GROUP INTERIM REPORT AS AT 30 JUNE 2014

eventim

KEY GROUP FIGURES

	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013 [1]	Change
	[EUR'000]	[EUR'000]	[in %]
Revenue	339,529	312,295	8.7
EBITDA	64,514	61,189	5.4
EBITDA margin	19.0%	19.6%	-0.6 pp
EBIT	51,118	49,870	2.5
EBIT margin	15.1%	16.0%	-0.9 pp
Normalised EBITDA	65,032	63,405	2.6
Normalised EBIT before amortisation from purchase price allocation	56,970	57,264	-0.5
Normalised EBITDA margin	*19.2%*	*20.3%*	*-1.1 pp*
Normalised EBIT margin before amortisation from purchase price allocation	*16.8%*	*18.3%*	*-1.5 pp*
Non-recurring items [2]	518	2,215	-76.6
Amortisation resulting from purchase price allocation	5,334	5,178	3.0
Earnings before tax (EBT)	49,451	47,576	3.9
Net income after non-controlling interest	30,269	27,566	9.8
Cash flow	47,519	43,178	10.1
	[EUR]	[EUR]	
Earnings per share [3], undiluted (= diluted)	0.32	0.29 [5]	
	[Qty.]	[Qty.]	
Number of employees [4]	2,002	1,679	
Of which temporary	(341)	(286)	

[1] Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH
[2] Cf. page 9 for non-recurring items
[3] Number of shares: 96 million
[4] Number of employees at end of period (active workforce)
[5] Pro forma calculation based on 96 million shares

CONTENT

Klaus-Peter Schulenberg
Chief Executive Officer

1. LETTER TO THE SHAREHOLDERS

Dear shareholders,

CTS EVENTIM grew once again in the first half of the 2014 financial year. Our revenue increased year-on-year by 8.7% to EUR 339.5 million. EBITDA rose by 5.4% to EUR 64.5 million. Following the successful first quarter of 2014, the second quarter was impacted by the football World Cup in Brazil. The dominance of this major international sporting event meant that fewer events were offered for presale and that fewer events in Live Entertainment took place. However, the CTS Group was able to continue expanding its leading position in the European market.

ACQUISITIONS IN SPAIN, FRANCE AND THE NETHERLANDS

We took over three Stage Entertainment Group ticketing companies in Spain, France and the Netherlands in the first quarter of this year. In the Netherlands and Spain, the acquired companies are among the leaders in their respective markets. They sell tickets for concerts, sports and other events in addition to tickets for Stage Entertainment musicals. We also concluded an exclusive ticketing agreement with Stage Entertainment for Europe and Russia. As a result, we are successfully continuing our expansion across Europe.

REVENUE AND EARNINGS RISE IN THE TICKETING SEGMENT

The Ticketing segment continued its double-digit growth in the first half of 2014. Revenue amounted to EUR 129.9 million (previous year: EUR 115.7 million), equivalent to an increase of 12.2%. At 20.4%, EBITDA grew faster than revenue, from EUR 37.9 million in the previous year to EUR 45.6 million. As a result, the EBITDA margin rose to 35.1%.

Despite a lower number of events offered for presale, further increases in the volume of tickets sold online and the acquisition-driven market expansion in Europe led to positive business development.

The successful handling of the 2014 Winter Olympic Games in Sochi, Russia, was another highlight of the first six months of the current financial year. The Olympic Organising Committee had contracted CTS EVENTIM with the exclusive ticket sales in Russia.

LIVE ENTERTAINMENT SEGMENT POSTS WEAKER EARNINGS AS EXPECTED

In the Live Entertainment segment, revenue increased by EUR 13.8 million (+6.9%), from EUR 199.8 million to EUR 213.6 million. The rise due to the increase in the number of consolidated companies was offset by the lower number of major events, which was also a result of the football World Cup. At EUR 18.9 million, EBITDA was down, as expected, from the high record volume of EUR 23.3 million in the previous year.

Our concerts, tours and events in the Live Entertainment segment make us the third-largest promoter in the world, and our venues are some of the most attractive and most successful in Europe. The Eventim Apollo in London, the Waldbühne in Berlin and the Lanxess Arena in Cologne are operated by CTS EVENTIM and are synonymous with excellent live entertainment. From 26 August 2014, Kate Bush will return to the stage for the first time in 35 years to give a total of 22 concerts at the Eventim Apollo. These live appearances are currently scheduled to be the only concerts during her comeback, and all events starring this outstanding artist and her unique voice were quickly sold out.

RESILIENT BUSINESS MODEL, POWERFUL ONLINE PLATFORMS

Our business model has proven in recent years to be highly resilient and powerful. CTS EVENTIM operates admittedly the most powerful online-ticketing platform in Europe, if not the world. Our services are in high demand, regardless of whether it is our EVENTIM apps with interactive seating plan for iOS and Android, the print-at-home and access control services or our unique FanTicket. All these features allow us to guarantee the EVENTIM quality people have come to know and secure our market position.

Our customers are loyal to us because they know that our platforms are powerful, user-friendly and safe, and that we deliver on time, reliably and along with all the necessary information. Our solidity and reliability, coupled with a passion for technology and digital quality, set our services apart from the competition. Anyone who has ever ordered tickets from eventim.de or from one of our foreign portals and has experienced how fast and convenient it is usually comes back again and again.

CHANGE IN COMPANY FORM TO A KGAA

A change in company form from CTS EVENTIM AG to CTS EVENTIM AG & Co. KGaA was resolved at the Annual Shareholders' Meeting on 8 May 2014. This change has since been completed. Further internationalisation and the continuation of the EVENTIM Group's systematic path of growth are key elements of the future strategy, which is aimed at adding additional chapters to the company's success story so far. The company is also considering turning to the capital market to raise equity to finance this growth. The change of company form from CTS EVENTIM AG to a partnership limited by shares makes it easier to do so.

FURTHER INTERNATIONAL EXPANSION PLANNED

In the current financial year, we will continue to promote our international expansion and will launch new products and services. We have also determined that the trend towards online and mobile ticketing continues unabated. Because we have significant organisational and technical advantages over our competitors, and because the margins in Internet ticketing are significantly higher than at the box office, we believe that developments will continue to be favourable for CTS EVENTIM in the years to come. For the 2014 financial year, my fellow Management Board members and I expect growth in key revenue and earnings figures, as presented in the Annual Report 2013.

Yours sincerely,

Klaus-Peter Schulenberg
Chief Executive Officer

2. CTS SHARES

The first half of 2014 presented a mixed picture. Although the DAX, Germany's leading share index, tested the 10,000 mark several times in June and July 2014, it was unable to maintain that level. The reason for this is the sharp rise in volatility on stock markets since the end of the second quarter of 2014, fuelled by the emergence of numerous geopolitical risks such as conflicts in the Ukraine and the Middle East, and initial signals from the US Federal Reserve that indicate it may reverse its expansionary monetary policy.

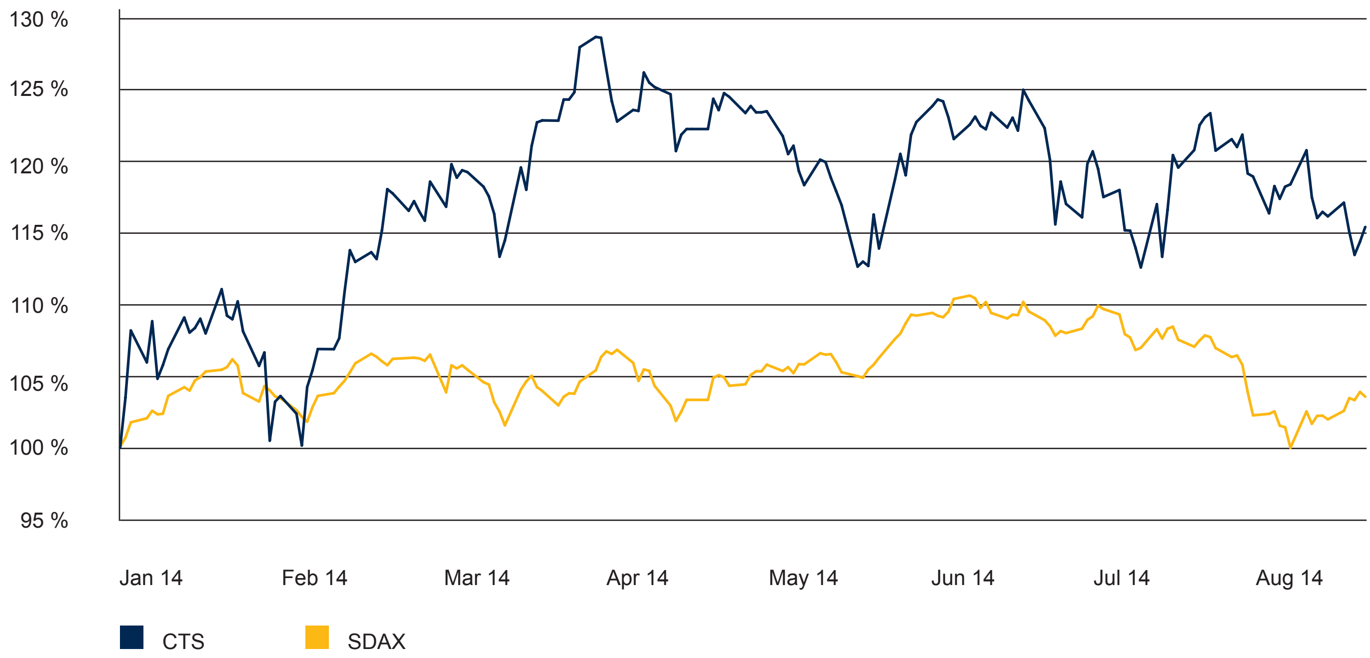
Although the performance of the DAX and the SDAX remained positive in the first half of 2014 at 2.9% (DAX) and 8.8% (SDAX), the year-to-date performance paints another picture altogether. The German DAX has lost 4.8% since the beginning of the year to mid August 2014. SDAX, the small cap index is still in positive territory at 1.5%.

CTS shares were unable to completely withstand the rise in volatility. The CTS share price gained 14.6% in the first half of 2014. Taking into account the dividend paid for 2013 financial year, total return even amounted to 16.3% for the first six months of the 2014 financial year. Compared to the DAX and the SDAX, CTS shares have been able to maintain their performance to date – despite higher volatility. This again demonstrates the reputation of CTS shares as being a sustainable and value-enhancing investment, even in a volatile environment.

Given the stable business model of CTS EVENTIM AG & Co. KGaA and the company's focus on growth and the creation of value, demand for CTS shares hasn't been affected. Analysts at Berenberg, Exane BNP Paribas, Bankhaus Lampe, DZ Bank, Bankhaus Metzler and Commerzbank continue to issue buy recommendation for CTS shares. Deutsche Bank, Nord LB, M.M. Warburg, JPMorgan and HSBC recommend that CTS shares be held. There are no sell recommendations for the shares.

CTS EVENTIM AG & Co. KGaA was again represented at various national and international investor conferences in the first half of 2014. In addition, CTS EVENTIM AG & Co. KGaA continues to seek active dialogue with national and international investors regarding the transparency of the business model and to constantly expand its excellent contacts with capital market participants.

CTS SHARES (01.01.2014 TO 22.08.2014 – INDEXED)



Number of shares held by members of executive organs as at 30 June 2014:

	Number of shares [Qty. after increase in share capital]	Share [in %]
Management Board members of EVENTIM Management AG:		
Klaus-Peter Schulenberg (Chief Executive Officer)	48,194,000	50.202
Volker Bischoff	0	0.000
Alexander Ruoff	8,000	0.008
Members of the Supervisory Board:		
Edmund Hug (Chairman)	14,860	0.015
Prof. Jobst W. Plog	4,600	0.005
Dr. Bernd Kundrun	14,600	0.015

Change in company shares or financial derivatives relating to such shares on the part of Management Board and Supervisory Board members:

Name	Position	Transaction	Date	Number of shares (before increase in share capital)
Prof. Jobst W. Plog	Member of Supervisory Board	Sale	27.01.2014	900
Edmund Hug	Member of Supervisory Board	Sale	17.02.2014	2,000
Prof. Jobst W. Plog	Member of Supervisory Board	Purchase	19.05.2014	200
Prof. Jobst W. Plog	Member of Supervisory Board	Purchase	20.05.2014	600
Prof. Jobst W. Plog	Member of Supervisory Board	Purchase	22.05.2014	600

3. INTERIM GROUP MANAGEMENT REPORT

1. CHANGE IN LEGAL FORM

At the Annual Shareholders' Meeting held on 8 May 2014, the shareholders approved the change in legal form of CTS EVENTIM AG (hereinafter: CTS AG) to CTS EVENTIM AG & Co. KGaA (hereinafter: CTS KGaA) with the necessary majority. The change in legal form of CTS AG into a Kommanditgesellschaft auf Aktien (KGaA – partnership limited by shares) does not result in the liquidation of the company nor the establishment of a new legal person, and the company retains its legal and financial identity. At CTS KGaA, the general partner is responsible for managing and representing the company. EVENTIM Management AG, Hamburg (hereinafter: EVENTIM Management AG) was appointed as the general partner and took over the management of CTS KGaA via its Management Board. On 30 June 2014, the change in legal form was entered into the commercial register of the district court of Munich.

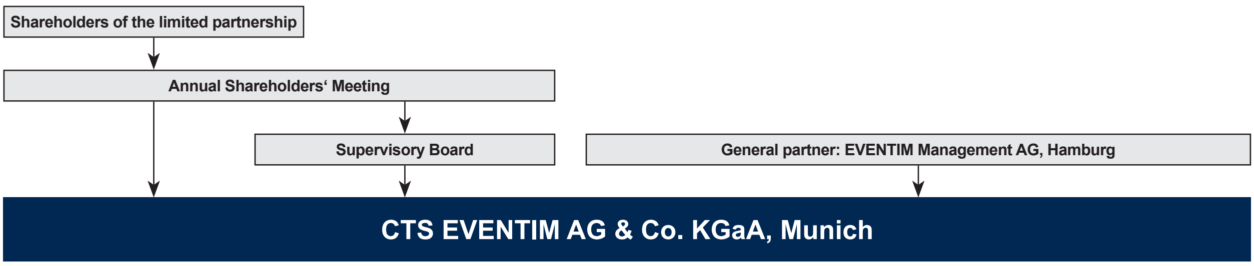
The following factors speak in favour of the change in legal form:

- the establishment of a structural framework for independent access to the capital market through the separation of corporate governance and capital participation.

- the retention of good corporate governance standards, and

- the continuation of the growth course.

The organisational structure and management systems are as follows after the change in legal form:



The management of CTS KGaA is exercised by EVENTIM Management AG; the representation of EVENTIM Management AG continues to be performed by former CTS AG Management Board members. Previously incumbent members of the CTS AG Supervisory Board also form the first Supervisory Board of CTS KGaA in accordance with § 203 sentence 1 German Transformation Act (UmwG).

The change in legal form has no implications on the management system within CTS KGaA. As before, value-oriented corporate management of CTS KGaA is carried out on the basis of a system of financial indicators with underlying parameters such as revenue, EBITDA, normalised EBITDA, EBIT, normalised EBIT before amortisation from purchase price allocation and EPS.

For more information on the change in legal form, please see page 30 of the selected notes to the consolidated financial statements.

2. EARNINGS PERFORMANCE, FINANCIAL POSITION AND CASH FLOW

EARNINGS PERFORMANCE

	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013 [1]	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	**339,529**	**312,295**	**27,234**	**8.7**
Gross profit	**100,508**	**97,231**	**3,277**	**3.4**
EBITDA	**64,514**	**61,189**	**3,325**	**5.4**
EBIT	**51,118**	**49,870**	**1,248**	**2.5**
Non-recurring items:				
Acquisition costs / workforce restructuring costs	518	355	163	45.9
Legal / settlement cost in connection with the arbitration proceedings against Live Nation	0	1,860	-1,860	-100.0
	518	2,215	-1,697	-76.6
Normalised EBITDA	**65,032**	**63,405**	**1,627**	**2.6**
Amortisation from purchase price allocation	**5,334**	**5,178**	**156**	**3.0**
Normalised EBIT before amortisation from purchase price allocation	**56,970**	**57,264**	**-294**	**-0.5**
Financial result	-1,667	-2,294	627	-27.3
Earnings before tax (EBT)	**49,451**	**47,576**	**1,875**	**3.9**
Taxes	-15,014	-14,506	-508	3.5
Non-controlling interest	-4,168	-5,504	1,336	-24.3
Net income after non-controlling interest	**30,269**	**27,566**	**2,703**	**9.8**

[1] Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

REVENUE DEVELOPMENT

CTS Group generated revenue of EUR 339.529 million, after EUR 312.295 million in the previous year (+8.7%). Of this revenue (before consolidation between segments), EUR 129.875 million was attributable to the Ticketing segment (previous year: EUR 115.721 million) and EUR 213.577 million was attributable to the Live Entertainment segment (previous year: EUR 199.785 million). After the successful first quarter of 2014, the second quarter was negatively impacted by a major international sporting event, the football World Cup in Brazil.

The **Ticketing segment** generated revenue (before consolidation between segments) of EUR 129.875 million (previous year: EUR 115.721 million). Despite the lower number of events offered for presale due to the football World Cup in Brazil, further ticket sales growth on the Internet and the acquisition of market share in Europe led to a positive business development with sales growth of 12.2%. In the reporting period, 12.2 million tickets were sold via the Internet in Europe which equates a growth of around 19% compared to previous year (10.3 million tickets). The share of revenue generated by foreign subsidiaries was 43.1% in 2014 (previous year: 41.6%).

The **Live Entertainment segment** generated revenue of EUR 213.577 million compared to EUR 199.785 million in the previous year (+6,9%). The increase from the expansion of the number of consolidated companies was offset by a lower number of large events also due to the football World Cup. In the first six months, attractive live events including Justin Timberlake, Backstreet Boys, Andreas Gabalier, Bryan Adams and Sportfreunde Stiller and the Cirque du Soleil "Quidam" shows were held.

GROSS PROFIT

As at 30 June 2014, gross profit in the **CTS Group** increased to EUR 100.508 million (previous year: EUR 97.231 million). The consolidated gross margin contracted from 31.1% to 29.6% due to the Live Entertainment segment.

In the **Ticketing segment**, the gross margin in the first half of 2014 was on par with the previous year's level at 56.3%. The gross margin is affected by the newly consolidated subsidiaries and their currently low earnings contributions.

In the **Live Entertainment** segment, the gross margin declined to 12.8% (previous year: 16.1%) partly due to the increase in the number of consolidated companies.

NON-RECURRING ITEMS

Non-recurring items in the Ticketing segment caused a temporary drop of EUR 518 thousand in **CTS Group** earnings due to planned and completed acquisitions. In the previous year, non-recurring items of EUR 2.215 million from acquisition costs, workforce restructuring and legal/settlement costs in connection with the arbitration proceedings against Live Nation.

NORMALISED EBITDA / EBITDA

Normalised EBITDA in the **CTS Group** increased by EUR 1.627 million, or 2.6%, to EUR 65.032 million (previous year: EUR 63.405 million). The EUR 1.627 million change in normalised EBITDA breaks down into EUR 6.030 million in the Ticketing segment and EUR -4.403 million in the Live Entertainment segment. At 19.2%, the normalised EBITDA margin was slightly down on the previous year's level (20.3%). Foreign subsidiaries accounted for 21.1% of normalised EBITDA (previous year: 21.3%).

EBITDA in the CTS Group increased by EUR 3.325 million, or 5.4%, to EUR 64.514 million (previous year: EUR 61.189 million). The EBITDA margin was 19.0% (previous year: 19.6%).

Normalised EBITDA in the **Ticketing segment** increased by EUR 6.030 million (+15.1%) to EUR 46.112 million (previous year: EUR 40.082 million). Despite the lower number of events offered for presale due to the football World Cup in Brazil, further ticket sales growth on the Internet, the acquisition of market share in Europe and the positive project completion Sochi led to improved EBITDA. Foreign subsidiaries accounted for 28.5% of normalised EBITDA in the Ticketing segment in the current reporting period, down from 30.4% the previous year. The normalised EBITDA margin was lifted to 35.5% (previous year: 34.6%).

EBITDA in the Ticketing segment increased by 20.4%, from EUR 37.866 million in the previous year to EUR 45.594 million. The EBITDA margin amounted to 35.1%, compared to 32.7% in the previous year. Foreign subsidiaries accounted for 26.9% of EBITDA in the Ticketing segment in the current reporting period, down from 31.9% in the previous year.

In the **Live Entertainment segment**, EBITDA fell by EUR -4.403 million, from EUR 23.323 million to EUR 18.920 million. As expected, fewer events were held due to the football World Cup in the second quarter of 2014. The positive earnings contributions of major tours and events held in the previous year could not be reached in the first half of 2014. The EBITDA margin in the first half of 2014 was 8.9% (previous year: 11.7%).

NORMALISED EBIT BEFORE AMORTISATION FROM PURCHASE PRICE ALLOCATION / EBIT

In the first half of 2014, normalised EBIT before amortisation from purchase price allocation in the **CTS Group** was EUR 56.970 million (previous year: EUR 57.264 million; -0,5%). The normalised EBIT margin before amortisation from purchase price allocation was 16.8% (previous year: 18.3%).

At EUR 51.118 million, CTS Group EBIT is up 2.5% on the previous year (EUR 49.870 million). The EBIT margin was 15.1% (previous year: 16.0%).

Total depreciation and amortisation within the Group increased to EUR 13.396 million (previous year: EUR 11.320 million) and includes amortisation from purchase price allocation of EUR 5.334 million (previous year: EUR 5.178 million) and in particular amortisation from ticket distribution rights, software development services relating to ticket distribution software and property, plant and equipment of EUR 8.062 million (previous year: EUR 6.141 million).

In the **Ticketing segment**, normalised EBIT before amortisation from purchase price allocation rose by 12.0%, from EUR 34.963 million to EUR 39.146 million. The normalised EBIT margin before amortisation from purchase price allocation remained unchanged year-on-year at 30.1%.

EBIT improved by EUR 5.723 million, from EUR 27.832 million in the previous year to EUR 33.555 million (+20.6%). The EBIT margin rose to 25.8% (previous year: 24.1%).

The **Live Entertainment segment** achieved normalised EBIT before amortisation from purchase price allocation of EUR 17.824 million, compared to EUR 22.301 million in the previous year. The normalised EBIT margin declined to 8.4% from 11.2% in the previous year.

EBIT fell from EUR 22.038 million in the previous year to EUR 17.563 million (-20,3%). The EBIT margin was 8.2%, compared to 11.0% in the previous year.

FINANCIAL RESULT

At EUR -1.667 million (previous year: EUR -2.294 million), the financial result includes EUR 894 thousand in financial income (previous year: EUR 1.013 million), EUR 3.628 million in financial expenses (previous year: EUR 3.714 million) as well as EUR 1.052 million in income from investments in associates accounted for at equity (previous year: EUR 406 thousand).

The change in the financial result was mainly due to an increase in positive results from investments in associates accounted for at equity.

EARNINGS BEFORE TAX (EBT) AND NON-CONTROLLING INTEREST

As at 30 June 2014, earnings before tax (EBT) increased from EUR 47.576 million in the previous year to EUR 49.451 million. After the deduction of tax expenses and non-controlling interest, net income after non-controlling interest amounted to EUR 30.269 million (previous year: EUR 27.566 million). Earnings per share (EPS) amounted to EUR 0.32 in the first half of 2014 (previous year: EUR 0.29; pro forma calculation based on 96 million shares).

PERSONNEL

On average, CTS Group companies employed 1,964 employees in the consolidation period, including 306 temporary employees (previous year: 1,656 employees including 267 temporary employees), 1,458 of which in the Ticketing segment (previous year: 1,192 employees) and 506 of which in the Live Entertainment segment (previous year: 464 employees). The number of employees in both segments mainly increased as a result of the expansion of the number of consolidated companies.

Personnel expenses increased to EUR 44.175 million (previous year: EUR 38.740 million; +14.0%). Of the increase in personnel expenses, the Ticketing segment accounts for EUR 4.578 million and the Live Entertainment segment accounts for EUR 857 thousand. The change in personnel expenses in the Ticketing segment is due to the expansion in the number of consolidated companies and higher personnel costs related to the increased internationalisation and technological progress of the Group. The increase in the Live Entertainment segment is mainly the result of the greater scope of consolidation.

FINANCIAL POSITION

On the **ASSETS SIDE**, cash and cash equivalents declined by EUR -73.522 million, current trade receivables by EUR -4.056 million, receivables from income tax by EUR -1.868 million and non-current receivables from affiliated and associated companies accounted for at equity by EUR -2.750 million. On the other hand payments on account increased by EUR +3.032 million, property, plant and equipment by EUR +2.737 million, intangible assets by EUR +17.324 million, goodwill by EUR +3.067 million and deferred tax assets by EUR 6.477 million.

Cash and cash equivalents in the CTS Group declined by EUR 73.522 million to EUR 302.214 million (31 December 2013: EUR 375.736 million). Cash outflow comprises operating activities (EUR -28.980 million), investing activities (EUR -23.808 million) and financing activities (EUR -21.069 million).

Cash and cash equivalents include ticket monies from presales for events in subsequent quarters (ticket monies not yet invoiced in the Ticketing segment), which are reported under other liabilities (EUR 117.304 million; 31 December 2013: EUR 161.498 million); furthermore, other assets include receivables from ticket monies from presales in the Ticketing segment (EUR 25.537 million; 31 December 2013: EUR 34.239 million).

Current trade receivables (EUR -4.056 million) decreased in the context of ongoing business operations, particularly in the Ticketing segment.

The increase in **payments on account** (EUR +3.032 million) concerns events in subsequent quarters in the Live Entertainment segment.

Receivables from income tax (EUR -1.868 million) declined mainly as a result of capital gains tax refunds for previous years.

The rise in **property, plant and equipment** (EUR +2.737 million) primarily relates to investments in hardware for the computer center.

The EUR 17.324 million increase in **intangible assets** was mainly the result of the provisional purchase price allocation of the recognised assets (trademark, ticketing distribution rights/customer base) of acquired companies and increased software development services relating to ticket distribution software.

The decline in **non-current receivables from affiliated and associated companies accounted for at equity** (EUR -2.750 million) is due to loan repayments from a company accounted for at equity.

The EUR 3.067 million increase in **goodwill** was mainly due to the provisional purchase price allocation of the companies acquired in the first quarter of 2014 in the Ticketing segment.

On the **SHAREHOLDERS' EQUITY AND LIABILITIES SIDE,** advance payments received declined by EUR -17.769 million, other liabilities by EUR -52.867 million and medium- and long-term financial liabilities by EUR -6.652 million. On the other hand, short-term financial liabilities increased by EUR +18.107 million, payables to affiliated and associated companies accounted for at equity by EUR +3.114 million, tax provisions by EUR +2.170 million, deferred tax liabilities by EUR +3.744 million and shareholders' equity by EUR +1.803 million.

Short-term financial liabilities rose by EUR 18.107 million. In the reporting period, the use of syndicated credit lines (EUR 20.000 million) to finance the acquisition of the Stage Entertainment companies and the timely reclassification from medium- and long-term financial liabilities resulted in an increase in financial liabilities. On the other hand, repayments of existing financing loans and payments from purchase price liabilities total EUR 9.271 million.

The EUR 3.114 million rise in **payables to affiliated and associated companies accounted for at equity** is mainly due to liabilities in respect of ticket monies not yet invoiced for festivals in Sweden.

Tax provisions increased by EUR +2.170 million primarily due to positive business operations.

The EUR 17.769 million decline in **advance payments received** is mainly due to events held in the Live Entertainment segment. Advance payments received in the Live Entertainment segment are transferred to revenue when the respective events have taken place.

The change in **other current liabilities** (EUR -52.867 million) is largely a result of the lower liabilities from ticket monies not yet invoiced in the Ticketing segment of EUR -44.194 million and lower income tax liabilities in the CTS Group of EUR -5.079 million. Usually, liabilities from ticket monies not yet invoiced tend to rise towards the end of the year due to the seasonally strong fourth quarter, and these liabilities are then reduced over the course of the subsequent year as a result of invoicing and the events being held.

The reduction in **medium- and long-term financial liabilities** (EUR -6.652 million) mainly results from the timely reclassification in short-term financial liabilities.

The EUR 3.744 million rise in **deferred tax liabilities** mainly results from temporary differences arising from the fair value measurement of intangible assets in the context of the purchase price allocation.

Shareholders' equity rose by EUR 1.803 million to EUR 255.006 million, mainly as a result of the positive net income in the reporting period of EUR 30.269 million and non-controlling interest of EUR 2.835 million, which were largely attributable to minority interests in the operating result in the Live Entertainment segment. The dividend distribution of EUR 30.717 million had a negative impact on shareholders' equity in the second quarter of 2014. The equity ratio (shareholders' equity / balance sheet total) increased from 28.9% to 30.8%. The Annual Shareholders‘ Meeting on 8 May 2014 resolved an EUR 48.000 million increase in the share capital from company funds to EUR 96.000 million. This took effect upon entry in the commercial register on 23 May 2014.

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 30 June 2013, the volume of cash and cash equivalents increased by EUR 27.745 million to EUR 302.214 million.

Cash flow from operating activities fell year-on-year by EUR 33.731 million, from EUR 4.751 million to EUR -28.980 million.

The year-on-year decline in cash flow from operating activities was mainly the result of the change in other non-cash transactions (EUR -5.045 million), the change in payments on account (EUR -5.571 million) and liabilities (EUR -33.266 million). This was offset by positive cash flows from the increase in net income after non-controlling interest (EUR +2.704 million) and the change in receivables and other assets (EUR +7.367 million).

The negative cash flow effect from the change in **other non-cash transactions** (EUR -5.045 million) comprises lower allowances for receivables, actuarial changes in financial assumptions regarding the measurement of pension provisions and gains from bargain purchases related to purchase price allocations of acquisitions.

The negative cash flow effect from changes in **payments on account** (EUR -5.571 million) is due to an increase in payments on account for production costs for future events to be held after the balance sheet date.

The negative cash flow effect due to the change in **liabilities** (EUR -33.266 million) mainly results from higher payments for liabilities from ticket monies that have not yet been invoiced in the Ticketing segment and a lower build-up of trade payables in the Live Entertainment segment. Positive cash flow effects arise from the lower reduction of liabilities from the advance payments received in the Live Entertainment segment.

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

The positive cash flow effect from the development of **receivables and other assets** (EUR +7.367 million) is mainly due to the fact that, in comparison to the previous year, trade receivables and receivables from ticket monies were reduced to a higher degree.

The negative **cash flow from investing activities** increased year-on-year by EUR -16.090 million to EUR -23.808 million. The rise in cash outflows was largely due to increased investments in intangible assets and property, plant and equipment and payments relating to the transfer of shares in the acquired companies.

The negative **cash flow from financing activities** fell year-on-year by EUR 20.265 million to EUR -21.069 million. The change in cash flow from financing activities resulted essentially due to the increase in financial loans taken out to finance acquisitions (EUR +2.000 million), lower redemption of financing loans (EUR +21.321 million) and lower payments for the acquisition of additional shares in consolidated subsidiaries (EUR +226 thousand). On the other hand, dividend payments are higher (EUR -3.360 million).

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.

3. EVENTS AFTER THE BALANCE SHEET DATE

On 16 July 2014, TicketOne S.p.A., a subsidiary domiciled in Milan and fully consolidated in the CTS Group, acquired the entire ticketing operations of G-Tech/Lottomatica Group in Italy, for a purchase price of EUR 13.9 million. Under the LISTICKET brand, Lottomatica handles the ticketing for twelve clubs in the Italian "Series A" football league. More than 5 million tickets are sold annually using LISTICKET. The assets acquired by TicketOne S.p.A., Milan, (e.g. the brand, customer base and software) also include access to Lottomatica's distribution network with more than 1,000 points of sale throughout Italy. With the transaction TicketOne S.p.A., Milan, is able to considerably expand its market leadership in Italy. The integration of the LISTICKET business will generate significant synergies and more than double the number of TicketOne sales points in Italy.

4. 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 EVENTIM Management AG submits a report on corporate governance in a declaration of compliance, in accordance with § 289a (1) HGB. The current and all previous declarations of compliance are permanently available on the Internet at www.eventim.de.

5. REPORT ON EXPECTED FUTURE DEVELOPMENT

The overall economic development in the eurozone remains fragile. Due to the shift in production due to the warm winter months, the German economy only grew by 1.3% in the second quarter 2014 compared to the previous year. The growth rate was well behind the Bloomberg consensus estimates of various economists of 2.1%. At just 0.1% growth, the French economy also fell short of economists' expectations of 0.4%. Italy, on the other hand, even registered negative growth of 0.3%. Moreover, it is expected that the uncertainty surrounding the Ukraine conflict will continue to test the fragility of Europe's economic recovery.

Current economic developments as well as the ongoing low level of inflation in Europe will continue to put pressure on the European Central Bank (ECB) to maintain its expansive monetary policy. Despite partially higher inflation (e.g. real estate / general living costs), the current inflation forecast for 2014 according to the Bloomberg consensus estimates is just 0.9%. For 2015, the consensus forecast shows a slight increase to 1.4% and to 1.6% in 2016, which according to the ECB still indicates price stability.

For the coming quarters, the consensus suggests that momentum in Europe will pick up slightly with growth of 1.6% estimated for 2014. Improved momentum is also expected for the German economy. The full-year forecast based on the Bloomberg consensus estimates is 1.8% for 2014 and 1.9% for 2015 with unemployment remaining below 7%.

The **CTS Group** remains on an expansionary course and constantly evaluates the international ticketing and live entertainment market for opportunities in terms of strategically suitable partnerships and acquisitions. In the first quarter of 2014, we acquired three ticketing companies in Spain, France and the Netherlands and concluded an exclusive ticketing agreement with Stage Entertainment for Europe and Russia. The companies will be integrated into the procedures and processes of the CTS Group.

In the **Ticketing segment**, more than 100 million tickets are sold each year for more than 180,000 events. This makes us the world's number two in terms of revenue and ticket sales. The number of tickets sold online continues to grow.

The trend towards live events continues. This development benefits our company like no other as we provide our customers with high-performance, reliable and secure ticketing platforms. We also plan to sell half of all tickets online via our CTS Group portals in the medium term. Consumers are increasingly utilising the option of ordering tickets online.

The ticketing market is changing rapidly: People are increasingly using the Internet to find out about concerts, sporting and cultural events. This trend represents a huge opportunity for our company. With our secure and reliable online portals, digital excellence and our service-oriented approach and creativity, we are ideally equipped to meet the demands and opportunities of the future. The same applies to the growing presence of mobile Internet. iPhones and Android smartphones are being increasingly used to organise work and leisure. We are trendsetters and technological leaders in the international ticketing business. Our focus remains on the early recognition of technological trends and developing suitable products.

According to the August 2014 issue of BrandEins economic magazine: ‘Anyone wanting to see a concert in Europe will find it difficult to avoid ticket seller CTS EVENTIM’. In our customer group, i.e. people who go out, see concerts, sporting and cultural events, we are regarded and established as Europe’s leading ticketing company. We win over our customers who buy their tickets online with our reliable and secure online offering. No other competitor can keep up with our quality and customer base.

At the beginning of the year, the Hamburger Abendblatt newspaper wrote that due to losses on the recording market, live concerts now account for 90% of musicians’ income. In the **Live Entertainment segment** we cooperate closely with artists, their agents and event managers and put all our effort into marketing their concerts and other cultural events in the best possible manner. Artists and event managers continuously emphasise how they appreciate our professionalism. High-profile tours, events, festivals and new event formats will continue to be offered in this segment in future.

In addition to the creation of new kinds of events, major venues are also being operated or contracted as part of ongoing business operations in this segment. We operate some of the most successful venues in Europe – the Eventim Apollo in London, Waldbühne in Berlin and the Lanxess Arena in Cologne.

Since our IPO in 2000, the CTS Group has grown constantly and will remain on the growth path in future. The superior technologies, suitable products, systematic expansion of our market position in other European countries and the expansion of online ticketing, will provide a solid basis for the Group’s future development in 2014. The CTS Group is well positioned, which is confirmed by the results for the first half of this year. We will continue the successful business development until the end of the year and further pursue our internationalisation and expansion strategy. In the reporting period, there were no material deviations from the statements concerning the forecast development of the CTS Group in the report on expected future development in the 2013 Annual Report; a continued positive development can be expected for the CTS Group in 2014, with a slight improvement in key revenue and earnings figures.

6. OPPORTUNITY AND RISK REPORT

The existing risk management system ensures that risk exposure is limited and manageable within the CTS Group. No risks are evident that could endanger the continuation of the Group as a going concern. The statements in the risk report in the 2013 Annual Report remain valid.

7. REPORT ON MATERIAL TRANSACTIONS WITH RELATED PARTIES

For disclosures on material transactions with related parties, please see the selected notes to the consolidated financial statements in note 9.

8. DISCLOSURES PURSUANT TO §§ 289 (4) AND 315 (4) HGB

Further disclosures refer to CTS KGaA.

COMPOSITION OF SHARE CAPITAL; RESTRICTIONS RELATING TO VOTING RIGHTS OR THE TRANSFER OF SHARES (§ 315 (4) No. 1 AND 2 HGB)

The share capital of CTS KGaA amounts to EUR 96,000,000 and is divided into 96,000,000 no-par value bearer shares. Each share entitles the bearer to one vote.

Management is not aware of any restrictions that affect voting rights or transfer of shares.

DIRECT OR INDIRECT SHAREHOLDINGS (§ 315 (4) No. 3 HGB)

The general partner with no capital contribution is EVENTIM Management AG. Mr. Klaus-Peter Schulenberg, Bremen, holds 50.2% of the voting rights of CTS KGaA. The company has no knowledge of any other shareholdings, direct or indirect, that exceed 10% of the voting rights.

HOLDERS OF SHARES WITH SPECIAL RIGHTS (§ 315 (4) No. 4 HGB)

Shares with special rights that grant power of control do not exist.

PROCEDURES FOR MONITORING VOTING RIGHTS IN THE EVENT OF EMPLOYEE INVESTMENTS IN THE COMPANY (§ 315 (4) No. 5 HGB)

There are no special procedures for monitoring voting rights in the event that employees hold shares in the Company’s capital.

LEGAL REGULATIONS AND ARTICLES OF ASSOCIATION CONCERNING THE APPOINTMENT AND DISMISSAL OF MANAGEMENT BOARD MEMBERS AND CHANGES TO THE ARTICLES OF ASSOCIATION (§ 315 (4) No. 6 HGB)

The company is represented by the general partner. The departure of the general partner is governed by § 10 of the articles of association of CTS KGaA. The general partner leaves the company as soon as all shares in the general partner are no longer held by a person who holds more than 10% of the share capital of the company either directly or indirectly through a dependent company pursuant to § 17 (1) German Stock Corporation Act (AktG); this does not apply if all shares in the general partner are held by the company either directly or indirectly. In addition, the general partner leaves the company if the shares in the general partner are acquired by a person who has not submitted a takeover or mandatory offer to the company's shareholders in accordance with the provisions of the German Securities Acquisition and Takeover Act (WpÜG) and the requirements detailed in the articles of association within a period of twelve months following the acquisition taking effect.

In the case that the general partner leaves the company or that the general partner's departure is foreseeable, the articles of association contain the following clause to prevent the liquidation of CTS KGaA: The Supervisory Board of CTS KGaA is entitled and obliged to assume into CTS KGaA a stock corporation, all shares in which are held by CTS KGaA, as general partner immediately after or rather upon the departure of the previous general partner. If EVENTIM Management AG departs CTS KGaA as general partner without a new general partner being assumed simultaneously, CTS KGaA will be managed by the shareholders during a transitional period. In this case, the Supervisory Board of CTS KGaA must request immediately the appointment of an emergency representative to represent CTS KGaA until the assumption of a new general partner, particularly in relation to the acquisition or foundation of said general partner.

In this case, the Supervisory Board of CTS KGaA is entitled to correct the wording of the articles of association in line with the change of general partner.

According to § 179 (1) AktG, the articles of association may be amended by a shareholder resolution, which requires a majority equal to at least three-quarters of the registered capital present at voting (§ 179 (2) AktG). Under § 18 (3) of the articles of association of CTS KGaA, the option provided for in § 179 (2) AktG is utilised, setting forth that resolutions may be adopted with a simple majority of votes cast and, if a majority of share capital is required, with a simple majority of the share capital. Shareholder resolutions, for which a qualified majority of votes or share capital is required by law, are adopted at the Annual Shareholders' Meeting by a two-thirds majority unless otherwise stipulated by mandatory statutory provisions.

EVENTIM Management AG is represented both in legal matters and in general terms by its Management Board.

AUTHORISATION OF THE MANAGEMENT BOARD TO ISSUE AND BUY BACK SHARES (§ 315 (4) No. 7 HGB)

Authorisation with regard to the capacity to issue or buy back shares, which is detailed in the 2013 Annual Report of CTS AG, has been transferred to CTS KGaA.

The following resolutions were passed at the Annual Shareholders' Meeting on 8 May 2014 in addition to the issue of new shares:

By resolution of the Annual Shareholders' Meeting on 8 May 2014, the company's share capital was increased by EUR 48,000,000 using company funds (approved capital 2014/I). The share capital of CTS KGaA is EUR 96,000,000 and is divided into 96,000,000 no-par value bearer shares. Each share entitles the bearer to one vote.

Approved capital 2009 as defined by § 3 (V) of the articles of association of CTS AG is cancelled effective as of the entry of the following new approved capital into the commercial register. The general partner is authorised, subject to approval by the Supervisory Board, to increase the share capital in full or in part on one or several occasions by a maximum of EUR 48,000,000 until 7 May 2019 by issuing up to 48,000,000 bearer shares in return for cash deposits and/or contributions in kind (approved capital 2014).

The share capital is increased conditionally by up to EUR 1,440,000. The contingent capital increase shall be conducted only to the extent that holders of options issued under the Stock Option Plan on the basis of the authorisation granted on 21 January 2000 exercise their stock options. The new shares participate in the profits of the company from the beginning of the financial year in which the stock options are exercised. The general partner is authorised, subject to approval by the Supervisory Board, to specify the further details of the contingent capital increase and its implementation.

The share capital of the company is increased conditionally by up to EUR 44,000,000 by issuing up to 44,000,000 new no-par value bearer shares entitled to participate in profits as of the beginning of the financial year in which they were issued (contingent capital 2013). This contingent increase in capital is for granting shares to the holders of warranty bonds or convertible bonds issued in accordance with the authorisation of the Annual Shareholders' Meeting from 8 May 2013 to 7 May 2018 by the Company or by a company in which an interest is directly or indirectly held. The new shares shall be issued at the respective option or conversion price to be specified. The contingent capital increase shall be carried out only to the extent that use is made of the option or conversion rights under the bonds, or conversion obligations in respect of such bonds are honoured, and as far as the company does not honour its obligation to grant shares by transferring treasury shares to the bearers of such bonds. The general partner is authorised to stipulate further details for implementing the contingent capital increase.

MATERIAL AGREEMENTS CONTINGENT ON A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID (§ 315 (4) No. 8 HGB)

Credit agreements concluded with major banks contain ‘change of control’ clauses; these can lead to the revision of existing credit agreements.

COMPENSATION AGREEMENTS (§ 315 (4) No. 9 HGB)

There are no compensation agreements with the management or employees that shall take effect in the event of a takeover bid.

Bremen, 27 August 2014

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 2014

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014 (IFRS)

ASSETS	30.06.2014	31.12.2013
	[EUR]	[EUR]
Current assets		
Cash and cash equivalents	302,213,545	375,735,787
Trade receivables	22,249,254	26,304,814
Receivables from affiliated and associated companies accounted for at equity	2,285,774	1,832,956
Inventories	1,744,990	2,123,469
Payments on account	16,484,069	13,452,439
Receivables from income tax	5,722,803	7,591,067
Other assets	51,646,954	51,256,972
Total current assets	**402,347,389**	**478,297,504**
Non-current assets		
Property, plant and equipment	16,112,658	13,375,462
Intangible assets	114,857,033	97,533,383
Investments	3,012,221	2,737,245
Investments in associates accounted for at equity	16,429,982	15,510,447
Loans	240,879	159,712
Trade receivables	32,838	33,511
Receivables from affiliated and associated companies accounted for at equity	1,948,767	4,699,230
Other assets	3,771,276	3,710,970
Goodwill	260,447,966	257,380,478
Deferred tax assets	9,913,483	3,436,649
Total non-current assets	**426,767,103**	**398,577,087**
Total assets	**829,114,492**	**876,874,591**

SHAREHOLDERS' EQUITY AND LIABILITIES	30.06.2014	31.12.2013
	[EUR]	[EUR]
Current liabilities		
Short-term financial liabilities	52,841,475	34,734,248
Trade payables	56,632,295	57,992,796
Payables to affiliated and associated companies accounted for at equity	3,227,067	113,107
Advance payments received	100,440,154	118,208,998
Other provisions	2,717,733	2,227,949
Tax provisions	23,867,209	21,697,085
Other liabilities	155,187,814	208,054,992
Total current liabilities	**394,913,747**	**443,029,175**
Non-current liabilities		
Medium- and long-term financial liabilities	154,705,106	161,357,275
Other liabilities	246,390	167,978
Pension provisions	6,173,366	4,792,013
Deferred tax liabilities	18,070,107	14,325,843
Total non-current liabilities	**179,194,969**	**180,643,109**
Shareholders' equity		
Share capital	96,000,000	48,000,000
Capital reserve	1,890,047	1,890,047
Statutory reserve	2,400,000	2,400,000
Retained earnings	134,026,358	182,474,103
Treasury stock	-52,070	-52,070
Non-controlling interest	20,142,169	17,306,982
Other comprehensive income	-1,069,904	-441,816
Currency differences	1,669,176	1,625,061
Total shareholders' equity	**255,005,776**	**253,202,307**
Total shareholders' equity and liabilities	**829,114,492**	**876,874,591**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2014 (IFRS)

	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013 [1]	Change
	[EUR]	[EUR]	[EUR]
Revenue	339,528,682	312,295,047	27,233,635
Cost of sales	-239,020,399	-215,063,819	-23,956,580
Gross profit	**100,508,283**	**97,231,228**	**3,277,055**
Selling expenses	-30,403,648	-28,910,062	-1,493,586
General administrative expenses	-20,330,142	-17,892,497	-2,437,645
Other operating income	8,137,908	6,798,982	1,338,926
Other operating expenses	-6,794,594	-7,357,739	563,145
Operating profit (EBIT)	**51,117,807**	**49,869,912**	**1,247,895**
Income / expenses from participations	16,008	500	15,508
Income / expenses from investments in associates accounted for at equity	1,051,738	406,171	645,567
Financial income	893,909	1,012,925	-119,016
Financial expenses	-3,628,304	-3,713,563	85,259
Earnings before tax (EBT)	**49,451,158**	**47,575,945**	**1,875,213**
Taxes	-15,013,489	-14,506,477	-507,012
Net income before non-controlling interest	**34,437,669**	**33,069,468**	**1,368,201**
Non-controlling interest	-4,168,197	-5,503,859	1,335,662
Net income after non-controlling interest	**30,269,472**	**27,565,609**	**2,703,863**
Earnings per share (in EUR); undiluted (= diluted)	0.32	0.29 [2]	
Average number of shares in circulation; undiluted (= diluted)	96 million	48 million	

[1] Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

[2] Pro forma calculation based on 96 million shares

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2014 (IFRS)

	01.04.2014 - 30.06.2014	01.04.2013 - 30.06.2013 [1]	Change
	[EUR]	[EUR]	[EUR]
Revenue	189,137,120	191,224,680	-2,087,560
Cost of sales	-138,760,678	-139,218,409	457,731
Gross profit	**50,376,442**	**52,006,271**	**-1,629,829**
Selling expenses	-15,524,170	-15,563,621	39,451
General administrative expenses	-10,593,830	-9,097,508	-1,496,322
Other operating income	4,036,047	3,329,301	706,746
Other operating expenses	-2,899,974	-3,788,750	888,776
Operating profit (EBIT)	**25,394,515**	26,885,693	**-1,491,178**
Income / expenses from participations	16,008	0	16,008
Income / expenses from investments in associates accounted for at equity	645,294	287,833	357,461
Financial income	429,961	439,227	-9,266
Financial expenses	-1,765,288	-1,875,986	110,698
Earnings before tax (EBT)	**24,720,490**	**25,736,767**	**-1,016,277**
Taxes	-6,875,786	-7,775,947	900,161
Net income before non-controlling interest	**17,844,704**	**17,960,820**	**-116,116**
Non-controlling interest	-2,443,870	-3,403,807	959,937
Net income after non-controlling interest	**15,400,834**	**14,557,013**	**843,821**
Earnings per share (in EUR); undiluted (= diluted)	0.16	0.15 [2]	
Average number of shares in circulation; undiluted (= diluted)	96 million	48 million	

[1] Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

[2] Pro forma calculation based on 96 million shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2014 (IFRS)

	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013 [1]	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	34,437,669	33,069,468	1,368,201
Remeasurement of the net defined benefit obligation for pension plans	-925,711	132,928	-1,058,639
Items that will not be reclassified to profit or loss	**-925,711**	**132,928**	**-1,058,639**
Exchange differences on translating foreign subsidiaries	103,416	72,566	30,850
Available-for-sale financial assets	-18,313	-9,098	-9,215
Cash flow hedges	4,759	388,644	-383,885
Items that will be reclassified subsequently to profit or loss when specific conditions are met	**89,862**	**452,112**	**-362,250**
Other results	**-835,849**	**585,040**	**-1,420,889**
Total comprehensive income	**33,601,820**	**33,654,508**	**-52,688**
Total comprehensive income attributable to			
Shareholders of CTS AG	29,685,498	28,217,749	
Non-controlling interest	3,916,322	5,436,759	

[1]Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2014 (IFRS)

	01.04.2014 - 30.06.2014	01.04.2013 - 30.06.2013 [1]	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	17,844,704	17,960,820	-116,116
Remeasurement of the net defined benefit obligation for pension plans	-666,502	-26,558	-639,944
Items that will not be reclassified to profit or loss	**-666,502**	**-26,558**	**-639,944**
Exchange differences on translating foreign subsidiaries	-57,227	96,691	-153,918
Available-for-sale financial assets	-38,060	-7,771	-30,289
Cash flow hedges	8,005	392,578	-384,573
Items that will be reclassified subsequently to profit or loss when specific conditions are met	**-87,282**	**481,498**	**-568,780**
Other results	**-753,784**	**454,940**	**-1,208,724**
Total comprehensive income	**17,090,920**	**18,415,760**	**-1,324,840**
Total comprehensive income attributable to			
Shareholders of CTS AG	14,850,113	15,089,563	
Non-controlling interest	2,240,807	3,326,197	

[1]Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2014 (IFRS) (SHORT FORM)

	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013 [1]	Change
	[EUR]	[EUR]	[EUR]
Net income after non-controlling interest	30,269,472	27,565,609	2,703,863
Non-controlling interest	4,168,197	5,503,859	-1,335,662
Depreciation and amortisation on fixed assets	13,395,740	11,319,453	2,076,287
Changes in pension provisions	1,381,353	82,383	1,298,970
Deferred tax expenses / income	-1,695,648	-1,293,600	-402,048
Cash flow	**47,519,114**	**43,177,704**	**4,341,410**
Other non-cash transactions	-3,146,275	1,898,549	-5,044,824
Book profit / loss from disposal of fixed assets	3,525	-8,903	12,428
Interest expenses / Interest income	2,212,238	2,196,901	15,337
Income tax expenses	16,709,137	15,800,076	909,061
Interest received	788,013	738,755	49,258
Interest paid	-2,457,796	-2,373,486	-84,310
Income tax paid	-12,802,413	-10,388,199	-2,414,214
Increase (-) / decrease (+) in inventories	509,624	308,384	201,240
Increase (-) / decrease (+) in payments on account	-2,999,656	2,570,985	-5,570,641
Increase (-) / decrease (+) in receivables and other assets	19,043,533	11,676,996	7,366,537
Increase (+) / decrease (-) in provisions	232,473	478,303	-245,830
Increase (+) / decrease (-) in liabilities	-94,591,356	-61,325,211	-33,266,145
Cash flow from operating activities	**-28,979,839**	**4,750,854**	**-33,730,693**
Cash flow from investing activities	**-23,808,129**	**-7,717,668**	**-16,090,461**
Cash flow from financing activities	**-21,069,467**	**-41,334,046**	**20,264,579**
Net increase / decrease in cash and cash equivalents	**-73,857,435**	**-44,300,860**	**-29,556,575**
Net increase / decrease in cash and cash equivalents due to currency translation	335,193	-744,895	1,080,088
Cash and cash equivalents at beginning of period	375,735,787	319,514,233	56,221,554
Cash and cash equivalents at end of period	**302,213,545**	**274,468,478**	**27,745,067**
Composition of cash and cash equivalents			
Cash and cash equivalents	302,213,545	274,468,478	27,745,067
Cash and cash equivalents at end of period	**302,213,545**	**274,468,478**	**27,745,067**

[1] Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY (IFRS)

	Share capital	Capital reserve	Statutory reserve	Retained earnings	Treasury stock	Non-controlling interest	Other comprehen-sive income	Currency differences	Total shareholders' equity
	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]
Status 01.01.2013	**48,000,000**	**1,890,047**	**2,400,000**	**148,790,918**	**-52,070**	**14,600,832**	**-589,750**	**1,468,083**	**216,508,060**
Change in the scope of consolidation	0	0	0	-2,104	0	0	0	0	-2,104
Dividends to non-controlling interest	0	0	0	0	0	-1,158,531	0	0	-1,158,531
Dividends to shareholders of CTS AG	0	0	0	-27,357,521	0	0	0	0	-27,357,521
Net income before non-controlling interest	0	0	0	27,565,609 [1]	0	5,503,859	0	0	33,069,468 [1]
Available-for-sale financial assets	0	0	0	0	0	0	-9,098	0	-9,098
Cash flow hedges	0	0	0	0	0	0	388,644	0	388,644
Foreign exchange differences	0	0	0	0	0	-133,564	0	206,130	72,566
Remeasurement of the net defined benefit obligation for pension plans	0	0	0	0	0	66,464	66,464	0	132,928
30.06.2013	**48,000,000**	**1,890,047**	**2,400,000**	**148,996,902**	**-52,070**	**18,879,060**	**-143,740**	**1,674,213**	**221,644,412**
Status 01.01.2014	**48,000,000**	**1,890,047**	**2,400,000**	**182,474,103**	**-52,070**	**17,306,982**	**-441,816**	**1,625,061**	**253,202,307**
Increase in share capital	48,000,000	0	0	-48,000,000	0	0	0	0	0
Dividends to non-controlling interest	0	0	0	0	0	-1,081,135	0	0	-1,081,135
Dividends to shareholders of CTS AG	0	0	0	-30,717,216	0	0	0	0	-30,717,216
Net income before non-controlling interest	0	0	0	30,269,472	0	4,168,197	0	0	34,437,669
Available-for-sale financial assets	0	0	0	0	0	0	-18,313	0	-18,313
Cash flow hedges	0	0	0	0	0	307	4,452	0	4,759
Foreign exchange differences	0	0	0	0	0	59,302	0	44,114	103,416
Remeasurement of the net defined benefit obligation for pension plans	0	0	0	0	0	-311,484	-614,227	0	-925,711
30.06.2014	**96,000,000**	**1,890,047**	**2,400,000**	**134,026,359**	**-52,070**	**20,142,169**	**-1,069,904**	**1,669,175**	**255,005,776**

[1]Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRELIMINARY STATEMENTS

CTS EVENTIM AG & Co. KGaA (formerly: CTS EVENTIM AG) is a listed partnership limited by shares under German law with its registered office in Munich; the head office is located in Bremen.

CHANGE IN LEGAL FORM

The Annual Shareholders' Meeting of CTS EVENTIM AG, Munich (hereinafter: CTS AG) resolved on 8 May 2014 to change the legal form of CTS AG into a Kommanditgesellschaft auf Aktien (KGaA – partnership limited by shares) as CTS EVENTIM AG & Co. KGaA (hereinafter: CTS KGaA). This transformation resolution took effect as at 30 June 2014 upon its entry into the commercial register. The shareholders of CTS AG received one common share in CTS KGaA for each common share they held in CTS AG. The mathematic proportion of each bearer share in relation to the share capital remains unchanged. The change in legal form of CTS AG into a KGaA does not result in the liquidation of the Company nor the establishment of a new legal person, and the Company retains its legal and financial identity. The general partner, EVENTIM Management AG, Hamburg, manages CTS KGaA. The general partner is neither entitled nor obliged to make a capital contribution. Incumbent members of the CTS AG Supervisory Board also form the first Supervisory Board of CTS KGaA in accordance with § 203 sentence 1 German Transformation Act (UmwG).

This Group interim report of CTS KGaA and its subsidiaries for the first six months of the 2014 financial year was approved for publication by resolution of the EVENTIM Management AG Management Board on 27 August 2014.

2. REPORTING PRINCIPLES

The present, unaudited Group interim report as at 30 June 2014 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 2013 was chosen, as provided for in IAS 34. The interim financial statements should be read in conjunction with the consolidated financial statements as at 31 December 2013. 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 consolidated income statement relate to the adjusted Group interim report as at 30 June 2013, and those in the consolidated balance sheet to the consolidated financial statements as at 31 December 2013.

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

The accounting policies and consolidation methods are the same as those applied in the consolidated financial statements as at 31 December 2013.

In accordance with IAS 32, contracts which obligate a company to purchase its own equity instruments are recognised as financial liabilities carried at the present value of the purchase price. This principle also applies when the obligation to purchase such instruments is conditional on the contractual partner exercising an option, and is independent of the probability of such option being exercised. In compliance with changes in international accounting practice, this principle is also applicable to the forward purchase of non-controlling shares and to put options granted to non-controlling interests in the CTS Group. In order to calculate the potential purchase price obligations, it was necessary to reclassify these non-controlling shares as liabilities instead of equity. In addition, goodwill is capitalised to the amount of difference between the present value of the liabilities and the carrying amount of the non-controlling shares, provided that the purchase price obligations resulting from put options are for a contractually agreed exercise price and all opportunities and risks deriving from the put option are kept within the CTS Group. The change in the present value of purchase price obligations in respect of put options is recorded in the financial result.

The CTS Group has applied all relevant accounting standards adopted by the EU and effective for periods beginning on or after 1 January 2014.

Standards IFRS 10, IFRS 11 and IFRS 12 and the adjustments to IAS 28 have come into force since 1 January 2014.

IFRS 10 now governs the determination of the companies to be included in consolidation and the subsidiaries to be included in the consolidated financial statements. The conversion from IAS 27 to IFRS 10 did not require the CTS Group to make any adjustments. Consequently, no companies needed to be newly consolidated or deconsolidated. One subsidiary, where the parent-subsidiary relationship does not result in the parent company holding a majority of the voting rights, continues to be fully consolidated on account of the rights of influence granted to the CTS Group.

IFRS 11 governs the definition and the treatment of joint arrangements in consolidated financial statements. As existing joint ventures are to be classed as joint ventures, the application of IFRS 11 had no impact on the Group's consolidated financial statements.

IFRS 12 includes all disclosures of interests in subsidiaries, joint arrangements, associated companies as well as consolidated and unconsolidated structured entities. The provisions of IFRS 12 do not result in any additional disclosure requirements for the interim reports.

Since 1 January 2014, joint ventures and associated companies are only permitted to apply the equity method pursuant to IAS 28. These companies are no longer permitted to use the proportionate method of consolidation. As the CTS Group did not previously apply the proportionate method of consolidation, the elimination of this option does not require any adjustments.

The other accounting standards applicable for the first time in the 2014 financial year have no significant impact on the financial position, cash flow and earnings performance of the CTS Group.

DERIVATIVE FINANCIAL INSTRUMENTS

The CTS Group uses derivative financial instruments such as forward foreign exchange transactions to hedge its exposure to foreign exchange risks. Foreign exchange risks are hedged to the extent in which they influence the cash flow of the Group; these risks result mainly from operating activities.

In the reporting period, the CTS Group hedged current foreign exchange payments based on predefined minimum hedge ratios. At company level specific future transactions, that have a very high probability to occur, are hedged against currency translation risks. Within the CTS Group, a 12-month budget plan is applied, on which basis maturity-congruent forward foreign exchange hedges are concluded.

These cash flow hedges are continuously accounted for in accordance with IAS 39. The effective portion of the gains or losses from cash flow hedges are recognised in shareholders' equity and are transferred to the income statement as soon as the hedge payments affect the income statement. The ineffective portion of the hedging transaction is immediately recognised in the income statement.

The interest rate swaps prevailing as at 31 December 2013 were terminated in the first quarter of 2014.

4. BUSINESS COMBINATIONS AND JOINT VENTURES

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

4.1 BUSINESS COMBINATIONS IN THE TICKETING SEGMENT
4.1.1 CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes occurred in the scope of consolidation in the reporting period and/or in relation to 30 June 2013 closing date:

Eventim Online Holding GmbH, Bremen, was merged with CTS AG in a merger agreement concluded on 15 March 2013 and by resolution of the Annual Shareholders' Meeting on 8 May 2013. The merger obtained legal effect on 30 July 2013, when the relevant entry was made in the commercial register for CTS AG.

In an agreement concluded on 15 July 2013 the company name was changed from 61. Lydia Vermögensverwaltungsgesellschaft mbH, Bremen, to Ticket Online Consulting GmbH, Bremen. The changes took effect on 2 August 2013 when the entry in the commercial register was made.

TicketOne S.p.A. (hereinafter: TicketOne), a fully consolidated CTS Group subsidiary, headquartered in Milan, acquired 60% of the shares in CREA Informatica S.r.l., Milan (hereinafter: CREA) in an agreement dated 15 October 2013.

In an agreement concluded on 6 March 2014, CTS AG acquired 100% of the shares in three Stage Entertainment Group ticketing companies. These include See Tickets Nederland B.V., based in Amsterdam, Entradas See Tickets S.A., which is based in Madrid, and Top Ticket France S.A.S., based in Paris. At the same time, CTS AG also takes over the ticket sales for Stage Entertainment in Russia. The total purchase price was around EUR 25 million. In accordance with IFRS 3, the ancillary expenses of EUR 350 thousand were reported as other operating expenses in 2014.

CTS AG and CTS Eventim Sports GmbH, Hamburg, founded CTS Eventim Brasil Sistemas e Servicos de Ingressos Ltda., Rio de Janeiro (hereinafter: CTS Eventim Brasil), on 16 May 2014. CTS AG holds 70% and CTS Eventim Sports GmbH, Hamburg, holds 30% of shares in CTS Eventim Brasil.

4.1.2 CHANGES IN THE SCOPE OF CONSOLIDATION AFTER THE BALANCE SHEET DATE

On 16 July 2014, TicketOne S.p.A., a fully consolidated CTS Group subsidiary, headquartered in Milan, acquired the entire ticketing business of the G-Tech/Lottomatica Group for a purchase price of EUR 13,9 million. Under its LISTICKET brand, Lottomatica handles the ticketing operations for 12 clubs in the first Italian football league, known as 'Serie A'. LISTICKET sells a total of more than 5 million tickets annually. The assets being taken over by TicketOne (inter alia brand, customer base and software) also include access to the Lottomatica sales network of more than 1,000 box offices throughout Italy. Due to the acquisition occurring so soon before publication of this Group interim report, it was not posible to assess conclusively the fair value of the acquired assets. By making this transaction, TicketOne is significantly extending its leadership of the Italian market. Substantial scale effects can be achieved by integrating the LISTICKET business, and the number of TicketOne box offices in Italy can be more than doubled.

4.2. BUSINESS COMBINATIONS AND JOINT VENTURES IN THE LIVE ENTERTAINMENT SEGMENT
4.2.1 CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes occurred in the scope of consolidation in the reporting period and/or in relation to 30 June 2013 closing date:

In a contract dated 7 August 2013, Semmelconcerts Veranstaltungsservice GmbH, Bayreuth, acquired 100% of the shares in the shelf company NM Gesellschaft für Neues Marketing mbH, Bayreuth. The change of the company name to Arena Berlin Betriebs GmbH, Berlin, the relocation of the headquarters from Bayreuth to Berlin as well as the modification of the company's purpose took effect on 11 September 2013 when the changes were entered in the commercial register. The company has entered into a lease agreement for the venue Arena Berlin in early October 2013 and will operate the venue from now on.

CTS Eventim Schweiz formed the promoter companies 360Grad Show Production AG and You Are Special – Events AG both based in Opfikon, Switzerland, in September 2013. CTS Eventim Schweiz holds 80% of the shares in each company. The formation obtained legal effect on 5 and 6 November 2013 respectively, when the relevant entry was made in the commercial register.

4.3 PURCHASE PRICE ALLOCATION

FINAL PURCHASE PRICE ALLOCATION OF ABC PRODUCTION AG

As at 30 June 2014, and in accordance with IFRS 3.45, the purchase price allocation relating to the acquisition of ABC Production AG, Opfikon, Switzerland, a subsidiary of CTS Eventim Schweiz, was finally completed within the stipulated 12-month period. According to IFRS 3.49, corrections to the provisional fair values must be reported as if the accounting for the business combination was completed at the date of acquisition. Comparative information for the reporting periods prior to completion of accounting for the business combination must be presented as if the purchase price allocation had already been completed, and subsequently revised if necessary. No adjustments needed to be made in respect of the purchase price allocation for the acquisition of ABC Production AG, Opfikon, finally completed as at 30 June 2014. 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 2013.

PROVISIONAL PURCHASE PRICE ALLOCATION FOR CREA

As at 30 June 2014 the purchase price allocation for CREA was still provisional because investigations regarding the intangible assets and assessment of legal aspects are still pending.

PROVISIONAL PURCHASE PRICE ALLOCATION OF SEE TICKETS NEDERLAND B.V.

See Tickets Nederland B.V., Amsterdam (hereinafter: See Tickets Nederland) sells, in addition to tickets for Stage Entertainment Musicals, admission tickets for many concerts, sports and other events in the Netherlands.

Since its initial consolidation at the beginning of March 2014, See Tickets Nederland has generated revenue of EUR 2.919 million and earnings of EUR 276 thousand. Cash equivalents of EUR 3.301 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 See Tickets Nederland:

	Fair value at the time of initial consolidation - provisional purchase price allocation -
	[EUR'000]
Cash and cash equivalents	3,301
Inventories	46
Trade receivables	130
Other assets	6,385
Accrued expenses	623
Total current assets	**10,485**
Property, plant and equipment	665
Intangible assets	12,341
Deferred tax assets	1,832
Total non-current assets	**14,838**
Trade payables	2,773
Other liabilities	8,523
Total current liabilities	**11,296**
Deferred tax liabilities	2,933
Total non-current liabilities	**2,933**
Total net assets	**11,094**

Assets and liabilities were recognised at fair value in the provisional purchase price allocation. At the time of intitial consolidation, intangible assets (ticket distribution rights and customer base) were recognised at a fair value of EUR 12.341 million. Deferred tax liabilities of EUR 2.933 million were formed on the temporary difference arising from the remeasurement of intangible assets.

As at 30 June 2014, the purchase price allocation is still provisional because investigations regarding the intangible assets and the assessment of legal aspects are still pending. The fair value of the assets and liabilities will be conclusively determined within the first twelve months after the acquisition.

The present value of trade receivables amounted to EUR 130 thousand; there were no allowances for bad debts.

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

	[EUR'000]
Consideration transferred	13,580
Cash and cash equivalents	3,301
Inventories	46
Trade receivables	130
Other assets	6,385
Accrued expenses	623
Property, plant and equipment	665
Intangible assets	12,341
Deferred tax assets	1,832
Trade payables	-2,773
Other liabilities	-8,523
Deferred tax liabilities	-2,933
Total net assets / shareholders' equity	**11,094**
Goodwill	2,486

The difference of EUR 2.486 million between the paid purchase price (EUR 13.580 million) and the share in net assets was allocated to goodwill and mainly reflects future synergy and growth potentials.

If See Tickets Nederland had been acquired at the beginning of the year 2014, the company would have contributed EUR 4.417 milllion to revenue and EUR 441 thousand to earnings in the Ticketing segment.

PROVISIONAL PURCHASE PRICE ALLOCATION OF ENTRADAS SEE TICKETS S.A.

Entradas See Tickets S.A., Madrid (hereinafter: Entradas See Tickets) sells, in addition to tickets for Stage Entertainment Musicals, admission tickets for many concerts, sports and other events in Spain.

Since its initial consolidation at the beginning of March 2014, Entradas See Tickets has generated revenue of EUR 2.568 million and earnings of EUR 154 thousand. Cash equivalents of EUR 4.040 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 Entradas See Tickets:

	Fair value at the time of initial consolidation - provisional purchase price allocation -
	[EUR'000]
Cash and cash equivalents	4,040
Inventories	83
Trade receivables	1,094
Receivables from affiliated companies	3
Other assets	158
Accrued expenses	107
Total current assets	**5,485**
Property, plant and equipment	596
Intangible assets	6,782
Investments	32
Deferred tax assets	4,096
Total non-current assets	**11,506**
Trade payables	847
Payables to affiliated companies	3,837
Other liabilities	4,995
Deferred income	248
Other provisions	125
Total current liabilities	**10,052**
Deferred tax liabilities	1,568
Total non-current liabilities	**1,568**
Total net assets	**5,371**

Assets and liabilities were recognised at fair value in the provisional purchase price allocation. At the time of intitial consolidation, intangible assets (ticket distribution rights, customer base, software and trademarks) were recognised at a fair value of EUR 5.216 million. Deferred tax liabilities of EUR 1.565 million were formed on the temporary difference arising from the remeasurement of intangible assets.

As at 30 June 2014, the purchase price allocation is still provisional because investigations regarding the intangible assets and the assessment of legal aspects are still pending. The fair value of the assets and liabilities will be conclusively determined within the first twelve months after the acquisition.

The present value of trade receivables, at EUR 1.094 million, derives from a gross carrying value of receivables, at EUR 1.153 million, and allowances for bad debts amounting to EUR 59 thousand.

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

	[EUR'000]
Consideration transferred	4,530
Cash and cash equivalents	4,040
Inventories	83
Trade receivables	1,094
Receivables from affiliated companies	3
Other assets	158
Accrued expenses	107
Property, plant and equipment	596
Intangible assets	6,782
Investments	32
Deferred tax assets	4,096
Trade payables	-847
Payables to affiliated companies	-3,837
Other liabilities	-4,995
Deferred income	-248
Other provisions	-125
Deferred tax liabilities	-1,568
Total net assets / shareholders' equity	**5,371**
Bargain purchase	-841

The remeasurement of assets and liabilities acquired resulted in a gain from a bargain purchase (difference between net assets and purchase costs) following initial consoliaton; pursuant to IFRS 3, this resulted in other operating income of EUR 841 thousand. The favourable purchase price coupled with the earnings prospects associated with the acquired company resulted in a bargain purchase of EUR 841 thousand.

In the course of the business combination, CTS AG acquired intercompany loan receivables from Entradas See Tickets in the amount of EUR 3.832 million from the former shareholders; these are reported under liabilites to affiliated companies. Considering the cost of acquired intercompany and the loan receivables the paid purchase price totals EUR 8.362 million.

If Entradas See Tickets had been acquired at the beginning of the year 2014, the company would have contributed EUR 3.985 milllion to revenue and EUR 429 thousand to earnings in the Ticketing segment.

PROVISIONAL PURCHASE PRICE ALLOCATION OF TOP TICKET FRANCE S.A.S.

Top Ticket France S.A.S., Paris (hereinafter: Top Ticket France) sells tickets for Stage Entertainment Musicals in France.

Since its initial consolidation at the beginning of March 2014, Top Ticket France has generated revenue of EUR 345 thousand and earnings of EUR 123 thousand. Cash equivalents of EUR 1.630 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 Top Ticket France:

	Fair value at the time of initial consolidation - provisional purchase price allocation -
	[EUR'000]
Cash and cash equivalents	1,630
Trade receivables	1,695
Other assets	3,402
Accrued expenses	1
Total current assets	**6,728**
Property, plant and equipment	12
Intangible assets	2,115
Total non-current assets	**2,127**
Trade payables	165
Other liabilities	6,094
Other provisions	73
Total current liabilities	**6,332**
Deferred tax liabilities	705
Total non-current liabilities	**705**
Total net assets	**1,818**

Assets and liabilities were recognised at fair value in the provisional purchase price allocation. At the time of initial consolidation, intangible assets (ticket distribution rights) were recognised at a fair value of EUR 2.115 million. Deferred tax liabilities of EUR 705 thousand were formed on the temporary difference arising from the remeasurement of intangible assets.

As at 30 June 2014, the purchase price allocation is still provisional because investigations regarding the intangible assets and the assessment of legal aspects are still pending. The fair value of the assets and liabilities will be conclusively determined within the first twelve months after the acquisition.

The present value of trade receivables, at EUR 1.695 million, derives from a gross carrying value of receivables, at EUR 1.863 million, and allowances for bad debts amounting to EUR 168 thousand.

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

	[EUR'000]
Consideration transferred	1,579
Cash and cash equivalents	1,630
Trade receivables	1,695
Other assets	3,402
Accrued expenses	1
Property, plant and equipment	12
Intangible assets	2,115
Trade payables	-165
Other liabilities	-6,094
Other provisions	-73
Deferred tax liabilities	-705
Total net assets / shareholders' equity	**1,818**
Bargain purchase	-239

The paid purchase price amounted to EUR 1.579 million. The remeasurement of the aquired assets and liabilities resulted in a gain from a bargain purchase (difference between net assets and purchase costs) following initial consolidation; pursuant to IFRS 3, this resulted in other operating income of EUR 239 thousand. The favourable purchase price coupled with the earnings prospects associated with the acquired company resulted in a bargain purchase of EUR 239 thousand.

If Top Ticket France had been acquired at the beginning of the year 2014, the company would have contributed EUR 551 thousand to revenue and EUR 197 thousand to earnings in the Ticketing segment.

ASSET DEAL STAGE RUSSIA

An exclusive ticketing agreement was concluded in Russia for the sale of tickets for two Stage Entertainment theatres in Moscow. This agreement does not constitute a business combination within the meaning of IFRS 3. Intangible assets in the amount of EUR 1.000 million were acquired in the course of this asset deal.

4.4 JOINT VENTURE HAL APOLLO

Pursuant to IAS 31, as at 30 June 2014 the following notes represent Group's proportional share in the joint venture HAL Apollo:

	30.06.2014	31.12.2013
	[EUR'000]	[EUR'000]
Current assets	1,855	874
Non-current assets	25,239	25,048
Current liabilities	6,642	4,576
Non-current liabilities	5,367	6,671

In the reporting period, the joint venture HAL Apollo generated as per the Group's proportional share revenue amounting to EUR 1.585 million (previous year: EUR 1.423 million) and EBITDA of EUR 826 thousand (previous year: EUR 631 thousand).

The corporate structure as at 30 June 2014 is shown in the following table:

5. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

Cash and cash equivalents in the CTS Group declined by EUR 73.522 million to EUR 302.214 million (31 December 2013: EUR 375.736 million). Cash outflow comprises operating activities (EUR -28.980 million), investing activities (EUR -23.808 million) and financing activities (EUR -21.069 million).

Current trade receivables (EUR -4.056 million) decreased in the context of ongoing business operations, particularly in the Ticketing segment.

The increase in **payments on account** (EUR +3.032 million) concerns events in subsequent quarters in the Live Entertainment segment.

Receivables from income tax (EUR -1.868 million) declined mainly as a result of capital gains tax refunds for previous years.

The rise in **property, plant and equipment** (EUR +2.737 million) primarily relates to investments in hardware for the computer center.

The EUR 17.324 million increase in **intangible assets** was mainly the result of the provisional purchase price allocation of the recognised assets (trademark, ticketing distribution rights/customer base) of acquired companies and increased software development services relating to ticket distribution software.

The decline in **non-current receivables from affiliated and associated companies accounted for at equity** (EUR -2.750 million) is due to loan repayments from a company accounted for at equity.

The EUR 3.067 million increase in **goodwill** was mainly due to the provisional purchase price allocation of the companies acquired in the first quarter of 2014 in the Ticketing segment.

Short-term financial liabilities rose by EUR 18.107 million. In the reporting period, the use of syndicated credit lines (EUR 20.000 million) to finance the acquisition of the Stage Entertainment companies and the timely reclassification from medium- and long-term financial liabilities resulted in an increase in financial liabilities. On the other hand, repayments of existing financing loans and payments from purchase price liabilities total EUR 9.271 million.

The EUR 3.114 million rise in **payables to affiliated and associated companies accounted for at equity** is mainly due to liabilities in respect of ticket monies not yet invoiced for festivals in Sweden.

Tax provisions increased by EUR 2.170 million primarily due to positive business operations.

The EUR 17.769 million decline in **advance payments received** is mainly due to events held in the Live Entertainment segment. Advance payments received in the Live Entertainment segment are transferred to revenue when the respective events have taken place.

The change in **other current liabilities** (EUR -52.867 million) is largely a result of the lower liabilities from ticket monies not yet invoiced in the Ticketing segment of EUR -44.194 million and lower income tax liabilities in the CTS Group of EUR -5.079 million. Usually, liabilities from ticket monies not yet invoiced tend to rise towards the end of the year due to the seasonally strong fourth quarter, and these liabilities are then reduced over the course of the subsequent year as a result of invoicing and the events being held.

The reduction in **medium- and long-term financial liabilities** (EUR -6.652 million) mainly results from the timely reclassification in short-term financial liabilities.

The EUR 3.744 million rise in **deferred tax liabilities** mainly results from temporary differences arising from the fair value measurement of intangible assets in the context of the purchase price allocation.

Shareholders' equity rose by EUR 1.803 million to EUR 255.006 million, mainly as a result of the positive net income in the reporting period of EUR 30.269 million and non-controlling interest of EUR 2.835 million, which were largely attributable to minority interests in the operating result in the Live Entertainment segment. The dividend distribution of EUR 30.717 million had a negative impact on shareholders' equity in the second quarter of 2014. The equity ratio (shareholders' equity / balance sheet total) increased from 28.9% to 30.8%. The Annual Shareholders' Meeting on 8 May 2014 resolved an EUR 48.000 million increase in the share capital from company funds to EUR 96.000 million. This took effect upon entry in the commercial register on 23 May 2014.

The Annual Shareholders' Meeting of CTS AG on 8 May 2014 resolved to change the legal form of CTS AG into a partnership limited by shares (CTS KGaA). This resolution to change the legal form took effect upon entry into the commercial register on 30 June 2014. For every ordinary share held in the company to be transformed, the shareholders of CTS AG received one ordinary CTS KGaA share. The notional amount of the share capital accounted for by each no-par value bearer share remains unchanged.

The following resolutions were also made at the Annual Shareholders' Meeting:

The share capital is increased conditionally by up to EUR 1,440,000. This conditional capital increase shall be conducted only to the extent that holders of options issued under the Stock Option Plan on the basis of the authorisation granted on 21 January 2000 exercise their stock options. The new shares participate in the profits of the company from the beginning of the financial year in which the stock options are exercised. The general partner is authorised, subject to approval by the Supervisory Board, to specify the further details of the contingent capital increase and its implementation.

The share capital of the company is increased conditionally by up to EUR 44,000,000 by issuing up to 44,000,000 new no-par value bearer shares entitled to participate in profits as from the beginning of the financial year in which they were issued (contingent capital 2013). This contingent increase in capital is for granting shares to the holders of warranty bonds or convertible bonds issued in accordance with the authorisation of the Annual Shareholders' Meeting from 8 May 2013 to 7 May 2018 by the company or by a company in which an interest is directly or indirectly held. The new shares shall be issued at the respective option or conversion price to be specified. The contingent capital increase shall be carried out only to the extent that use is made of the option or conversion rights under the bonds, or conversion obligations in respect of such bonds are honoured, and as far as the company does not honour its obligation to grant shares by transferring treasury shares to the bearers of such bonds. The general partner is authorised to stipulate further details for implementing the contingent increase in capital.

The approved capital 2009 according to §3 (V) of the articles of association of CTS EVENTIM AG is repealed on the date that the new approved capital as established below is entered in the commercial register.

The general partner is authorised to increase the share capital in full or partial amounts, on one or more occasions, by up to EUR 48,000,000 until 7 May 2019, contingent on Supervisory Board approval, by issuing up to 48,000,000 new bearer shares against cash contributions or contributions in kind (approved capital 2014).

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

CTS Group generated revenue of EUR 339.529 million, after EUR 312.295 million in the previous year (+8.7%).

The **Ticketing segment** generated revenue (before consolidation between segments) of EUR 129.875 million (previous year: EUR 115.721 million). The share of sales generated by foreign subsidiaries was 43.1% in 2014 (previous year: 41.6%).

The **Live Entertainment segment** generated revenue of EUR 213.577 million compared to EUR 199.785 million in the previous year (+6.9%).

COST OF SALES

Cost of sales increased by EUR 23.957 million to EUR 239.020 million.

As at 30 June 2014, gross profit in the **CTS Group** increased to EUR 100.508 million (previous year: EUR 97.231 million). The consolidated gross margin decreased from 31.1% to 29.6% as a result of the Live Entertainment segment.

In the **Ticketing segment**, the gross margin of 56.3% for the first half of 2014 was on par with the previous year. The gross margin is affected by the newly consolidated subsidiaries and their currently low earnings contributions.

In the **Live Entertainment segment**, the gross margin declined to 12.8% (previous year: 16.1%) partly due to the increase in the number of consolidated companies.

SELLING EXPENSES

Selling expenses increased by EUR 1.494 million to EUR 30.404 million, which was mainly due to depreciation and amortisation as well as the increase in the number of consolidated companies.

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses increased by EUR 2.438 million to EUR 20.330 million. This increase was mainly due to higher legal and consulting costs (inter alia the change of legal form), personnel expenses as well as the increase in the number of consolidated companies.

OTHER OPERATING INCOME

Other operating income increased by EUR 1.399 million to EUR 8.138 million. This was due to, among other things, other operating income of EUR 1.081 million from the initial consolidation of Entradas See Tickets and Top Ticket France. Pursuant to IFRS 3, gains from bargain purchases from these acquisitions resulted in higher other operating income.

OTHER OPERATING EXPENSES

Other operating expenses decreased by EUR 563 thousand to EUR 6.795 million; this was due to, among other things, lower expenses related to currency conversions as at the reporting date.

FINANCIAL RESULT

The financial result, at EUR -1.667 million (previous year: EUR -2.294 million), mainly includes EUR 894 thousand in financial income (previous year: EUR 1.013 million), EUR 3.628 million in financial expenses (previous year: EUR 3.714 million) as well as EUR 1.052 million in income from investments in associates accounted for at equity (previous year: EUR 406 thousand).

TAXES

Taxes increased by EUR 507 thousand to EUR 15.013 million. This rise was mainly due to tax expenses in the current financial year and previous years and was offset by positive effects related to deferred taxes.

7. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying values, balance sheet values and fair values as at 30 June 2014 are shown in the following table according to measurement categories:

		Wertansatz Bilanz nach IAS 39				
	Carrying value 30.06.2014	At amortised cost	At fair value through profit and loss	At fair value not through profit and loss	Purchase cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Assets						
Cash and cash equivalents	302,214	302,214				302,214
Trade receivables	22,282	22,282				22,215
Receivables from affiliated and associated companies accounted for at equity	4,235	4,235				4,216
Other original financial assets	38,085	38,085				37,906
Other original financial assets (at fair value not through profit and loss)	435			435		435
Other original financial assets (at fair value through profit and loss)	8		8			8
Investments (held-to-maturity)	1,007	1,007				1,003
Investments (at amortised cost)	2,005				2,005	
Loans	241	241				253
Liabilities						
Short-term financial liabilities	52,841	52,841				53,259
Medium- and long-term financial liabilities	154,705	154,705				154,581
Trade payables	56,632	56,632				56,463
Payables to affiliated and associated companies accounted for at equity	3,227	3,227				3,217
Other original financial liabilities	122,575	122,575				122,484
Other derivative financial liabilities (at fair value not through profit and loss)	6			6		6
Other derivative financial liabilities (at fair value through profit and loss)	166		166			166
Categories according to IAS 39:						
Loans and receivables	367,057	367,057				366,804
Financial liabilities at amortised cost	389,981	389,981				390,004
Available-for-sale financial assets	2,441			435	2,005	435
Held-to-maturity investments	1,007	1,007				1,003

Carrying values, balance sheet values and fair values as at 31 December 2013 are shown in the following table according to measurement categories:

		Balance sheet value according to IAS 39				
	Carrying value 31.12.2013	At amortised cost	At fair value through profit and loss	At fair value not through profit and loss	Purchase cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS						
Cash and cash equivalents	375,736	375,736				375,736
Trade receivables	26,338	26,338				26,191
Receivables from affiliated and associated companies accounted for at equity	6,532	6,532				6,479
Other original financial assets	44,717	44,717				44,402
Other original financial assets (at fair value not through profit and loss)	766			766		766
Other derivative financial assets (at fair value through profit and loss)	20		20			20
Investments (held-to-maturity)	1,007	1,007				984
Investments (at amortised cost)	1,730				1,730	
Loans	160	160				169
LIABILITIES						
Short-term financial liabilities	34,734	34,734				35,365
Medium- and long-term financial liabilities	161,357	161,357				161,311
Trade payables	57,993	57,993				57,668
Payables to affiliated and associated companies accounted for at equity	113	113				113
Other original financial liabilities	169,932	169,932				168,975
Other derivative financial liabilities (at fair value through profit and loss)	422		422			422
Categories according to IAS 39:						
Loans and receivables	453,483	453,483				452,976
Financial liabilities at amortised cost	424,129	424,129				423,431
Available-for-sale financial assets	2,496			766	1,730	766
Held-to-maturity investments	1,007	1,007				984

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, 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 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 are equal to the present values of the future payments associated with the debts, taking current interest parameters into account.

If financial instruments are listed on an active market, such as fund units, 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 rating-dependent credit risk premium of the CTS Group into account.

Derivative financial instruments are recognised at their fair value. The carrying amount of the foreign exchange transactions is therefore equal to their respective fair value. The interest rate swaps prevailing as at 31 December 2013 were terminated in the first quarter of 2014 and recorded in the financial result at EUR -370 thousand.

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.

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 2014.

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 2014:

	30.06.2014			
	Level 1	Level 2	Level 3	Total
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS				
Other original financial assets (at fair value not through profit and loss)	435	0	0	435
Other derivative financial assets (at fair value through profit and loss)	0	8	0	8
	435	**8**	**0**	**443**
LIABILITIES				
Other derivative financial liabilities (at fair value not through profit and loss)	0	6	0	6
Other derivative financial liabilities (at fair value through profit and loss)	0	166	0	166
	0	**172**	**0**	**172**

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 2013:

	31.12.2013			
	Level 1	Level 2	Level 3	Total
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS				
Other original financial assets (at fair value not through profit and loss)	766	0	0	766
Other derivative financial assets (at fair value through profit and loss)	0	20	0	20
	766	**20**	**0**	**786**
LIABILITIES				
Other derivative financial liabilities (at fair value through profit and loss)	0	422	0	422
	0	**422**	**0**	**422**

8. SEGMENT REPORTING

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

	Ticketing		Live Entertainment		Total segments	
	30.06.2014 [EUR'000]	30.06.2013 [EUR'000]	30.06.2014 [EUR'000]	30.06.2013 [EUR'000]	30.06.2014 [EUR'000]	30.06.2013 [EUR'000]
External revenue	128,075	113,933	211,454	198,362	339,529	312,295
Internal revenue	19,764	19,535	33,928	41,583	53,692	61,118
Total revenue	**147,839**	**133,468**	**245,382**	**239,945**	**393,221**	**373,413**
Consolidation within the segment	-17,964	-17,747	-31,805	-40,161	-49,769	-57,908
Revenue after consolidation within the segment	**129,875**	**115,721**	**213,577**	**199,784**	**343,452**	**315,505**

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

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	30.06.2014 [EUR'000]	30.06.2013 [EUR'000]	30.06.2014 [EUR'000]	30.06.2013[1] [EUR'000]	30.06.2014 [EUR'000]	30.06.2013 [EUR'000]	30.06.2014 [EUR'000]	30.06.2013[1] [EUR'000]
Revenue	129,875	115,721	213,577	199,785	-3,923	-3,210	339,529	312,295
EBITDA	45,594	37,866	18,920	23,323	0	0	64,514	61,189
EBIT	33,555	27,832	17,563	22,038	0	0	51,118	49,870
Depreciation and amortisation	-12,038	-10,035	-1,358	-1,285	0	0	-13,396	-11,320
Financial result							-1,667	-2,294
Earnings before tax (EBT)							49,451	47,576
Taxes							-15,014	-14,506
Net income before non-controlling interest							34,437	33,070
Non-controlling interest							-4,168	-5,504
Net income after non-controlling interest							30,269	27,566
Average number of employees	1,458	1,192	506	464			1,964	1,656
Normalised EBITDA	46,112	40,082	18,920	23,323	0	0	65,032	63,405
Normalised EBIT before amortisation from purchase price allocation	39,146	34,963	17,824	22,301	0	0	56,970	57,264

[1] Adjusted prior-year figures due to the final purchase price allocation of Arena Management GmbH

9. OTHER DISCLOSURES

APPROPRIATION OF EARNINGS

The Annual Shareholders' Meeting on 8 May 2014 passed a resolution to distribute EUR 30.717 million (EUR 0.64 per eligible share) of the balance sheet profit of EUR 136.756 million as at 31 December 2013 to shareholders and allocated EUR 48.000 million to earnings reserve. Payment of this dividend was effected on 9 May 2014, and the remaining balance sheet profit of EUR 58.039 million was carried forward to the new account.

FINANCIAL OBLIGATIONS

There have been no material changes in contingent liabilities since 31 December 2013.

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

The transactions of the CTS Group with related parties pertain to reciprocal services and were concluded only at arm's-length conditions which normally apply between third parties. Mr. Klaus-Peter Schulenberg is the sole shareholder in EVENTIM Management AG, Hamburg, the majority shareholder of the CTS KGaA and controlling shareholder of other companies associated with the Group.

The contractual relationships with related parties resulted in the following goods and services being sold to and bought from related parties in the 2014 reporting period:

	30.06.2014	30.06.2013
	[EUR'000]	[EUR'000]
Goods and services supplied by the Group		
Subsidiaries not included in consolidation due to insignificance	205	404
Associated companies accounted for at equity	833	378
Other related parties	4,745	4,802
	5,783	**5,584**

	30.06.2014	30.06.2013
	[EUR'000]	[EUR'000]
Goods and services received by the Group		
Subsidiaries not included in consolidation due to insignificance	641	88
Associated companies accounted for at equity	1,711	744
Other related parties	9,290	8,580
	11,642	**9,412**

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 the interim Group 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, 27 August 2014

CTS EVENTIM AG & Co. KGaA,

represented by:

EVENTIM Management AG, the general partner

The Management Board

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 EVENTIM KGaA. These statements based on assumptions and estimates are in the form of forward-looking statements using terms such as: believe, assume, expect, etc. 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 EVENTIM 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 EVENTIM 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 this 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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