terms of revenue, the CTS Group will continue to profit from the increase in the number of consolidated companies and a further increase in the number of events with large audiences in the second half of 2017. In the first six months of the year, its operating profit was, in particular, affected by temporary costs relating to the development of new festival markets and advance expenses for events in the second half of the year. The CTS Group therefore expects growth in revenue and earnings in the Live Entertainment segment over the rest of the financial year. The CTS Group is also open to further acquisitions and strategic partnerships in this area of business.

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 2016 Annual Report.

4. 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 2016 Annual Report remain valid.

5. RELATED PARTY DISCLOSURES

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

Bremen, 24 August 2017

CTS EVENTIM AG & Co. KGaA,

represented by:

EVENTIM Management AG, the general partner

The Management Board

4. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2017

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2017

ASSETS	30.06.2017	31.12.2016
	[EUR]	[EUR]
Current assets		
Cash and cash equivalents	448,480,828	553,640,418
Marketable securities and other investments	12,299,864	1,817,060
Trade receivables	61,713,569	41,660,089
Receivables from affiliated and associated companies accounted for at equity	2,281,688	3,117,875
Inventories	3,833,382	4,875,429
Payments on account	77,826,170	33,705,446
Receivables from income tax	6,408,570	6,763,203
Other financial assets	70,516,662	81,584,017 [1]
Other non-financial assets	29,499,152	13,798,099 [2]
Total current assets	**712,859,885**	**740,961,636** [1,2]
Non-current assets		
Property, plant and equipment	26,213,077	24,917,737
Intangible assets	119,881,385	105,758,146 [1]
Investments	2,066,457	2,058,302
Investments in associates accounted for at equity	18,280,617	16,531,623
Loans	4,758,074	160,401
Trade receivables	28,166	18,391
Other financial assets	3,135,053	3,970,165
Other non-financial assets	891,913	1,032,803
Goodwill	295,520,500	288,521,468 [1,2]
Deferred tax assets	15,828,944	13,092,716
Total non-current assets	**486,604,186**	**456,061,752** [1,2]
Total assets	**1,199,464,071**	**1,197,023,388** [1,2]

[1] Adjusted prior-year figures due to the final purchase price allocation of Venuepoint Group
[2] Adjusted prior-year figures due to the final purchase price allocation of HOI Group

SHAREHOLDERS' EQUITY AND LIABILITIES	30.06.2017	31.12.2016
	[EUR]	[EUR]
Current liabilities		
Short-term financial liabilities	47,375,047	28,987,758
Trade payables	134,295,039	80,764,319 [2]
Payables to affiliated and associated companies accounted for at equity	627,602	1,314,058
Advance payments received	217,789,906	157,363,362
Other provisions	8,064,168	5,610,625
Tax provisions	34,207,576	28,704,772
Other financial liabilities	224,863,443	296,065,301
Other non-financial liabilities	54,570,664	53,686,197
Total current liabilities	**721,793,445**	**652,496,392** [2]
Non-current liabilities		
Medium- and long-term financial liabilities	101,843,025	128,333,261
Advanced payments received	8,810,640	0
Other financial liabilities	814,238	975,775
Pension provisions	10,967,773	12,244,712
Deferred tax liabilities	17,491,631	13,139,047 [1]
Other provisions	4,598,340	4,820,879
Total non-current liabilities	**144,525,647**	**159,513,674** [1]
Shareholders' equity		
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	203,787,691	250,728,205 [1]
Treasury stock	-52,070	-52,070
Non-controlling interest	24,858,887	29,427,710 [2]
Total comprehensive income	-2,388,834	-3,040,635
Currency differences	1,849,258	2,860,065 [1]
Total shareholders' equity	**333,144,979**	**385,013,322** [1,2]
Total shareholders' equity and liabilities	**1,199,464,071**	**1,197,023,388** [1,2]

[1] Adjusted prior-year figures due to the final purchase price allocation of Venuepoint Group
[2] Adjusted prior-year figures due to the final purchase price allocation of HOI Group

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	Change
	[EUR]	[EUR]	[EUR]
Revenue	489,032,431	421,774,128	67,258,303
Cost of sales	-352,036,421	-295,330,039 [1]	-56,706,382
Gross profit	**136,996,010**	**126,444,089** [1]	**10,551,921**
Selling expenses	-42,130,326	-38,101,757 [1]	-4,028,569
General administrative expenses	-30,590,359	-24,651,422 [1]	-5,938,937
Other operating income	9,509,841	7,977,881	1,531,960
Other operating expenses	-8,834,765	-5,632,678	-3,202,087
Operating profit (EBIT)	**64,950,401**	**66,036,113** [1]	**-1,085,712**
Income / expenses from participations	15,150	148,436	-133,286
Income / expenses from investments in associates accounted for at equity	1,405,544	-369,116	1,774,660
Financial income	6,881,756	630,863	6,250,893
Financial expenses	-2,257,869	-2,962,721	704,852
Earnings before tax (EBT)	**70,994,982**	**63,483,575** [1]	**7,511,407**
Taxes	-23,768,197	-20,598,259 [1]	-3,169,938
Net income before non-controlling interest	**47,226,785**	**42,885,316** [1]	**4,341,469**
Thereof attributable to non-controlling interest	-95,825	-5,935,929	5,840,104
Net income after non-controlling interest	**47,130,960**	**36,949,387** [1]	**10,181,573**
Earnings per share (in EUR); undiluted (= diluted)	0.49	0.39	
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million	

[1] Adjusted prior-year figures due to the final purchase price allocation of the Venuepoint Group

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2017

	01.04.2017 - 30.06.2017	01.04.2016 - 30.06.2016	Change
	[EUR]	[EUR]	[EUR]
Revenue	281,593,613	258,564,615	23,028,998
Cost of sales	-214,981,276	-192,423,009 [1]	-22,558,267
Gross profit	**66,612,337**	**66,141,606** [1]	**470,731**
Selling expenses	-21,619,639	-20,813,849 [1]	-805,790
General administrative expenses	-15,568,255	-12,907,124 [1]	-2,661,131
Other operating income	4,229,133	4,874,007	-644,874
Other operating expenses	-5,316,933	-2,576,911	-2,740,022
Operating profit (EBIT)	**28,336,643**	**34,717,729** [1]	**-6,381,086**
Income / expenses from participations	14,526	14,868	-342
Income / expenses from investments in associates accounted for at equity	993,670	-409,940	1,403,610
Financial income	1,335,005	390,035	944,970
Financial expenses	-1,224,438	-1,127,951	-96,487
Earnings before tax (EBT)	**29,455,406**	**33,584,741** [1]	**-4,129,335**
Taxes	-12,316,138	-11,559,856 [1]	-756,282
Net income before non-controlling interest	**17,139,268**	**22,024,885** [1]	**-4,885,617**
Thereof attributable to non-controlling interest	1,933,566	-3,662,602	5,596,168
Net income after non-controlling interest	**19,072,834**	**18,362,283** [1]	**710,551**
Earnings per share (in EUR); undiluted (= diluted)	0.20	0.19 [1]	
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million	

[1] Adjusted prior-year figures due to the final purchase price allocation of the Venuepoint Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	47,226,785	42,885,316 [1]	4,341,469
Remeasurement of the net defined benefit obligation for pension plans	1,203,776	-2,180,564	3,384,340
Items that will not be reclassified to profit or loss	**1,203,776**	**-2,180,564**	**3,384,340**
Exchange differences on translating foreign subsidiaries	-1,163,145	337,439 [1]	-1,500,584
Changes from the measurement of available-for-sale financial assets	16,164	-38,914	55,078
Cash flow hedges	-20,006	38,403	-58,409
Share of other comprehensive income (exchange rate differences) of investments accounted for at equity	-254,659	-1,747,221	1,492,562
Items that will be reclassified subsequently to profit or loss when specific conditions are met	**-1,421,646**	**-1,410,293** [1]	**-11,353**
Other results (net)	**-217,870**	**-3,590,857** [1]	**3,372,987**
Total comprehensive income	**47,008,915**	**39,294,459** [1]	**7,714,456**
Total comprehensive income attributable to			
Shareholders of CTS KGaA	46,771,954	34,227,852 [1]	
Non-controlling interest	236,961	5,066,607	

[1] Adjusted prior-year figures due to the final purchase price allocation of the Venuepoint Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2017

	01.04.2017 - 30.06.2017	01.04.2016 - 30.06.2016	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	17,139,268	22,024,885 [1]	-4,885,617
Remeasurement of the net defined benefit obligation for pension plans	40,460	-1,101,693	1,142,153
Items that will not be reclassified to profit or loss	**40,460**	**-1,101,693**	**1,142,153**
Exchange differences on translating foreign subsidiaries	-1,051,494	471,671 [1]	-1,523,165
Changes from the measurement of available-for-sale financial assets	12,057	9,242	2,815
Cash flow hedges	-22,598	123,938	-146,536
Share of other comprehensive income (exchange rate differences) of investments accounted for at equity	-405,641	-458,724	53,083
Items that will be reclassified subsequently to profit or loss when specific conditions are met	**-1,467,676**	**146,127** [1]	**-1,613,803**
Other results (net)	**-1,427,216**	**-955,566** [1]	**-471,650**
Total comprehensive income	**15,712,052**	**21,069,319** [1]	**-5,357,267**
Total comprehensive income attributable to			
Shareholders of CTS KGaA	17,881,280	17,800,428 [1]	
Non-controlling interest	-2,169,228	3,268,891	

[1] Adjusted prior-year figures due to the final purchase price allocation of the Venuepoint Group

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	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]
Status 01.01.2016	**96,000,000**	**1,890,047**	**7,200,000**	**225,961,993**	**-52,070**	**20,880,626**	**-1,905,806**	**4,196,676**	**354,171,466**
Change in the scope of consolidation	0	0	0	-25,376,497	0	7,344,492	0	0	-18,032,005
Dividends to non-controlling interest	0	0	0	0	0	-2,161,728	0	0	-2,161,728
Dividends to shareholders of CTS KGaA	0	0	0	-44,155,998	0	0	0	0	-44,155,998
Consolidated net income	0	0	0	36,949,387 [1]	0	5,935,929	0	0	42,885,316 [1]
Available-for-sale financial assets	0	0	0	0	0	0	-38,914	0	-38,914
Cash flow hedges	0	0	0	0	0	2,582	35,821	0	38,403
Foreign exchange differences	0	0	0	0	0	-15,057	0	352.496 [1]	337.439 [1]
Share of other comprehensive income (exchange rate differences) of investments accounted for at equity	0	0	0	0	0	0	0	-1.747.221	-1.747.221
Remeasurement of the net defined benefit obligation for pension plans	0	0	0	0	0	-856,847	-1,323,717	0	-2,180,564
Status 30.06.2016	**96,000,000**	**1,890,047**	**7,200,000**	**193,378,885** [1]	**-52,070**	**31,129,997**	**-3,232,616**	**2,801,951** [1]	**329,116,194** [1]
Status 01.01.2017	**96,000,000**	**1,890,047**	**7,200,000**	**250,728,205** [1]	**-52,070**	**29,427,710** [2]	**-3,040,635**	**2,860,065** [1]	**385,013,322** [1,2]
Change in the scope of consolidation	0	0	0	0	0	-1,462,077	0	0	-1,462,077
Dividends to non-controlling interest	0	0	0	0	0	-3,343,707	0	0	-3,343,707
Dividends to shareholders of CTS KGaA	0	0	0	-94,071,474	0	0	0	0	-94,071,474
Consolidated net income	0	0	0	47,130,960	0	95,825	0	0	47,226,785
Available-for-sale financial assets	0	0	0	0	0	0	16,164	0	16,164
Cash flow hedges	0	0	0	0	0	-11,889	-8,117	0	-20,006
Foreign exchange differences	0	0	0	0	0	-406,997	0	-756,148	-1,163,145
Share of other comprehensive income (exchange rate differences) of investments accounted for at equity	0	0	0	0	0	0	0	-254,659	-254,659
Remeasurement of the net defined benefit obligation for pension plans	0	0	0	0	0	560,022	643,754	0	1,203,776
Status 30.06.2017	**96,000,000**	**1,890,047**	**7,200,000**	**203,787,691**	**-52,070**	**24,858,887**	**-2,388,834**	**1,849,258**	**333,144,979**

[1] Adjusted prior-year figures due to the final purchase price allocation of Venuepoint Group
[2] Adjusted prior-year figures due to the final purchase price allocation of HOI Group

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	47,226,785	42,885,316 [1]	4,341,469
Depreciation and amortisation on fixed and intangible assets	17,815,929	14,999,543 [1]	2,816,386
Changes in pension provisions	-1,276,939	2,709,104	-3,986,043
Deferred tax expenses / income	-3,039,864	-832,567 [1]	-2,207,297
Cash flow	**60,725,911**	**59,761,396** [1]	**964,515**
Other non-cash transactions	-7,244,525	384,542 [1]	-7,629,067
Book profit / loss from disposal of fixed assets	152,343	-838,664	991,007
Interest expenses / Interest income	1,533,809	1,454,071	79,738
Income tax expenses	26,808,060	21,430,826	5,377,234
Interest received	174,702	454,801	-280,099
Interest paid	-1,072,981	-1,481,169	408,188
Income tax paid	-21,084,791	-32,765,874	11,681,083
Increase (-) / decrease (+) in inventories	1,400,530	98,259	1,302,271
Increase (-) / decrease (+) in payments on account	-38,996,721	3,651,543	-42,648,264
Increase (-) / decrease (+) in marketable securities and other investments	-10,482,805	5,106,275	-15,589,080
Increase (-) / decrease (+) in receivables and other assets	-10,823,318	14,337,118 [1]	-25,160,436
Increase (+) / decrease (-) in provisions	-33,702	-2,376,954	2,343,252
Increase (+) / decrease (-) in liabilities	-5,217,778	-151,544,096	146,326,318
Cash flow from operating activities	**-4,161,266**	**-82,327,926**	**78,166,660**
Cash flow from investing activities	**3,550,482**	**-18,022,978**	**21,573,460**
Cash flow from financing activities	**-103,894,084**	**-40,942,134**	**-62,951,950**
Net increase / decrease in cash and cash equivalents	**-104,504,868**	**-141,293,038**	**36,788,170**
Net increase / decrease in cash and cash equivalents due to currency translation	-654,722	502,536	-1,157,258
Cash and cash equivalents at beginning of period	553,640,418	500,816,217	52,824,201
Cash and cash equivalents at end of period	**448,480,828**	**360,025,715**	**88,455,113**
Composition of cash and cash equivalents			
Cash and cash equivalents	448,480,828	360,025,715	88,455,113
Cash and cash equivalents at end of period	**448,480,828**	**360,025,715**	**88,455,113**

[1] Adjusted prior-year figures due to the final purchase price allocation of Venuepoint Group

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 six months of the 2017 financial year was approved for publication by resolution of the Management Board of EVENTIM Management AG on 24 August 2017.

2. REPORTING PRINCIPLES

The present, unaudited Group interim report as at 30 June 2017 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 2016 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 2016. 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 Group interim report as at 30 June 2016, and those in the balance sheet to the adjusted consolidated financial statements as at 31 December 2016. The final purchase price allocation of the Venuepoint Group acquired in April 2016, the HOI Group and Liigalippu both acquired in July 2016 caused adjustments to the comparative figures. 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 2016.

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. 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 within purchase price allocation, 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. There are no new and amended standards endorsed by the EU that are effective in the reporting period.

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 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 30 June 2016 closing date:

FULLY CONSOLIDATED COMPANIES

By agreement dated April 27, 2017, GSO Holding GmbH, Bremen, and GSO Verwaltungsgesellschaft mbH, Bremen, were merged into the GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Bremen. The merger became effective on entry into the commercial register on 29 June 2017. The assets of GSO Gesellschaft für Softwareentwicklung und Organisation mbH & Co. KG, Bremen, will be transferred to the parent company as a result of the succession of the company as a whole by taking advantage of this merger.

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 30 June 2016 closing date:

Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt/Main, acquired 100% of the shares in MOKO Concerts GmbH, Freiburg im Breisgau, Germany, on 2 January 2017. The purpose of the company is mainly to organise and conduct concerts. The company was renamed Vaddi Concerts GmbH, Freiburg im Breisgau, which became effective by entry in the commercial register on 27 January 2017.

The German Federal Cartel Office (Bundeskartellamt) approved the acquisition of 5.2% of the shares in FKP SCORPIO Konzertproduktionen GmbH, Hamburg, (hereinafter: FKP SCORPIO) by MEDUSA, on 3 January 2017. Upon approval of the acquisition by the German Federal Cartel Office, FKP SCORPIO and its subsidiaries were included in the CTS consolidated financial statements, now fully consolidated.

Arena Event GmbH, Cologne, was founded by Arena Holding GmbH, Cologne, on 27 January 2017. The purpose of the company is the organisation of events and services of promotion and marketing.

On 27 January 2017, CTS KGaA founded Eventim Marketing and Sponsoring GmbH, Hamburg. The object of the company is marketing and the provision of sponsorship.

4.3 PURCHASE PRICE ALLOCATIONS

PROVISIONAL PURCHASE PRICE ALLOCATION OF FKP SCORPIO GROUP

Since its initial consolidation at the beginning of January 2017 FKP Scorpio Group has generated revenue of EUR 86.052 million and earnings after non-controlling interest of EUR 1.134 million. Cash equivalents of EUR 17.366 million were taken over in the course of the acquisition of this company.

Based on the provisional purchase price allocation, the following table shows the fair values at the time of initial consolidation of FKP Scorpio Group:

	Fair value at the time of initial consolidation - preliminary purchase price allocation - [EUR'000]
Cash and cash equivalents	17,366
Inventories	368
Payments on account	5,297
Trade receivables	6,063
Receivables from affiliated companies	1,097
Other assets	9,659
Accrued expenses	692
Total current assets	**40,542**
Property, plant and equipment	1,378
Intangible assets	17,619
Investments	4,655
Deferred tax assets	1,481
Total non-current assets	**25,133**
Liabilities due to banks	-30
Trade payables	-10,701
Payables to affiliated companies	-2,261
Other liabilities	-10,205
Advanced payments received	-39,186
Other provisions	-316
Tax provisions	-1,836
Total current liabilities	**-64,535**
Deferred tax liabilities	-5,381
Total non-current liabilities	**-5,381**
Total net assets	**-4,241**

Assets and liabilities were recognised at the fair value in the provisional purchase price allocation. At the time of initial consolidation, intangible assets (customer base and trademark) were valued with a fair value of EUR 17.619 million. Deferred tax liabilities of EUR 5.402 million were recorded on the temporary difference arising from the remeasurement of the intangible asset.

As at 30 June 2017 the purchase price allocation is still provisional because investigations regarding intangible assets and the assessment of legal aspects are still pending. The fair value of assets and liabilities will be conclusively determined within the first twelve month of the acquisition.

The present value of trade receivables is composed of the gross carrying amount of EUR 6.391 million and allowances for bad debts of EUR 328 thousand. The expected inflows are thus EUR 6.063 million.

The following table shows the reconciliation of consideration transferred at initial consolidation:

	Fair value at the time of initial consolidation - preliminary purchase price allocation -
	[EUR'000]
Consideraton transferred	**6,062**
Cash and cash equivalents	17,366
Inventories	368
Payments on account	5,297
Trade receivables	6,063
Receivables from affiliated companies	1,097
Other assets	9,659
Accrued expenses	692
Property, plant and equipment	1,378
Intangible assets	17,619
Investments	4,655
Deferred tax assets	1,481
Liabilities due to banks	-30
Trade payables	-10,701
Payables to affiliated companies	-2,261
Other liabilities	-10,205
Advanced payments received	-39,186
Other provisions	-316
Tax provisions	-1,836
Deferred tax liabilities	-5,381
Total net assets	**-4,241**
47,4% of net assets	**-2,010**
Goodwill	**8,072**

MEDUSA holds 50.2% of the shares after an increase in shares; the shareholding of CTS KGaA in MEDUSA is 94.4%. From the point of view of CTS KGaA, a stake in FKP SCORPIO amounts to 47.4%.

The difference between the consideration transferred and the proportionate net assets was allocated to goodwill and mainly reflects future synergy effects and growth potentials. The goodwill is not tax deductible.

The valuation of the shares of non-controlling interests is accounted by using the revaluation method as a proportionate share of the shareholders' equity.

The fair value measurement of the group, which has been accounted by using the equity method and is now fully consolidated, results in a financial income of EUR 5.373 million.

PROVISIONAL PURCHASE PRICE ALLOCATION OF VADDI CONCERTS

Since its initial consolidation at the beginning of January 2017 Vaddi Concerts has generated revenue of EUR 135 thousand and earnings of EUR -259 thousand. Cash equivalents of EUR 23 thousand were taken over in the course of the acquisition of this company.

Based on the provisional purchase price allocation, the following table shows the fair values at the time of initial consolidation of Vaddi Concerts:

	Fair value at the time of initial consolidation - preliminary purchase price allocation -
	[EUR'000]
Cash and cash equivalents	23
Other assets	171
Total current assets	**194**
Intangible assets	2,082
Total non-current assets	**2,082**
Trade payables	-2
Other liabilities	-1,071
Total current liabilities	**-1,073**
Deferred tax liabilities	-377
Total non-current liabilities	**-377**
Total net assets	**826**

Assets and liabilities were recognised at the fair value in the provisional purchase price allocation. At the time of initial consolidation, intangible assets (customer base) were valued with a fair value of EUR 1.235 million. Deferred tax liabilities of EUR 377 thousand were recorded on the temporary difference arising from the remeasurement of the intangible asset.

As at 30 June 2017 the purchase price allocation is still provisional because investigations regarding intangible assets and the assessment of legal aspects are still pending. The fair value of assets and liabilities will be conclusively determined within the first twelve month of the acquisition.

The following table shows the reconciliation of consideration transferred at initial consolidation:

	[EUR'000]
Consideraton transferred	**900**
Cash and cash equivalents	23
Other assets	171
Intangible assets	2,082
Trade payables	-2
Other liabilities	-1,071
Deferred tax liabilities	-377
Total net assets	**826**
94,4% of net assets	**780**
Goodwill	**120**

The difference between the consideration transferred and the proportionate net assets was allocated to goodwill and mainly reflects future synergy effects and growth potentials. The goodwill is not tax deductible.

FINAL PURCHASE PRICE ALLOCATION OF VENUEPOINT GROUP

As at 5 April 2017 the purchase price allocation relating to the acquisition of the Venuepoint Group was completed according to IFRS 3.45 within the stipulated 12-month period. Within the scope of the purchase price allocation changes occurred. 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.

The following adjustments were made for the final purchase price allocation of the Venuepoint Group.

The following table shows the fair value of the Venuepoint Group at the time of the initial consolidation according to the preliminary and the final purchase price allocation:

	Fair value at the time of initial consolidation - final purchase price allocation -	Fair value at the time of initial consolidation - provisional purchase price allocation -	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Cash and cash equivalents	78	78	0
Trade receivables	555	555	0
Other assets	8,001	7,847	154
Total current assets	**8,634**	**8,480**	**154**
Property, plant and equipment	28	28	0
Intangible assets	4,639	4,633	6
Deferred tax assets	38	38	0
Total non-current assets	**4,705**	**4,699**	**6**
Trade payables	-4,543	-4,543	0
Other liabilities	-4,339	-4,339	0
Total current liabilities	**-8,882**	**-8,882**	**0**
Deferred tax liabilities	-861	-860	-1
Total non-current liabilities	**-861**	**-860**	**-1**
Total net assets	**3,596**	**3,437**	**159**

Within the first twelve months after the acquisition of the company, a higher fair value of the other assets (EUR 154 thousand) and intangible assets (EUR 6 thousand) was determined in the context of the final purchase price allocation, which led to an increase in deferred tax liabilities of EUR 1 thousand. Furthermore, the fair value of other assets increased (EUR 154 thousand). In return, the goodwill decreased by EUR 159 thousand.

FINAL PURCHASE PRICE ALLOCATION OF HOI GROUP

As at 8 July 2017 the purchase price allocation relating to the acquisition of the HOI Group was completed according to IFRS 3.45 within the stipulated 12-month period. Within the scope of the purchase price allocation changes occurred. 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.

The following adjustments were made for the final purchase price allocation of the HOI Group.

The following table shows the fair value of the HOI Group at the time of the initial consolidation according to the preliminary and the final purchase price allocation:

	Fair value at the time of initial consolidation - final purchase price allocation -	Fair value at the time of initial consolidation - provisional purchase price allocation -	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Cash and cash equivalents	221	221	0
Inventories	1,725	1,725	0
Trade receivables	249	249	0
Other assets	956	1,308	-352
Total current assets	**3,151**	**3,503**	**-352**
Property, plant and equipment	1,060	1,060	0
Intangible assets	1,481	1,480	1
Deferred tax assets	92	92	0
Total non-current assets	**2,633**	**2,632**	**1**
Trade payables	-1,351	-1,351	0
Payables to affiliated companies	-3,461	-3,461	0
Advance payments received	-472	-472	0
Other liabilities	-537	-612	75
Total current liabilities	**-5,821**	**-5,895**	**75**
Deferred tax liabilities	-370	-370	0
Total non-current liabilities	**-370**	**-370**	**0**
Total net assets	**-407**	**-130**	**-277**

Within the first twelve months after the acquisition of the company, a lower fair value of the other assets (EUR 352 thousand) and other liabilities (EUR 75 thousand) was determined in the context of the final purchase price allocation. In return, the goodwill increased by EUR 254 thousand (shareholding of CTS KGaA in MEDUSA amounts to 94.4%).

FINAL PURCHASE PRICE ALLOCATION LIIGALIPPU

As at the beginning of July 2017 and in accordance with IFRS 3.45 the purchase price allocation relating to the acquisition of Liigalippu was completed within the stipulated 12-month period. No adjustments needed to be made in respect of the purchase price allocation. 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 2016.

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

The comparative figures in the income statement as at 30 June 2016 and balance sheet as at 31 December 2016 had to be adjusted on account of the final purchase price allocation of the Scandinavian Venuepoint Group and the Dutch HOI Group.

No adjustments needed to be made in respect of the purchase price allocation relating to Liigalippu.

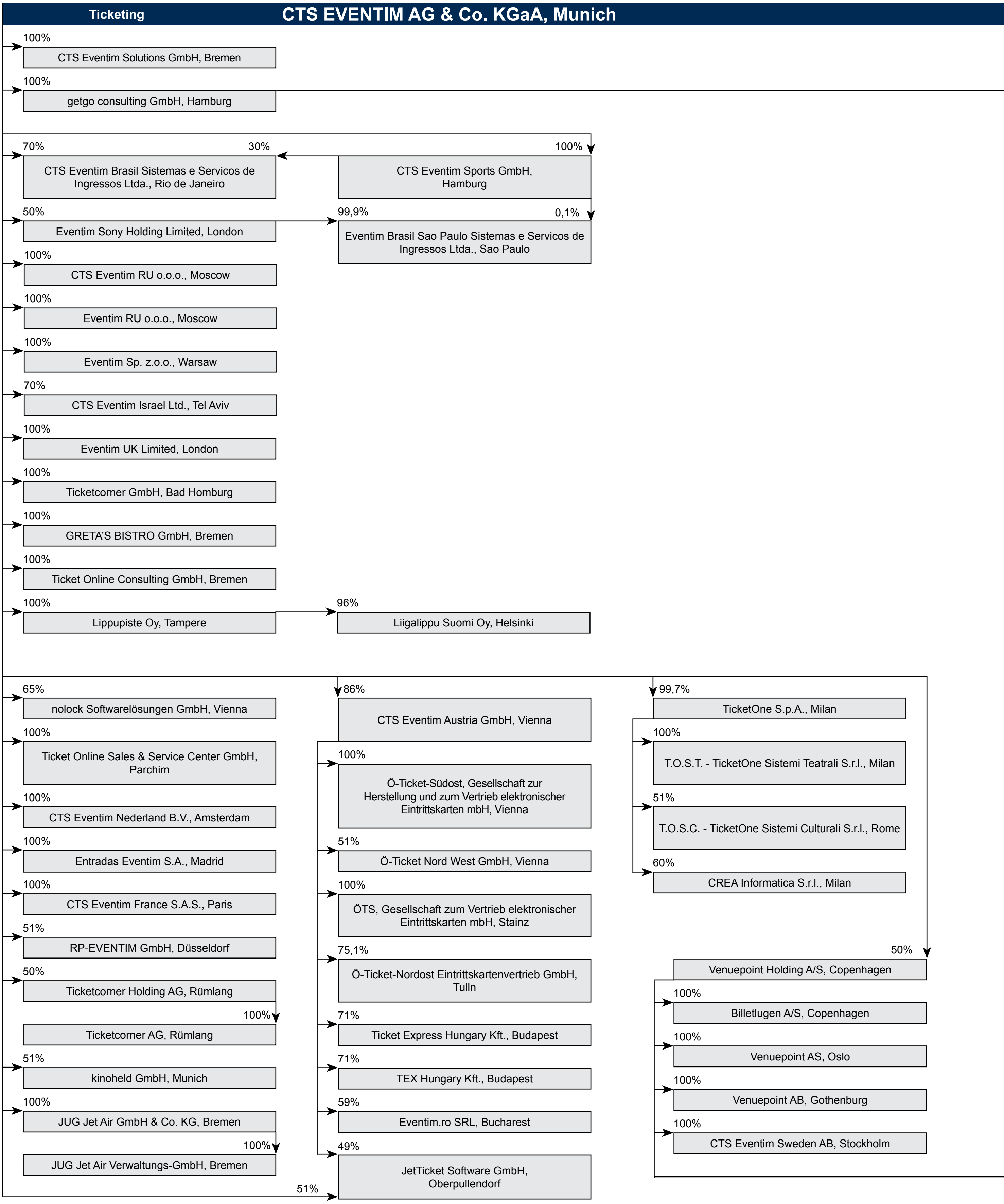
The following table provides an overview of the changes in the consolidated income statement as at 30 June 2016 as a result of the final purchase price allocation:

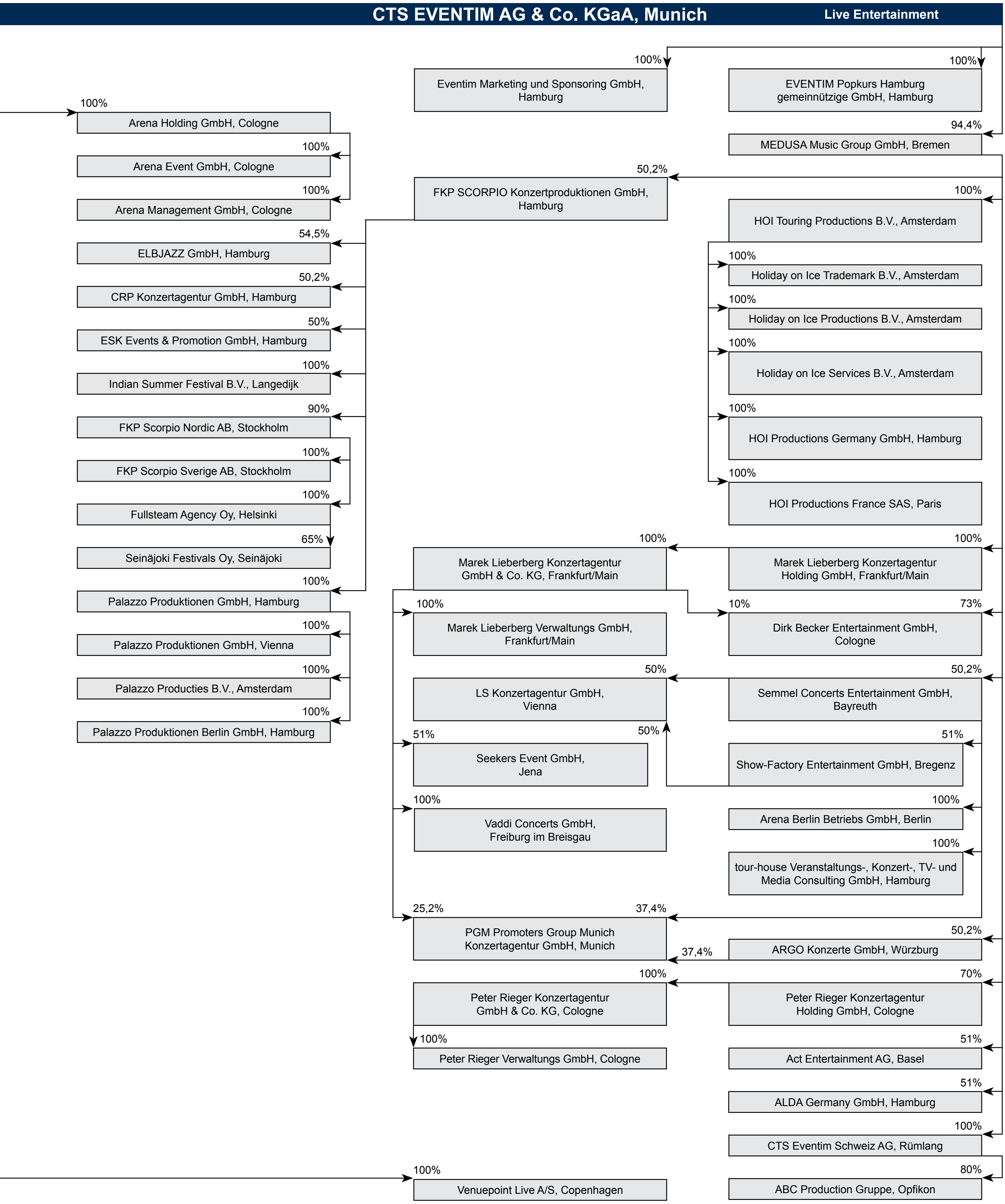
	Consolidated Income statement		
	final purchase price allocation 30.06.2016	provisional purchase price allocation 30.06.2016	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Revenue	421,774	421,774	0
EBIT	66,036	66,037	-1
EBT	63,484	63,485	-1
Taxes	20,598	20,599	-1
Net income after non-controlling interest	36,949	36,950	-1

The following table provides an overview of the changes in the consolidated balance sheet as at 31 December 2016 as a result of the final purchase price allocation:

	Consolidated Balance Sheet		
	final purchase price allocation 31.12.2016	provisional purchase price allocation 31.12.2016	Change
	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS			
Intangible assets	105,758	105,753	5
Goodwill	288,521	288,426	95
Other financial assets	81,584	81,430	154
Other non-financial assets	13,798	14,150	-352
			-98
LIABILITIES AND SHAREHOLDERS' EQUITY			
Trade payables	80,764	80,839	-75
Deferred tax liabilities	13,139	13,138	1
Retained earnings	250,728	250,729	-1
Non-controlling interest	29,428	29,451	-23
			-98

The corporate structure as at 30 June 2017 is shown in the following table:





CTS EVENTIM AG & Co. KGaA, Munich
Live Entertainment
100%
Eventim Marketing und Sponsoring GmbH, Hamburg
100%
EVENTIM Popkurs Hamburg gemeinnützige GmbH, Hamburg
100%
Arena Holding GmbH, Cologne
94,4%
MEDUSA Music Group GmbH, Bremen
100%
Arena Event GmbH, Cologne
50,2%
FKP SCORPIO Konzertproduktionen GmbH, Hamburg
100%
Arena Management GmbH, Cologne
100%
HOI Touring Productions B.V., Amsterdam
54,5%
ELBJAZZ GmbH, Hamburg
100%
Holiday on Ice Trademark B.V., Amsterdam
50,2%
CRP Konzertagentur GmbH, Hamburg
100%
Holiday on Ice Productions B.V., Amsterdam
50%
ESK Events & Promotion GmbH, Hamburg
100%
Holiday on Ice Services B.V., Amsterdam
100%
Indian Summer Festival B.V., Langedijk
90%
FKP Scorpio Nordic AB, Stockholm
100%
HOI Productions Germany GmbH, Hamburg
100%
FKP Scorpio Sverige AB, Stockholm
100%
HOI Productions France SAS, Paris
100%
Fullsteam Agency Oy, Helsinki
65%
Seinäjoki Festivals Oy, Seinäjoki
100%
Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt/Main
100%
Marek Lieberberg Konzertagentur Holding GmbH, Frankfurt/Main
100%
Palazzo Produktionen GmbH, Hamburg
100%
Marek Lieberberg Verwaltungs GmbH, Frankfurt/Main
10%
73%
Dirk Becker Entertainment GmbH, Cologne
100%
Palazzo Produktionen GmbH, Vienna
50%
LS Konzertagentur GmbH, Vienna
50,2%
Semmel Concerts Entertainment GmbH, Bayreuth
100%
Palazzo Producties B.V., Amsterdam
100%
Palazzo Produktionen Berlin GmbH, Hamburg
51%
Seekers Event GmbH, Jena
50%
51%
Show-Factory Entertainment GmbH, Bregenz
100%
Vaddi Concerts GmbH, Freiburg im Breisgau
100%
Arena Berlin Betriebs GmbH, Berlin
100%
tour-house Veranstaltungs-, Konzert-, TV- und Media Consulting GmbH, Hamburg
25,2%
37,4%
PGM Promoters Group Munich Konzertagentur GmbH, Munich
37,4%
50,2%
ARGO Konzerte GmbH, Würzburg
100%
Peter Rieger Konzertagentur GmbH & Co. KG, Cologne
70%
Peter Rieger Konzertagentur Holding GmbH, Cologne
100%
Peter Rieger Verwaltungs GmbH, Cologne
51%
Act Entertainment AG, Basel
51%
ALDA Germany GmbH, Hamburg
100%
CTS Eventim Schweiz AG, Rümlang
100%
Venuepoint Live A/S, Copenhagen
80%
ABC Production Gruppe, Opfikon

5. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

Cash and cash equivalents in the CTS Group declined by EUR 105.160 million to EUR 448.481 million (31.12.2016: EUR 553.640 million). The cash outflow in the first half of 2017 concerns the increased dividend payment to the shareholders (in particular by the special dividend decided at the Annual Shareholders' Meeting in May 2017) in the second quarter of 2017 and the seasonal reduction in cash and cash equivalents in the Ticketing segment due to paid ticket monies. This was offset by an increase in advance payments received and the expansion of the consolidation group in the Live Entertainment segment.

Cash and cash equivalents at EUR 448.481 million (31.12.2016: EUR 553.640 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 203.706 million (31.12.2016: EUR 277.047 million); other financial assets also include receivables relating to ticket monies from presales in the Ticketing segment (EUR 36.827 million; 31.12.2016: EUR 48.661 million) and factoring receivables out of ticket monies (EUR 9.058 million; 31.12.2016: EUR 18.929 million).

Short-term Marketable securities and other investments increased by EUR 10.483 million because of the purchase of Commercial Paper and time deposits.

The increase in **trade receivables** (EUR +20.053 million) mainly results from the ongoing business activities and the expansion in the number of companies included in consolidation in the Live Entertainment segment.

The increase in **payments on account** (EUR +44.121 million) relates already paid production costs for future events to be held in subsequent quarters in the Live Entertainment segment and results from the expansion in the number of consolidated companies.

The short-term **other financial assets** decreased by EUR -11.067 million. The decline mainly results from the decrease in receivables relating to ticket revenue from presales in the Ticketing segment (EUR -13.096 million) and factoring receivables (EUR -9.872 million). On the other hand, there is an increase in receivables from insurance claims, mainly in the Live Entertainment segment (EUR +4.111 million).

The short-term **other non-financial assets** increased by EUR +15.701 million. The increase results from the increase in higher VAT receivables and advance payments for business acquisitions.

The increase in **intangible assets** (EUR +14.123 million) resulted primarily from the capitalisation of the customer base and brands as a result of increases in share capital in the Live Entertainment segment during the reporting period.

Goodwill mainly increased by EUR 6.999 million due to the provisional purchase price allocation of the companies acquired at the beginning of the financial year in the Live Entertainment segment.

The short-term **financial liabilities** increased by EUR 18.387 million. In the reporting period, the timely reclassification of medium and long-term financial liabilities in short-term financial liabilities primarily led to an increase in short-term financial liabilities.

Trade payables rose by EUR 53.531 million mainly due to the expansion in the scope of consolidation.

The **short-term advance payments received** (EUR +60.427 million) increased, mainly due to the expansion of the number of companies included in consolidation in the Live Entertainment segment. The advanced payments received in the Live Entertainment segment are transferred to revenue, when the respective events have taken place.

The EUR 71.202 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 decrease in **medium and long-term financial liabilities** (EUR -26.490 million) resulted primarily from the timely reclassification of medium and long-term financial liabilities to current financial liabilities.

The long-term **advance payments received** (EUR +8.811 million) relate to already collected ticket monies for a major tour in the second half of 2018 in the Live Entertainment segment.

Shareholders' equity declined by EUR 51.868 million to EUR 333.145 million. The positive net income is offset by dividend payments to shareholders (in particular by the special dividend decided at the Annual Shareholders' Meeting in May 2017). The equity ratio (shareholders' equity divided by the balance sheet total) decreased accordingly from 32.2% to 27.8%.

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 489.032 million in revenue in the period under review, compared to EUR 421.774 million in previous year (+16,0%).

The **Ticketing segment** generated EUR 177.809 million in revenue in the period under review (before consolidation between segments), up 10.2% from EUR 161.303 million in previous year. In the first half of 2017, an increase in the internet ticket volume resulted in corresponding revenue growth. The total volume of online tickets sold increased from 18.1 million by 2.3 million (+12.7%) to 20.4 million (thereof EUR 1.7 million from newly acquired subsidiaries). The share of revenue generated by foreign subsidiaries was at 47.8% (previous year: 48.9%).

In the first half of 2017, the **Live Entertainment segment** revenue increased to EUR 315.999 million (previous year: EUR 261.859 million, 20.7%) due to the expansion of the number of consolidated companies or strategic market expansion and diversification compared to the previous year's period.

COST OF SALES

Cost of sales decreased by EUR 56.706 million to EUR 352.036 million.

As at 30 June 2017, the gross profit of the **CTS Group** increased by EUR 10.552 million to EUR 136.996 million. The consolidated gross margin declined from 30.0% to 28.0%.

In the **Ticketing segment**, gross margin rose to 58.0% (period last year level: 56,0%).

In the **Live Entertainment segment**, the gross margin was 10.8% compared to 13.8% in the previous year.

SELLING EXPENSES

Selling expenses increased by EUR 4.029 million to EUR 42.130 million. This increase was due to higher personnel expenses and other operating expenses due to the expansion in the number of consolidated companies.

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses increased by EUR 5.939 million to EUR 30.590 million. This increase results mainly due to the expansion in the number of consolidated companies.

OTHER OPERATING INCOME

Other operating income decreased by EUR 1.532 million to EUR 9.510 million. This was due to the expansion in the number of consolidated companies.

OTHER OPERATING EXPENSES

Other operating expenses increased by EUR 3.202 million to EUR 8.835 million; this was due to non-recurring items and the expansion in the number of consolidated companies.

FINANCIAL RESULT

The financial result, at EUR 6.045 million (previous year: EUR -2.552 million) mainly includes EUR 6.882 million in financial income (previous year: EUR 631 thousand), EUR 2.258 in financial expenses (previous year: EUR 2.962 million), EUR 1.406 million in income from affiliated companies and associates accounted for at equity (previous year: EUR -369 thousand) and income from participations EUR 15 thousand (previous year: EUR 148 thousand). As a result of the full consolidation of a group of companies, which had previously been accounted for at equity, during the 2017 reporting period, the difference between the equity value and the fair value of the former shares as at acquisition date had to be recognised as financial income (EUR 5.373 million) in the income statement pursuant to IFRS 3.42. In addition, there were increased financial income from the updated fair value measurement of liabilities from put options granted to minority shareholders.

TAXES

Taxes increased by EUR 3.170 million to EUR 23.768 million mainly due to positive business development. The tax rate amounts to 33.5% (previous year: 32.5%). The tax rate is influenced by the expansion of the group of consolidated companies and by higher tax expenses for previous years.

EARNINGS BEFORE TAX (EBT) / CONSOLIDATED NET INCOME

As at 30 June 2017, earnings before tax (EBT) increased from EUR 63.484 million in previous year by EUR 7.511 million to EUR 70.995 million. After deduction of tax expenses and non-controlling interest, consolidated net income amounted to EUR 47.131 million (previous year: EUR 36.949 million). Earnings per share (EPS) was at EUR 0.49 above previous year's level (EUR 0.39). Along with the successful business performance of the CTS Group, the increase in the financial result due to the fair value measurement of a now fully consolidated subsidiary previously accounted for at equity, among other things, resulted in a disproportionate increase in Earnings per share.

7. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying values, balance sheet values and fair values as at 30 June 2017 are shown in the following table according to measurement categories:

		Balance sheet value according to IAS 39				
	Carrying value 30.06.2017	At amortised cost	At fair value through profit and loss	At fair value not through profit and loss	At cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS						
Cash and cash equivalents	448,481	448,481				448,481
Marketable securities and other investments (at fair value not through profit and loss)	522			522		522
Marketable securities and other investments (at amortised cost)	6,278	6,278				6,299
Marketable securities and other investments (held-to-maturity)	5,500	5,500				5,500
Trade receivables	61,742	61,742				61,411
Receivables from affiliated and associated companies accounted for at equity	2,282	2,282				2,269
Other original financial assets	73,631	73,631				73,472
Other derivative financial assets (at fair value not through profit and loss)	21			21		21
Investments (held-to-maturity)	714	714				722
Investments (at cost)	1,353				1,353	
Loans	4,758	4,758				5,060
LIABILITIES						
Short-term financial liabilities	47,375	47,375				47,592
Long-term financial liabilities	101,843	101,843				102,156
Trade payables	134,295	134,295				133,712
Payables to affiliated and associated companies accounted for at equity	628	628				625
Other original financial liabilities	225,644	225,644				224,663
Other derivative financial liabilities (at fair value not through profit and loss)	33			33		33
Categories according to IAS 39:						
Loans and receivables	597,172	597,172				596,992
Financial liabilities at amortised cost	509,785	509,785				508,748
Available-for-sale financial assets	1,875			522	1,353	522
Held-to-maturity investments	6,214	6,214				6,222

Carrying values, balance sheet values and fair values as at 31 December 2016 are shown in the following table according to measurement categories:

		Balance sheet value according to IAS 39				
	Carrying value 31.12.2016	At amortised cost	At fair value through profit and loss	At fair value not through profit and loss	At cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS						
Cash and cash equivalents	553,640	553,640				553,640
Marketable securities and other investments (at fair value not through profit and loss)	539			539		539
Marketable securities and other investments (at amortised cost)	1,278	1,278				1,270
Trade receivables	41,678	41,678				41,396
Receivables from affiliated and associated companies accounted for at equity	3,118	3,118				3,097
Other original financial assets	85,552 [1]	85,552 [1]				85,140 [1]
Investments (held-to-maturity)	717	717				727
Investments (at cost)	1,341				1,341	
Loans	160	160				165
LIABILITIES						
Short-term financial liabilities	28,988	28,988				28,782
Medium- and long-term financial liabilities	128,333	128,333				127,903
Trade payables	80,764 [2]	80,764 [2]				80,323 [2]
Payables to affiliated and associated companies accounted for at equity	1,314	1,314				1,307
Other original financial liabilities	297,037	297,037				295,416
Other derivative financial liabilities (at fair value not through profit and loss)	4			4		4
Categories according to IAS 39:						
Loans and receivables	685,426 [1]	685,426 [1]				684,708 [1]
Financial liabilities at amortised cost	536,436 [2]	536,436 [2]				533,731 [2]
Available-for-sale financial assets	1,880			539	1,341	539
Held-to-maturity investments	717	717				727

[1] Adjusted prior-year figures due to the final purchase price allocation of Venuepoint Group
[2] Adjusted prior-year figures due to the final purchase price allocation of HOI Group

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 (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 (long-term deposits), 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, taking current interest parameters into account.

If financial instruments are listed on an active market, like fund shares, in particular, the respective listed price signifies the fair value on that market. In the case of unlisted financing instruments, the fair value is calculated as the present value of the future cash flows, taking interest rate curves and the 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 six months of 2017.

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 30 June 2017:

	30.06.2017		
	Level 1	**Level 2**	**Total**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**
ASSETS			
Cash and cash equivalents	0	448,481	448,481
Marketable securities and other investments (at fair value not through profit and loss)	522	0	522
Marketable securities and other investments (at amortised cost)	0	6,299	6,299
Marketable securities and other investments (held-to-maturity)	5,500	0	5,500
Trade receivables	0	61,411	61,411
Receivables form affiliated and associated companies accounted for at equity	0	2,269	2,269
Other original financial assets	0	73,472	73,472
Other derivative financial assets (at fair value not through profit and loss)	0	21	21
Investments (held-to-maturity)	722	0	722
Loans	0	5,060	5,060
	6,744	**597,013**	**603,757**
LIABILITIES			
Short-term liabilities	0	47,592	47,592
Long-term financial liabilities	0	102,156	102,156
Trade payables	0	133,712	133,712
Payables to affiliated and associated companies accounted for at equity	0	625	625
Other original financial liabilities	0	224,663	224,663
Other derivative financial liabilities (at fair value not through profit and loss)	0	33	33
	0	**508,781**	**508,781**

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 2016:

	31.12.2016		
	Level 1	Level 2	Total
	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS			
Cash and cash equivalents	0	553,640	553,640
Marketable securities and other investments (at fair value not through profit and loss)	539	0	539
Marketable securities and other investments (at amortised cost)	0	1,270	1,270
Trade receivables	0	41,396	41,396
Receivables form affiliated and associated companies accounted for at equity	0	3,097	3,097
Other original financial assets	0	85,140 [1]	85,140 [1]
Investments (held-to-maturity)	727	0	727
Loans	0	165	165
	1,266	**684,708** [1]	**685,974** [1]
LIABILITIES			
Short-term financial liabilities	0	28,782	28,782
Long-term financial liabilities	0	127,903	127,903
Trade payables	0	80,323 [2]	80,323 [2]
Payables to affiliated and associated companies accounted for at equity	0	1,307	1,307
Other original financial liabilities	0	295,416	295,416
Other derivative financial liabilities (at fair value not through profit and loss)	0	4	4
	0	**533,735** [2]	**533,735** [2]

[1] Adjusted prior-year figures due to the final purchase price allocation of Venuepoint Group
[2] Adjusted prior-year figures due to the final purchase price allocation of HOI Group

8. SEGMENT REPORTING

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

	Ticketing		Live Entertainment		Total segments	
	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]
External revenue	174,563	160,174	314,469	261,600	489,032	421,774
Internal revenue	31,190	24,791	36,351	37,427	67,541	62,218
Total revenue	**205,753**	**184,965**	**350,820**	**299,027**	**556,573**	**483,992**
Consolidation within the segment	-27,944	-23,662	-34,821	-37,168	-62,764	-60,830
Revenue after consolidation within the segment	**177,809**	**161,303**	**315,999**	**261,859**	**493,809**	**423,162**

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

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]
Revenue	177,809	161,303	315,999	261,859	-4,776	-1,388	489,032	421,774
EBITDA	64,135	57,212	18,631	23,824	0	0	82,766	81,036
EBIT	49,026	42,908[1]	15,924	23,128	0	0	64,950	66,036[1]
Depreciation and amortisation	-15,109	-14,304[1]	-2,707	-695	0	0	-17,816	-15,000[1]
Financial result							6,045	-2,552
Earnings before tax (EBT)							70,995	63,484[1]
Taxes							-23,768	-20,598[1]
Net income before non-controlling interest							47,227	42,885[1]
Non-controlling interest							-96	-5,936
Net income after non-controlling interest							47,131	36,949[1]
Average number of employees	1,676	1,638	933	602			2,609	2,240
Normalised EBITDA	65,548	57,604	18,631	23,824	0	0	84,179	81,428
Normalised EBIT before amortisation from purchase price allocation	55,966	48,635[1]	17,271	23,206	0	0	73,237	71,840[1]

[1] Adjusted prior-year figures due to the final purchase price allocation of the Venuepoint Group

9. OTHER DISCLOSURES

APPROPRIATION OF EARNINGS

The Shareholders' Meeting on 9 May 2017 adopted a resolution to distribute EUR 94.071 million (EUR 0.98 per eligible share) as basis and special dividend of the balance sheet profit of EUR 180.635 million as at 31 December 2016 to shareholders. This distribution was carried out in May 2017, and the remaining balance sheet profit of EUR 86.564 million was carried forward to the new account.

FINANCIAL OBLIGATIONS

As of December 31, 2016, the financial obligations increased by EUR 6.541 million, mainly as a result of rental obligations resulting from the expansion of the scope of consolidation.

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 2017 reporting period:

	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]
Goods and services supplied by the Group		
Subsidiaries not included in consolidation due to insignificance	381	320
Associated companies accounted for at equity	1,843	2,295
Other related parties	403	2,606
	2,627	**5,221**

	30.06.2017 [EUR'000]	30.06.2016 [EUR'000]
Goods and services received by the Group		
Subsidiaries not included in consolidation due to insignificance	325	684
Associated companies accounted for at equity	214	1,187
Other related parties	12,862	11,770
	13,401	**13,641**

EVENTS AFTER THE BALANCE SHEET DATE

No events requiring disclosure took place after the balance sheet date.

ASSURANCE BY LEGAL REPRESENTATIVES

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

Bremen, 24 August 2017

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.

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SECHSBAELLE, Bremen
www.sechsbaelle.de

COVER PICTURE:

Andrew Bayda – stock.adobe.com