



**GROUP INTERIM REPORT  
AS AT 30 JUNE**

**2016**

eventim



# KEY GROUP FIGURES

	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015	Change
	[EUR'000]	[EUR'000]	[in %]
Revenue	421,774	419,710	0.5
EBITDA	81,036	79,065	2.5
EBITDA margin	19.2%	18.8%	0.4 pp
EBIT	66,037	64,362 <sup>1</sup>	2.6
EBIT margin	15.7%	15.3% <sup>1</sup>	0.4 pp
Normalised EBITDA	81,428	79,197	2.8
Normalised EBIT before amortisation from purchase price allocation	71,840	70,381	2.1
<i>Normalised EBITDA margin</i>	<i>19.3%</i>	<i>18.9%</i>	<i>0.4 pp</i>
<i>Normalised EBIT margin before amortisation from purchase price allocation</i>	<i>17.0%</i>	<i>16.8%</i>	<i>0.2 pp</i>
Non-recurring items <sup>3</sup>	392	133	194.7
Amortisation resulting from purchase price allocation	5,411	5,887 <sup>1</sup>	-8.1
Earnings before tax (EBT)	63,485	63,114 <sup>1,2</sup>	0.6
Net income after non-controlling interest	36,950	36,518 <sup>1,2</sup>	1.2
Cash flow	59,761	59,090 <sup>1,2</sup>	1.1
	[EUR]	[EUR]	
Earnings per share <sup>4</sup> , undiluted (= diluted)	0.39	0.38 <sup>1,2</sup>	
	[Qty.]	[Qty.]	
Number of employees <sup>5</sup>	2,316	2,169	
Of which temporary	(393)	(378)	

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

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

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

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

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

# CONTENT

1.	<b>LETTER TO THE SHAREHOLDERS</b>	<b>2</b>
2.	<b>CTS EVENTIM SHARES</b>	<b>4</b>
3.	<b>INTERIM GROUP MANAGEMENT REPORT</b>	<b>6</b>
4.	<b>INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2016</b>	<b>15</b>
	Consolidated balance sheet	15
	Consolidated income statement	17
	Consolidated statement of comprehensive income	19
	Consolidated statement of changes in shareholders' equity	21
	Consolidated cash flow statement (short form)	22
	Selected notes to the consolidated financial statements	23

# 1. LETTER TO THE SHAREHOLDERS



Klaus-Peter Schulenberg  
Chief Executive Officer

Ladies and Gentlemen,

We are able to look back on a positive first half of the current financial year. In the first half of the year, the CTS Group continued to record slight revenue growth of 0.5%, to EUR 421.8 million, compared to the very successful 2015 financial year. Normalised EBITDA increased by 2.8% to EUR 81.4 million. The high-margin Ticketing segment once again achieved double-digit year-on-year sales and earnings growth.

## CONTINUATION OF THE GROWTH COURSE

We continue to consistently pursue our international growth strategy. In South America, we successfully used ticketing for the 2016 Olympic Summer Games in Rio de Janeiro to enter the Latin American market. After reaching an agreement in April, the cooperation between CTS EVENTIM and Latin America's leading music label, Sony Music Entertainment, offers an optimum platform for further expansion in this promising events market with enormous potential. We also continued our growth course in Europe by signing a cooperation with Denmark's largest media company, Egmont, at the beginning of the second quarter. International expansion and the constant development of our product, service and technology portfolio will continue to be our strategic focus in the future. In this way, we will selectively examine and implement both organic and inorganic opportunities that open up to us, as we have done in the past.

## STRONG INCREASE IN E-COMMERCE

Our e-commerce activities once again turned out to be a main growth driver in the Ticketing segment in the first half of 2016. The number of tickets sold online increased by 21.7% to 18.1 million in the first half of 2016. Our new subsidiaries contributed around 0.8 million tickets to this volume growth. As a result, revenue in the Ticketing segment rose by 10.9% to EUR 161.3 million, and normalised EBITDA reached EUR 57.6 million. The progressing digitalisation offers us the remarkable potential to be able to rise to our customers' demands any time worldwide thanks to our high-performance systems. We are constantly evolving through continued innovation to keep meeting our customers' needs in the future.

## SPORT TICKETING – A SUCCESS FACTOR

Even beyond the Olympics, sport is, and will remain, an important driving force for CTS EVENTIM. In addition to large-scale international events, sport ticketing will continue to be influenced by partnerships and cooperation with more than 100 sports associations, clubs and organisers, whom we intend to continue winning over with our consistent development of new ticketing innovations. The most recent example of success is the long-term partnership between CTS EVENTIM Sports GmbH, Hamburg, and Deutscher Handballbund (Germany's Handball Association), which was agreed in July. The partnership covers ticketing for all home matches of the men's and women's national teams in addition to ticketing for the 2017 Women's World Championships in Germany and the 2019 Men's World Championships in Germany and Denmark. The agreement envisions a partnership with Deutscher Handballbund until at least 2020.

## WELL POSITIONED IN LIVE ENTERTAINMENT

In line with our expectations, business performance in the Live Entertainment segment in the first half of the year was not able to match the record set in 2015. Despite a smaller number of major tours, revenue fell by only 5.5% to EUR 261.9 million and EBITDA declined by 12.8% to EUR 23.8 million.

Along with the successful organisation and management of concerts with Paul McCartney, a-ha, Andreas Bourani, Sarah Connor, Adele, Andreas Gabalier and AC/DC, sold-out festivals also led to positive revenue effects. In spite of the weather-related difficulties that fans and promoters had to deal with at festivals in the season, they remain one of the most popular event formats around the world.

The venues we operate are also a major factor in the success of the Live Entertainment segment, as evidenced not least by this year's season at the Waldbühne in Berlin. Europe's most beautiful open-air theatre once again shined with various sold-out shows featuring national and international top acts, from Rammstein and Neil Young to star conductor and exceptional pianist Daniel Barenboim.

By increasing its shareholding to 50.2%, CTS EVENTIM secured a majority stake in FKP Scorpio Konzertproduktionen GmbH, Hamburg, in June 2016. This gives us direct access to an outstanding growth platform for established festivals and renowned artists in Europe. The completion of the transaction is still pending, awaiting the approval of the appropriate antitrust authorities.

The CTS Group will continue on its growth course and believes that it is very well positioned for the challenges ahead. The exceptional commitment of our employees, for which I would like to express my gratitude at this point, is the main foundation for this sustained success.

Yours sincerely,

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

Klaus-Peter Schulenberg  
Chief Executive Officer

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

## 2. CTS EVENTIM SHARES

The United Kingdom's surprising decision to leave the European Union unsettled European stock markets in the second quarter of the 2016 financial year. However, prices have been falling across European stock markets since the start of the year. This has been due to a number of factors, including upcoming bank stress tests, continued disappointment at Chinese economic development as well as the ongoing critical situation in the Middle East and North Africa and the resulting crisis in the European Union involving refugees fleeing these areas of conflict.

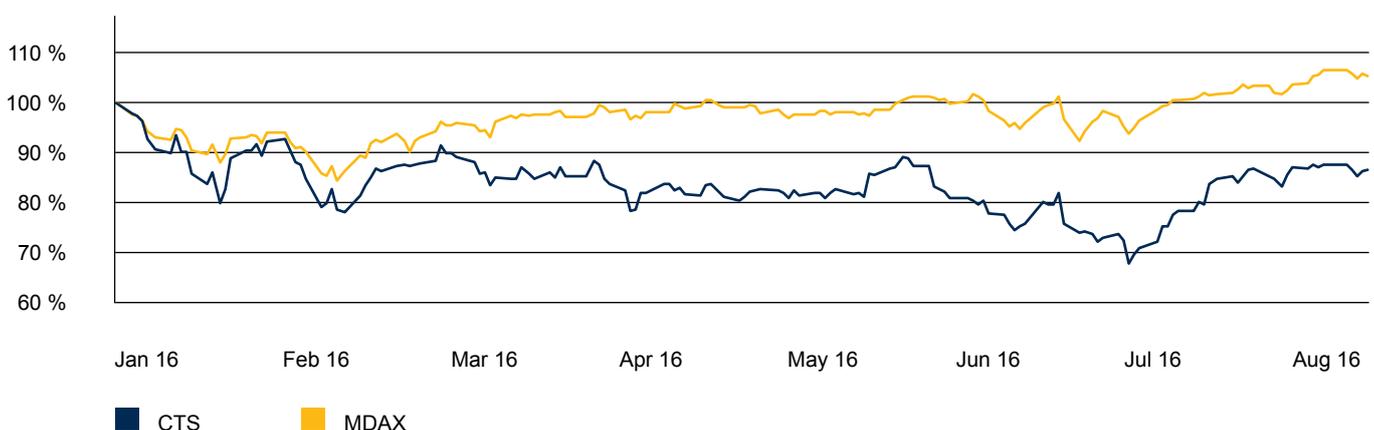
CTS EVENTIM shares were unable to escape these developments in the first six months of the 2016 financial year. Gaining by just under 20%, CTS EVENTIM AG & Co. KGaA (hereinafter: CTS KGaA) shares failed to match the performance of the MDAX index in the first half of the year. However, since the reporting date, this trend has been reversed. CTS EVENTIM shares have risen in value by 14.4% since the beginning of July, outperforming the MDAX's 8.8% rise over the same period (based on the valuation date to 19 August 2016). CTS EVENTIM shares maintain their reputation as a solid long-term investment. They rose in value by 52% in the 2015 financial year alone, significantly outperforming the MDAX (23%) and the DAX (10%).

The CTS Group's unchanged focus on growth and stable business model, coupled with the solid trend towards live music and ongoing digitalisation, are the long-term growth drivers for CTS EVENTIM shares. CTS KGaA will continue to pursue its strategy of international expansion and the continuous development of its product, service and technology portfolio in the future. In doing so, CTS KGaA will review and act on all organic and inorganic growth opportunities that may arise.

Financial analysts at various banks continue to rate CTS EVENTIM shares positively. Bankhaus Lampe, Bankhaus Metzler, Berenberg, Commerzbank, DZ Bank, M.M. Warburg and Oddo Seydler all issued buy recommendations for CTS EVENTIM shares, while Deutsche Bank recommends holding shares. There are no recommendations to sell.

CTS KGaA will be also represented at numerous national and international investor conferences in the second half of the 2016 financial year. Active dialogue with existing and prospective investors is a focal point of CTS EVENTIM's communications strategy, which will remain geared towards enhancing the excellent contact and transparent communications with capital market participants.

### THE CTS EVENTIM SHARE PRICE (01.01.2016 – 19.08.2016, INDEXED)



Number of shares held by members of executive organs as at 30 June 2016:

	Number of shares	Share
	[Qty.]	[in %]
<b>Members of the corporate management:</b>		
Klaus-Peter Schulenberg (Chief Executive Officer) / KPS Stiftung <sup>1</sup>	48,194,000	50.202
Volker Bischoff	0	0.000
Alexander Ruoff	8,000	0.008
<b>Members of the Supervisory Board <sup>2</sup>:</b>		
Edmund Hug (Chairman) until 9 May 2016	21,300	0.022
Dr. Bernd Kundrun (Chairman, since 9 May 2016)	14,600	0.015
Prof. Jobst W. Plog	3,900	0.004
Dr. Juliane Thümmel	4,004	0.004

<sup>1</sup> Mr. Klaus-Peter Schulenberg has an indirect holding in CTS KGaA via KPS Stiftung. On 28 December 2015, Klaus-Peter Schulenberg transferred 48,194,000 shares with voting rights of CTS KGaA (50.2% of share capital) as well as 50,000 shares with voting rights of EVENTIM Management AG (100% of share capital) to KPS Stiftung seated in Hamburg. According to the current administrative practice of the German Federal Financial Supervisory Authority (hereinafter: BaFin), there is no reporting obligation pursuant to § 15a of the German Securities Trading Act (WpHG) (Directors' Dealings), as the given transfer involves an endowment, or a transfer of shares without any consideration. BaFin has also provided KPS Stiftung with an exemption according to § 37 of the German Securities Acquisition and Takeover Act (WpÜG) from submitting a mandatory takeover offer according to § 35 WpÜG, as Klaus-Peter Schulenberg's holdings in CTS KGaA and EVENTIM Management AG are only being converted from a direct into an indirect holding.

<sup>2</sup> At the Annual Shareholders' Meeting of CTS KGaA on 9 May 2016 in Bremen, Dr. Kundrun (Chairman), Prof. Plog and Dr. Thümmel were elected to the Supervisory Board until the end of the Shareholders' Meeting which resolves on discharging the Supervisory Board for fiscal year 2018.

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

Name	Position	Transaction	Date	Number of shares
Edmund Hug	Member of Supervisory Board; until 9 May 2016	Purchase	22.01.2016	2,000

## 3. INTERIM GROUP MANAGEMENT REPORT

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

#### EARNINGS PERFORMANCE

	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	421,774	419,710	2,064	0.5
Gross profit	126,444	118,501 <sup>1</sup>	7,943	6.7
EBITDA	81,036	79,065	1,971	2.5
EBIT	66,037	64,362 <sup>1</sup>	1,675	2.6
<b>Non-recurring items:</b>				
Acquisition costs	392	133	259	194.7
Normalised EBITDA	81,428	79,197	2,231	2.8
Amortisation from purchase price allocation	5,411	5,887 <sup>1</sup>	-476	-8.1
Normalised EBIT before amortisation from purchase price allocation	71,840	70,381	1,459	2.1
Financial result	-2,552	-1,248 <sup>2</sup>	-1,304	-104.5
Earnings before tax (EBT)	63,485	63,114 <sup>1,2</sup>	371	0.6
Taxes	-20,599	-19,463 <sup>1</sup>	-1,136	-5.8
Non-controlling interest	-5,936	-7,133 <sup>1</sup>	1,197	16.8
Net income after non-controlling interest	36,950	36,518 <sup>1,2</sup>	432	1.2

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

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

## REVENUE GROWTH

The **CTS Group** generated EUR 421.774 million in revenue in the period under review, compared to EUR 419.710 million in previous year (+0.5%). Revenue (before consolidation between segments) breaks down into EUR 161.303 million in the Ticketing segment (previous year: EUR 145.447 million) and EUR 261.859 million in the Live Entertainment segment (previous year: EUR 277.206 million). The share of revenue generated by foreign subsidiaries was at 36.3% (previous year: 33.6%).

The **Ticketing segment** generated EUR 161.303 million in revenue in the period under review (before consolidation between segments), up 10.9% from EUR 145.447 million in previous year. Revenue increased due to an internet ticket volume growth in the reporting period. The total volume of online tickets sold increased by 3.2 million or 21.7% (thereof EUR 800 thousand from newly acquired subsidiaries) to 18.1 million (previous year: 14.9 million). The share of revenue generated by foreign subsidiaries was at 48.9% (previous year: 48.4%).

In the first half year of 2016, the **Live Entertainment segment** revenue decreased to EUR 261.859 million (previous year: EUR 277.206 million; -5.5%) due to a lack of major tours (e.g. AC/DC and Herbert Grönemeyer) compared to prior period.

## GROSS PROFIT

The gross profit of the **CTS Group** increased by EUR 7.943 million from EUR 118.501 million to EUR 126.444 million. The consolidated gross margin rose from 28.2% to 30.0%.

In the **Ticketing segment**, the gross margin was 56.0% compared to 56.4% in the same period last year.

In the **Live Entertainment segment**, the gross margin was 13.8% compared to 13.1% in the same period last year.

## NON-RECURRING ITEMS

Non-recurring items in the Ticketing segment caused a temporary drop of EUR 392 thousand (previous year: EUR 133 thousand) in **CTS Group** earnings in the period under review, due to implemented and planned acquisitions.

## NORMALISED EBITDA / EBITDA

Normalised **CTS Group** EBITDA increased by EUR 2.231 million or 2.8% to EUR 81.428 million (previous year: EUR 79.197 million). The normalised EBITDA margin was at 19.3% slightly above the prior year level of 18.9%. Foreign subsidiaries accounted for 29.4% of normalised EBITDA (previous year: 24.4%).

CTS Group EBITDA improved by EUR 1.971 million or 2.5% to EUR 81.036 million (previous year: EUR 79.065 million). The EBITDA margin increased to 19.2% (previous year: 18.8%).

In the **Ticketing segment**, the normalised EBITDA figure improved by EUR 5.723 million (+11.0%) to EUR 57.604 million (previous year: EUR 51.881 million). The ticket volume growth on the Internet both national and international contributed to this increase in earnings. In addition to a lack of income from currency translation compared to the same period last year, start-up and structuring expenses in the context of international expansion temporarily affected the operating results. Normalised EBITDA margin was at 35.7% at the previous year level (35.7%). The share of normalised EBITDA attributable to foreign companies increased year-on-year from 30.9% to 33.3% in the current reporting period.

In the Ticketing segment, EBITDA improved from EUR 51.748 million by 10.6% to EUR 57.212 million. The EBITDA margin fell slightly to 35.5% compared to previous year 35.6%.

In the **Live Entertainment segment**, EBITDA decreased from EUR 27.317 million in the previous year by EUR 3.493 million to EUR 23.824 million. The decrease resulted primarily from the lack of income from currency conversions and the lack of profit contributions from major tours. The EBITDA margin in the first six month 2016 decreased to 9.1% compared to 9.9% in the same period last year.

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

In the first half year of 2016, normalised **CTS Group** EBIT before amortisation from purchase price allocation rose by EUR 1.459 million from EUR 70.381 million to EUR 71.840 million. The normalised EBIT margin before amortisation from purchase price allocation increased from 16.8% to 17.0%.

Group EBIT figure, at EUR 66.037 million, is EUR 1.675 million higher year-on-year (previous year: EUR 64.362 million). Total depreciation and amortisation within the Group increased to EUR 14.998 million (previous year: EUR 14.703 million) and includes EUR 5.411 million (previous year: EUR 5.887 million) in amortisation from purchase price allocations for companies acquired from 2010 onwards. The EBIT margin rose to 15.7% (previous year: 15.3%).

In the **Ticketing segment**, the normalised EBIT before amortisation from purchase price allocation figure improved year-on-year by 10.4% to EUR 48.634 million from EUR 44.059 million. The normalised EBIT margin before amortisation from purchase price allocation, at 30.2%, was slightly lower year-on-year (previous year: 30.3%).

The EBIT improved compared to prior year by EUR 4.614 million from EUR 38.295 million to EUR 42.909 million (+12.0%). The EBIT margin was at 26.6% slightly higher than the 26.3% figure achieved in previous year.

In the **Live Entertainment segment** normalised EBIT before amortisation from purchase price allocation decreased to EUR 23.206 million compared to EUR 26.322 million (-11.8%) in previous year.

The EBIT decreased from EUR 26.067 million to EUR 23.128 million (-11.3%). The EBIT margin was 8.8% (previous year: 9.4%).

## FINANCIAL RESULT

The financial result, at EUR -2.552 million (previous year: EUR -1.248 million) mainly includes EUR 631 thousand in financial income (previous year: EUR 638 thousand), EUR 2.962 million in financial expenses (previous year: EUR 2.611 million), EUR -369 thousand in results from affiliated companies and associates accounted for at equity (previous year: EUR 710 thousand) and income from participations EUR 148 thousand (previous year: EUR 16 thousand).

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

As at 30 June 2016, earnings before tax (EBT) increased from EUR 63.114 million in previous year by EUR 371 thousand to EUR 63.485 million. After deduction of tax expenses and non-controlling interest, consolidated net income of EUR 36.950 million (previous year: EUR 36.518 million). Earnings per share (EPS) of EUR 0.39 was slightly above prior-year level (EUR 0.38).

## PERSONNEL

On average over the year to date, the companies in the CTS Group had a total of 2,240 employees on their payroll, including 374 part-time workers (previous year: 2,122, including 355 part-timers). Of that total, 1,638 are employed in the Ticketing segment (previous year: 1,541 employees) and 602 in the Live Entertainment segment (previous year: 581 employees). The increase in the number of employees in the Ticketing segment was mainly attributable to technological development and the expansion of the number of companies included in consolidation. This was offset by a decline at some ticketing companies. The increase in the Live Entertainment segment resulted primarily from temporary staff working part-time for the operation of the Lanxess Arena and Arena Berlin.

Personnel expenses increased to EUR 55.133 million (previous year: EUR 51.850 million; +6.3%). The Ticketing segment rose by EUR 3.477 million while in the Live Entertainment segment the decline was EUR -194 thousand.

## FINANCIAL POSITION

The main changes in **ASSETS** were decreases in cash and cash equivalents (EUR -140.791 million), short-term marketable securities and other investments (EUR -5.106 million), payments on account (EUR -3.629 million) and in short-term other financial assets (EUR -15.572 million). These decreases are offset by an increase in short-term other non-financial assets (EUR +5.756 million), in property, plant and equipment (EUR +3.708 million) and in goodwill (EUR +6.160 million).

**Cash and cash equivalents** in the CTS Group declined by EUR 140.791 million to EUR 360.026 million (31.12.2015: EUR 500.816 million). The cash outflow in the first half year 2016 relates among other things to the seasonal reduction of ticket monies paid in the Ticketing segment and to realisation and settlement of events in the Live Entertainment segment. Furthermore, the dividend payment to shareholders in the second quarter 2016 and the repayment of loans result to additional cash outflows.

Cash and cash equivalents at EUR 360.026 million (31.12.2015: EUR 500.816 million) include ticket monies from pre-sales for events in subsequent quarters (ticket monies not yet invoiced in the Ticketing segment), which are reported under other financial liabilities at EUR 164.963 million (31.12.2015: EUR 237.498 million); other financial assets also include receivables relating to ticket monies from presales in the Ticketing segment (EUR 27.653 million; 31.12.2015: EUR 40.963 million).

Short-term **Marketable securities and other investments** decreased by EUR 5.106 million because of the sale of short-term discount certificates.

The decrease in **payments on account** (EUR -3.629 million) relates to future events to be held in subsequent quarters in the Live Entertainment segment.

The short-term **other financial assets** decreased by EUR 15.572 million. The decline mainly results from the decrease in receivables relating to ticket revenue from presales in the Ticketing segment (EUR -13.310 million) and factoring receivables (EUR -5.266 million).

The short-term **other non-financial assets** increased by EUR 5.756 million. The increase results from higher VAT receivables (EUR +3.199 million) and deferred expenses (EUR +2.726 million).

**Property, plant and equipment** increased by EUR 3.708 million and **goodwill** rose by EUR 6.160 million. The goodwill includes the preliminary purchase price allocation of acquired companies in the Ticketing segment in the second quarter.

The main changes on the **SHAREHOLDERS' EQUITY AND LIABILITIES SIDE** were decreases in advance payments received (EUR -59.772 million), tax provisions (EUR -12.239 million) and short-term other financial liabilities (EUR -74.189 million). These decreases were offset by an increase in short-term financial liabilities (EUR +24.745 million) and medium- and long-term financial liabilities (EUR +4.732 million).

The **short-term financial liabilities** increased by EUR 24.745 million. In the reporting period taking up a loan and the timely reclassification of medium and long-term financial liabilities in short-term financial liabilities primarily led to an increase in short-term financial liabilities. Furthermore, purchase price obligations in respect of put options of existing non-controlling interest according to IAS 32 led to higher short-term financial liabilities.

The **advance payments received** in the Live Entertainment segment (EUR -59.772 million) declined, mainly due to a great number of events that will be held until 30 June 2016. The advanced payments received in the Live Entertainment segment are transferred to revenue, when the respective events have taken place.

**Tax provisions** decreased by EUR 12.239 million primarily due to the use of the provisions for the fiscal year 2015.

The EUR 74.189 million reduction in current **other financial liabilities** is predominantly due to lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment. Due to the strong fourth quarter at the end of each year, there is usually a large amount of liabilities for ticket monies not yet invoiced, which is then reduced over the course of the following year, when the events are held and invoiced.

The **medium and long-term financial liabilities** increased by EUR 4.732 million. The timely reclassification of medium and long-term financial liabilities to current financial liabilities are opposed by long-term purchase obligations from put options (put option; in accordance with IAS 32) of existing non-controlling interests and non-controlling interests of acquired companies.

**Shareholders' equity** declined by EUR 25.054 million to EUR 329.117 million. The positive net income is offset by dividend payments to shareholders, changes in currency differences and purchase price obligations in respect of put options of non-controlling interests (cf. Notes 3. accounting principles) recognised in shareholders' equity according to IAS 32.

The equity ratio (shareholders' equity divided by the balance sheet total) increased from 32.2% to 34.7%.

## CASH FLOW

The amount of cash and cash equivalents shown in the cash flow statement corresponds to the cash and cash equivalents stated in the balance sheet. Compared to the closing date of 31 December 2015, cash and cash equivalents decreased from EUR 500.816 million by EUR 140.791 million to EUR 360.026 million.

**Cash flow from operating activities** increased year-on-year by EUR 8.105 million from EUR -90.433 million to EUR -82.328 million.

This year-on-year increase in cash flow from operating activities was mainly the result of the changes in payments on account (EUR +2.803 million), in marketable securities and other investments (EUR +14.201 million), in receivables and other assets (EUR +12.886 million) and liabilities (EUR +1.900 million). The increase was offset by negative cash flow effects resulting from paid income taxes (EUR -23.717 million).

The negative cash flow effect arising from the change in **paid income taxes** (EUR -23.717 million) is mainly the result of subsequent advance tax payments for the previous year and prepayments done in the second half of 2015.

The positive cash flow effect from the change in **payments on account** (EUR +2.803 million) mainly relates to a higher reduction in payment on accounts in the Live Entertainment segment in the reporting period.

The positive cash flow effect from the development of **marketable securities and other investments** of EUR 14.201 million is due to the sale of short-term discount certificates.

The positive cash flow effect of EUR 12.886 million deriving from changes in **receivables and other assets** is mainly the result of a higher reduction in receivables relating to ticket monies from presales in the reporting period in the Ticketing segment and a lower increase in trade receivables compared to previous year.

The positive cash flow effect arising from the change in **liabilities** (EUR +1.900 million) is mainly due to a lower payments of liabilities for ticket monies not yet invoiced in the Ticketing segment and a lower reduction of advanced payments received in the Live Entertainment segment. Negative cash flow effects result from the reduction in trade payables in the reporting period compared to the significant increase of liabilities from major tours in the previous year especially in the Live Entertainment segment.

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

Negative **cash flow from investing activities** increased year-on-year from EUR -9.497 million by EUR -8.526 million to EUR -18.023 million. The increase in cash flow from investing activities mainly results from higher investments in intangible assets and in property, plant and equipment as well as payments related to newly acquired companies.

The **cash flow from financing activities** decreased year-on-year from EUR -58.581 million by EUR 17.639 million to EUR -40.942 million. The positive change in cash flow from financing activities mainly relates to financial loans taken out in the reporting period. Furthermore, lower redemptions of financial liabilities were made. Furthermore, higher dividend payments to shareholders had a negative cash flow effect in the reporting period.

The changes in **net increase/decrease in cash and cash equivalents due to currency translation** of EUR -7.908 million resulted mainly from the appreciation of the Swiss franc in the same period last year.

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

## 2. CORPORATE GOVERNANCE DECLARATION

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

## 3. REPORT ON EXPECTED FUTURE DEVELOPMENT

According to the European Commission, the UK's vote to leave the European Union (EU) on 23 June 2016 will jeopardise the recovery recently observed in the eurozone. Political and economic uncertainty following the 'Brexit' vote in particular has dampened growth prospects. The European Commission had forecast an average growth of 1.7% in 2016 and 2017 in its spring guidance, but now it only anticipates a 1.5% to 1.6% rise in gross domestic product in 2016 and a 1.3% to 1.5% increase in 2017 – depending on the outcome and duration of the negotiations between the EU and the UK. The European Commission expects an even sharper downturn in economic growth in the UK. Instead of 1.8% in 2016 and 1.9% in 2017, which had been forecast in spring, the European Commission now expects growth of 1.3% to 1.6% in 2016 and -0.3% to 1.1% in 2017 following the 'Brexit' vote. The resulting uncertainty will put pressure on private consumption and exports, the European Commission believes.

According to the International Monetary Fund (IMF), the global economy will also be impacted by the 'Brexit' vote. The IMF lowered its April growth forecast by 0.1 percentage points per year to 3.1% for 2016 and 3.4% for 2017. Political, economic and institutional uncertainty as a result of the British referendum is the key factor in weaker economic growth, the IMF believes. The Kiel Institute for the World Economy (IfW) also does not expect any significant increase in momentum despite the slight growth of the global economy as a whole. The IfW believes that growth in industrialised economies will remain moderate. It also finds that growth momentum caused by low oil prices is gradually fading, while the slight increase in commodity prices is improving the prospects of many emerging economies.

In Germany, the robust economic upturn is continuing according to the Ifo Institute for Economic Research, based in Munich. This institute is forecasting growth of 1.8% in 2016 and 1.6% in 2017. It sees domestic demand as a strong driver of growth and believes that private consumption is benefiting from favourable employment figures and rising transfer income.

The **CTS Group** increased revenue and earnings by a significant margin to new record-breaking levels in the 2015 financial year, exceeding forecasts for key figures. The CTS Group continues to anticipate solid business performance in the current financial year, with the business model in robust shape and sustainable. Online ticketing and international expansion continue to drive growth. The CTS Group also sees a great deal of growth potential in South America, besides the ticketing process for the Olympic Summer Games in Rio de Janeiro. CTS EVENTIM has already established an excellent position in Brazil thanks to the successful joint venture with Sony Music Entertainment. In addition, it is constantly reviewing strategic opportunities for cooperation and acquisitions in the international ticketing and live entertainment market, particularly in Russia and Europe.

In the **Ticketing segment**, the focus will remain on the systematic implementation of the profitable E-Commerce strategy. CTS EVENTIM's globally leading online ticketing systems are constantly proving their worth, as shown once again by the ticketing system successfully implemented for the 2016 Olympic Summer Games. The continuous improvement of the online store is another cornerstone of growth in this segment. The trend towards the usage of online services on mobile devices is becoming increasingly important, and CTS EVENTIM already holds a solid market position here with its iPhone and Android ticket apps. Unique services such as 3D seating plans are available for an increasing number of venues and are making it increasingly easier for customers to find the right tickets. Constant improvement in the analysis of ticket portal user data allows services to be tailored to customers' demands. In EVENTIM Analytics, the CTS Group also possesses a tool that enables organisers to significantly boost the efficiency of their marketing strategy. By continuing to develop innovations and new products and services, CTS EVENTIM will further extend its position as the world's second-largest ticketing provider in the current financial year.

In the wake of 2015's record-breaking result with an unusually high number of major tours, business performance is only expected to be moderate in the current financial year in the **Live Entertainment segment**. The large network of subsidiaries and participations in the Live Entertainment segment will also be expanded moving forward. We believe that we are very well positioned in the Live Entertainment segment thanks to our portfolio of venues and a unique offering of appealing music, cultural, sporting and leisure events.

In the Live Entertainment segment both acquisitions and share purchases of existing subsidiaries are planned as part of a strategic and geographic market expansion.

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

#### **4. RISK AND OPPORTUNITIES REPORT**

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

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

#### **5. RELATED PARTY DISCLOSURES**

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

Bremen, 25 August 2016

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 2016

### CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2016 (IFRS)

ASSETS	30.06.2016	31.12.2015
	[EUR]	[EUR]
<b>Current assets</b>		
Cash and cash equivalents	360,025,715	500,816,217
Marketable securities and other investments	771,524	5,877,799
Trade receivables	33,572,435	34,001,185
Receivables from affiliated and associated companies accounted for at equity	7,462,882	4,746,267
Inventories	1,982,260	2,074,026
Payments on account	24,213,439	27,842,808
Receivables from income tax	4,596,428	4,984,630
Other financial assets	43,579,918	59,151,666
Other non-financial assets	17,568,502	11,812,594
<b>Total current assets</b>	<b>493,773,103</b>	<b>651,307,192</b>
<b>Non-current assets</b>		
Property, plant and equipment	24,282,257	20,573,962
Intangible assets	107,543,186	107,513,493
Investments	2,958,652	2,965,734
Investments in associates accounted for at equity	17,906,168	19,485,832
Loans	181,393	190,835
Trade receivables	2,684	22,264
Receivables from affiliated companies and associated companies accounted for at equity	1,409,819	1,533,917
Marketable securities and other investments	1,000,000	1,000,000
Other financial assets	2,639,804	3,429,159
Other non-financial assets	25,004	26,015
Goodwill	284,382,820	278,222,458
Deferred tax assets	12,821,865	12,208,485
<b>Total non-current assets</b>	<b>455,153,652</b>	<b>447,172,154</b>
<b>Total assets</b>	<b>948,926,755</b>	<b>1,098,479,346</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<b>[EUR]</b>	<b>[EUR]</b>
<b>Current liabilities</b>		
Short-term financial liabilities	41,366,689	16,621,451
Trade payables	76,580,242	79,942,316
Payables to affiliated and associated companies accounted for at equity	1,342,129	597,675
Advance payments received	94,051,961	153,824,211
Other provisions	8,212,066	10,711,870
Tax provisions	15,253,535	27,492,725
Other financial liabilities	171,468,026	245,656,555
Other non-financial liabilities	47,510,289	52,778,505
<b>Total current liabilities</b>	<b>455,784,937</b>	<b>587,625,308</b>
<b>Non-current liabilities</b>		
Medium- and long-term financial liabilities	137,294,902	132,562,780
Other financial liabilities	708,110	766,845
Other non-financial liabilities	164,731	0
Pension provisions	12,623,961	9,914,857
Deferred tax liabilities	13,233,125	13,438,090
<b>Total non-current liabilities</b>	<b>164,024,829</b>	<b>156,682,572</b>
<b>Shareholders' equity</b>		
Share capital	96,000,000	96,000,000
Capital reserve	1,890,047	1,890,047
Statutory reserve	7,200,000	7,200,000
Retained earnings	193,379,776	225,961,993
Treasury stock	-52,070	-52,070
Non-controlling interest	31,129,997	20,880,626
Total comprehensive income	-3,232,616	-1,905,806
Currency differences	2,801,855	4,196,676
<b>Total shareholders' equity</b>	<b>329,116,989</b>	<b>354,171,466</b>
<b>Total shareholders' equity and liabilities</b>	<b>948,926,755</b>	<b>1,098,479,346</b>

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD  
FROM 1 JANUARY TO 30 JUNE 2016 (IFRS)**

	<b>01.01.2016 - 30.06.2016</b>	<b>01.01.2015 - 30.06.2015</b>	<b>Change</b>
	<b>[EUR]</b>	<b>[EUR]</b>	<b>[EUR]</b>
Revenue	421,774,128	419,709,754	2,064,374
Cost of sales	-295,329,829	-301,208,342 <sup>1</sup>	5,878,513
<b>Gross profit</b>	<b>126,444,299</b>	<b>118,501,412 <sup>1</sup></b>	<b>7,942,887</b>
Selling expenses	-38,101,014	-35,360,033 <sup>1</sup>	-2,740,981
General administrative expenses	-24,651,232	-24,205,629 <sup>1</sup>	-445,603
Other operating income	7,977,881	10,393,298	-2,415,417
Other operating expenses	-5,632,678	-4,967,091	-665,587
<b>Operating profit (EBIT)</b>	<b>66,037,256</b>	<b>64,361,957 <sup>1</sup></b>	<b>1,675,299</b>
Income / expenses from participations	148,436	15,656	132,780
Income / expenses from investments in associates accounted for at equity	-369,116	709,736 <sup>2</sup>	-1,078,852
Financial income	630,863	637,589	-6,726
Financial expenses	-2,962,721	-2,610,580	-352,141
<b>Earnings before tax (EBT)</b>	<b>63,484,718</b>	<b>63,114,358 <sup>1,2</sup></b>	<b>370,360</b>
Taxes	-20,598,511	-19,463,487 <sup>1</sup>	-1,135,024
<b>Net income before non-controlling interest</b>	<b>42,886,207</b>	<b>43,650,871 <sup>1,2</sup></b>	<b>-764,664</b>
Thereof attributable to non-controlling interest	-5,935,929	-7,132,722 <sup>1</sup>	1,196,793
<b>Net income after non-controlling interest</b>	<b>36,950,278</b>	<b>36,518,149 <sup>1,2</sup></b>	<b>432,129</b>
Earnings per share (in EUR); undiluted (= diluted)	0.39	0.38 <sup>1,2</sup>	
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million	

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

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

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD  
FROM 1 APRIL TO 30 JUNE 2016 (IFRS)**

	<b>01.04.2016 - 30.06.2016</b>	<b>01.04.2015 - 30.06.2015</b>	<b>Change</b>
	<b>[EUR]</b>	<b>[EUR]</b>	<b>[EUR]</b>
Revenue	258,564,615	267,983,437	-9,418,822
Cost of sales	-192,422,798	-204,232,764 <sup>1</sup>	11,809,966
<b>Gross profit</b>	<b>66,141,817</b>	<b>63,750,673 <sup>1</sup></b>	<b>2,391,144</b>
Selling expenses	-20,813,106	-18,066,097 <sup>1</sup>	-2,747,009
General administrative expenses	-12,906,934	-12,024,820 <sup>1</sup>	-882,114
Other operating income	4,874,007	4,022,601	851,406
Other operating expenses	-2,576,911	-3,167,493	590,582
<b>Operating profit (EBIT)</b>	<b>34,718,873</b>	<b>34,514,864 <sup>1</sup></b>	<b>204,009</b>
Income / expenses from participations	14,868	15,656	-788
Income / expenses from investments in associates accounted for at equity	-409,940	175,809 <sup>2</sup>	-585,749
Financial income	390,035	202,216	187,819
Financial expenses	-1,127,951	-1,260,755	132,804
<b>Earnings before tax (EBT)</b>	<b>33,585,885</b>	<b>33,647,790 <sup>1,2</sup></b>	<b>-61,905</b>
Taxes	-11,560,108	-10,592,891 <sup>1</sup>	-967,217
<b>Net income before non-controlling interest</b>	<b>22,025,777</b>	<b>23,054,899 <sup>1,2</sup></b>	<b>-1,029,122</b>
Thereof attributable to non-controlling interest	-3,662,602	-4,955,289 <sup>1</sup>	1,292,687
<b>Net income after non-controlling interest</b>	<b>18,363,175</b>	<b>18,099,610 <sup>1,2</sup></b>	<b>263,565</b>
Earnings per share (in EUR); undiluted (= diluted)	0.19	0.19 <sup>1,2</sup>	
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million	

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

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD  
FROM 1 JANUARY TO 30 JUNE 2016 (IFRS)**

	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	42,886,207	43,650,871 <sup>1,2</sup>	-764,664
Remeasurement of the net defined benefit obligation for pension plans	-2,180,564	-1,338,572	-841,992
<b>Items that will not be reclassified to profit or loss</b>	<b>-2,180,564</b>	<b>-1,338,572</b>	<b>-841,992</b>
Exchange differences on translating foreign subsidiaries	-1,409,878	5,043,063	-6,452,941
Changes from the measurement of available-for-sale financial assets	-38,914	1,350	-40,264
Cash flow hedges	38,403	6,082	32,321
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>	<b>-1,410,389</b>	<b>5,050,495</b>	<b>-6,460,884</b>
<b>Other results</b>	<b>-3,590,953</b>	<b>3,711,923</b>	<b>-7,302,876</b>
<b>Total comprehensive income</b>	<b>39,295,254</b>	<b>47,362,794 <sup>1,2</sup></b>	<b>-8,067,540</b>
<b>Total comprehensive income attributable to</b>			
Shareholders of CTS KGaA	34,228,647	39,829,121 <sup>1,2</sup>	
Non-controlling interest	5,066,607	7,533,673 <sup>1,2</sup>	

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

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD  
FROM 1 APRIL TO 30 JUNE 2016 (IFRS)**

	01.04.2016 - 30.06.2016	01.04.2015 - 30.06.2015	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	22,025,777	23,054,899 <sup>1,2</sup>	-1,029,122
Remeasurement of the net defined benefit obligation for pension plans	-1,101,693	682,602	-1,784,295
<b>Items that will not be reclassified to profit or loss</b>	<b>-1,101,693</b>	<b>682,602</b>	<b>-1,784,295</b>
Exchange differences on translating foreign subsidiaries	12,852	1,622,947	-1,610,095
Changes from the measurement of available-for-sale financial assets	9,242	-5,463	14,705
Cash flow hedges	123,938	-27,458	151,396
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>	<b>146,032</b>	<b>1,590,026</b>	<b>-1,443,994</b>
<b>Other results</b>	<b>-955,661</b>	<b>2,272,628</b>	<b>-3,228,289</b>
<b>Total comprehensive income</b>	<b>21,070,116</b>	<b>25,327,527 <sup>1,2</sup></b>	<b>-4,257,411</b>
<b>Total comprehensive income attributable to</b>			
Shareholders of CTS KGaA	17,801,225	20,303,191 <sup>1,2</sup>	
Non-controlling interest	3,268,891	5,024,336 <sup>1,2</sup>	

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

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

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

	Share capital	Capital reserve	Statutory reserve	Retained earnings	Treasury stock	Non-controlling interest	Other comprehensive income	Currency differences	Total shareholders' equity
	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]	[EUR]
<b>Status 01.01.2015</b>	<b>96,000,000</b>	<b>1,890,047</b>	<b>5,218,393</b>	<b>178,109,800</b>	<b>-52,070</b>	<b>18,854,562</b>	<b>-1,920,518</b>	<b>2,188,682</b>	<b>300,288,896</b>
Dividends to non-controlling interest	0	0	0	0	0	-3,038,279	0	0	-3,038,279
Dividends to shareholders' of CTS KGaA	0	0	0	-38,396,520	0	0	0	0	-38,396,520
Consolidated net income	0	0	0	36,518,149 <sup>1,2</sup>	0	7,132,722 <sup>12</sup>	0	0	43,650,871 <sup>1,2</sup>
Available-for-sale financial assets	0	0	0	0	0	0	1,350	0	1,350
Cash flow hedges	0	0	0	0	0	0	6,082	0	6,082
Foreign exchange differences	0	0	0	0	0	1,112,191	0	3,930,872	5,043,063
Remeasurement of the net defined benefit obligation for pension plans	0	0	0	0	0	-711,240	-627,332	0	-1,338,572
<b>Status 30.06.2015</b>	<b>96,000,000</b>	<b>1,890,047</b>	<b>5,218,393</b>	<b>176,231,429 <sup>1,2</sup></b>	<b>-52,070</b>	<b>23,349,956 <sup>12</sup></b>	<b>-2,540,418</b>	<b>6,119,554</b>	<b>306,216,891 <sup>1,2</sup></b>
<b>Status 01.01.2016</b>	<b>96,000,000</b>	<b>1,890,047</b>	<b>7,200,000</b>	<b>225,961,993</b>	<b>-52,070</b>	<b>20,880,626</b>	<b>-1,905,806</b>	<b>4,196,676</b>	<b>354,171,466</b>
Change in the scope of consolidation	0	0	0	-25,376,497	0	7,344,492	0	0	-18,032,005
Dividends to non-controlling interest	0	0	0	0	0	-2,161,728	0	0	-2,161,728
Dividends to shareholders' of CTS KGaA	0	0	0	-44,155,998	0	0	0	0	-44,155,998
Consolidated net income	0	0	0	36,950,278	0	5,935,929	0	0	42,886,207
Available-for-sale financial assets	0	0	0	0	0	0	-38,914	0	-38,914
Cash flow hedges	0	0	0	0	0	2,582	35,821	0	38,403
Foreign exchange differences	0	0	0	0	0	-15,057	0	-1,394,821	-1,409,878
Remeasurement of the net defined benefit obligation for pension plans	0	0	0	0	0	-856,847	-1,323,717	0	-2,180,564
<b>Status 30.06.2016</b>	<b>96,000,000</b>	<b>1,890,047</b>	<b>7,200,000</b>	<b>193,379,776</b>	<b>-52,070</b>	<b>31,129,997</b>	<b>-3,232,616</b>	<b>2,801,855</b>	<b>329,116,989</b>

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

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

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD  
FROM 1 JANUARY TO 30 JUNE 2016 (IFRS) (SHORT FORM)**

	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015	Change
	[EUR]	[EUR]	[EUR]
Net income after non-controlling interest	36,950,278	36,518,149 <sup>1,2</sup>	432,129
Non-controlling interest	5,935,929	7,132,722 <sup>1</sup>	-1,196,793
Depreciation and amortisation on fixed assets	14,998,400	14,702,613 <sup>1</sup>	295,787
Changes in pension provisions	2,709,104	2,239,830	469,274
Deferred tax expenses / income	-832,315	-1,503,610 <sup>1</sup>	671,295
<b>Cash flow</b>	<b>59,761,396</b>	<b>59,089,704 <sup>1</sup></b>	<b>671,692</b>
Other non-cash transactions	384,446	-2,077,872 <sup>1</sup>	2,462,318
Book profit / loss from disposal of fixed assets	-838,664	-14,156	-824,508
Interest expenses / Interest income	1,454,071	1,579,396	-125,325
Income tax expenses	21,430,826	20,967,097	463,729
Interest received	454,801	561,483	-106,682
Interest paid	-1,481,169	-1,599,020	117,851
Income tax paid	-32,765,874	-9,049,195	-23,716,679
Increase (-) / decrease (+) in inventories	98,259	687,781	-589,522
Increase (-) / decrease (+) in payments on account	3,651,543	848,286	2,803,257
Increase (-) / decrease (+) in marketable securities and other investments	5,106,275	-9,095,004	14,201,279
Increase (-) / decrease (+) in receivables and other assets	14,337,214	1,451,406	12,885,808
Increase (+) / decrease (-) in provisions	-2,376,954	-338,776	-2,038,178
Increase (+) / decrease (-) in liabilities	-151,544,096	-153,444,489	1,900,393
<b>Cash flow from operating activities</b>	<b>-82,327,926</b>	<b>-90,433,359</b>	<b>8,105,433</b>
<b>Cash flow from investing activities</b>	<b>-18,022,978</b>	<b>-9,497,428</b>	<b>-8,525,550</b>
<b>Cash flow from financing activities</b>	<b>-40,942,134</b>	<b>-58,581,442</b>	<b>17,639,308</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>-141,293,038</b>	<b>-158,512,229</b>	<b>17,219,191</b>
Net increase / decrease in cash and cash equivalents due to currency translation	502,536	8,410,686	-7,908,150
Cash and cash equivalents at beginning of period	500,816,217	505,842,631	-5,026,414
<b>Cash and cash equivalents at end of period</b>	<b>360,025,715</b>	<b>355,741,088</b>	<b>4,284,627</b>
<b>Composition of cash and cash equivalents</b>			
Cash and cash equivalents	360,025,715	355,741,088	4,284,627
<b>Cash and cash equivalents at end of period</b>	<b>360,025,715</b>	<b>355,741,088</b>	<b>4,284,627</b>

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

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

## SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. PRELIMINARY STATEMENTS

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

This Group interim report of CTS KGaA and its subsidiaries for the first six months of the 2016 financial year was approved for publication by resolution of the Management Board of EVENTIM Management AG on 25 August 2016.

### 2. REPORTING PRINCIPLES

The present, unaudited Group interim report as at 30 June 2016 was prepared in compliance with the International Financial Reporting Standards (IFRS) for interim financial reporting, as they apply in the European Union (IAS 34 'Interim Financial Reporting'), and in accordance with the applicable regulations in the Securities Trading Act (Wertpapierhandelsgesetz – WpHG). A condensed form of report compared to the Annual Report as at 31 December 2015 was chosen, as provided for in IAS 34. The Group interim report should be read in conjunction with the consolidated financial statements as at 31 December 2015. The Group interim report contains all the information required to give a true and fair view of the earnings performance and financial position of the company. Consolidated financial statements reflecting applicable HGB principles were not prepared.

The comparative figures in the income statements relate to the adjusted Group interim report as at 30 June 2015, and those in the balance sheet to the consolidated financial statements as at 31 December 2015. The final purchase price allocation of the Italian ticketing business Listicket acquired in July 2014 and the final purchase price allocation of SETP/HOI Holding B.V., Amsterdam acquired in October 2014 caused adjustments to the comparative figures. Detailed explanations are provided in the purchase price allocations section 4.3 of the notes.

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

### 3. NOTES CONCERNING ACCOUNTING PRINCIPLES AND METHODS

#### ACCOUNTING PRINCIPLES AND METHODS

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

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

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

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

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

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

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

## 4. BUSINESS COMBINATIONS AND JOINT VENTURES

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

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

#### CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes occurred in the scope of consolidation in the reporting period and/or in relation to the 30 June 2015 closing date:

#### FULLY CONSOLIDATED COMPANIES

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

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

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

At the beginning of March 2016, the CTS KGaA took over 100% of the shares in the shelf company Eventim Sony Holding Ltd., London, at its nominal value of USD 3,562.00. At the beginning of April 2016 CTS KGaA and Sony Music Entertainment have entered into a cooperation to provide ticketing services. As part of the cooperation Sony Music Entertainment and the CTS KGaA each hold 50% of the shares in Eventim Sony Holding Ltd., London. The CTS KGaA secured over substantive rights the controlling interest in Eventim Sony Holding Ltd., London. Via the Eventim Sony Holding Ltd., London, and its operating subsidiary Eventim Brasil Sao Paulo Sistemas e Servicos de Ingressos Ltda., Sao Paulo, (hereinafter: Eventim Brasil Sao Paulo) the business operations started in April. The Eventim Sony Holding Ltd., London, holds 99.9% of the newly founded Eventim Brasil Sao Paulo. The remaining 0.1% stake in Eventim Brasil Sao Paulo is held by CTS Eventim Sports GmbH, Hamburg. The Eventim Brasil Sao Paulo will provide ticketing services in the brasilian market.

The transaction agreement with Nordisk Film A/S, Copenhagen, Denmark, which belongs to the Danish Egmont Group, was executed on 5 April 2016. The agreement concerns the formation of a holding company in Denmark, which is used in the future to provide via its subsidiaries jointly ticketing services in Scandinavia and take a leading market position in Denmark, Sweden and Norway. CTS KGaA holds the controlling influence in Venuepoint Holding A/S, Copenhagen, (hereinafter: Venuepoint Holding) with a 50% share of voting rights through substantive rights as well as 100% in its subsidiaries (multi-level group). As part of the transaction, CTS KGaA also transferred 100% of shares in Eventim Sweden AB, Stockholm, Sweden, to Venuepoint Holding at fair value. The consideration transferred for the acquisition, which comprises a purchase price payment and the issuance of shares in Venuepoint Holding, amounts to EUR 9.794 million.

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

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

The following changes in the scope of consolidation occurred during the reporting period and/or in relation to the 30 June 2015 closing date:

CTS Eventim Schweiz AG, Rümlang, incorporated on 12 April 2016 ALL IN ONE Communication AG, Opfikon, Switzerland and owns 80% of shares in the company. The incorporation became effective with the entry in the commercial register on 11 May 2016. Purpose of the company is provision of services and advice in the field of advertising, communications and media relations, in particular in connection with the marketing of shows, events and similar occasions, advertising and public relations.

## 4.3 PURCHASE PRICE ALLOCATIONS

### PROVISIONAL PURCHASE PRICE ALLOCATION OF VENUEPOINT HOLDING

Venuepoint Holding provides ticketing services with its subsidiaries (hereinafter: Venuepoint Holding Group) in Denmark, Sweden and Norway.

Since its initial consolidation on 5 April 2016 the Venuepoint Holding Group has generated revenue of EUR 1.587 million and earnings of EUR -313 thousand. Cash equivalents of EUR 78 thousand were taken over in the course of acquisition of this group.

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

	Fair value at the time of initial consolidation - provisional purchase price allocation -
	[EUR'000]
Cash and cash equivalents	78
Trade receivables	555
Other assets	7,847
<b>Total current assets</b>	<b>8,480</b>
Property, plant and equipment	28
Intangible assets	4,633
Deferred tax assets	38
<b>Total non-current assets</b>	<b>4,699</b>
Trade payables	-4,543
Other liabilities	-4,339
<b>Total current liabilities</b>	<b>-8,882</b>
Deferred tax liabilities	-860
<b>Total non-current liabilities</b>	<b>-860</b>
<b>Total net assets</b>	<b>3,437</b>

Assets and liabilities were recognised at the fair value in the provisional purchase price allocation. At the time of initial consolidation, intangible assets (customer base and trademark) with the fair value of EUR 3.908 million. Deferred tax liabilities of EUR 860 thousand were recorded on the temporary difference arising from the remeasurement of the intangible assets.

As at 30 June 2016 the purchase price allocation is still provisional because investigations regarding intangible assets and the assessment of legal aspects are still pending. The fair value of assets and liabilities will be conclusively determined with the first twelve month of the acquisition.

The present value of trade receivables amounted to EUR 555 thousand; there were no allowances for bad debts.

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

	[EUR'000]
<b>Consideration transferred</b>	<b>9,794</b>
Cash and cash equivalents	78
Trade receivables	555
Other assets	7,847
Property, plant and equipment	28
Intangible assets	4,633
Deferred tax assets	38
Trade payables	-4,543
Other liabilities	-4,339
Deferred tax liabilities	-860
<b>Total net assets / shareholders' equity</b>	<b>3,437</b>
<b>Goodwill</b>	<b>6,357</b>

The CTS KGaA acquires a voting interest of 50% by substantive rights the controlling interest on the Venuepoint Holding and 100% of its subsidiaries (multi-level Group). Within this transaction, the CTS KGaA, transfers 100% of the shares in CTS Eventim Sweden AB, Stockholm, at fair value to Venuepoint Holding; the resulting reduction to 50% shareholding in CTS Eventim Sweden AB, Stockholm, provides an equity transaction, because no loss of control of the company occurred (IFRS 10.23). The fair value of ownership reduction of 50% in CTS Eventim Sweden AB, Stockholm, is EUR 900 thousand.

According to IFRS 3 (full consolidation of a multi-level group) the consideration transferred at the level of Venuepoint Holding is to be determined. The contribution transferred is composed of the purchase price of EUR 4.255 million and the fair value of 50% of the shares of Venuepoint Holding after contributing the operations of CTS Eventim Sweden AB, Stockholm, and the subsidiaries of Venuepoint Holding, to Nordisk Film A/S, Copenhagen, in the amount of EUR 5.539 million. The contribution for the entire acquisition was EUR 9.794 million. The participation of Nordisk Film A/S, Copenhagen, in Venuepoint Holding was recorded at cost in non-controlling interests.

The difference between the consideration transferred (EUR 9.794 million) and the net assets (EUR 6.357 million) was allocated to goodwill and mainly reflects future synergy effects and growth potentials. The goodwill is not tax deductible.

If Venuepoint Holding Group had been acquired at the beginning of the year 2016, the group would have contributed EUR 3.320 million to revenue and EUR -523 thousand to earnings in the Ticketing segment.

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

As at 30 June 2016 the purchase price allocation for kinoheld was still provisional because investigations regarding the intangible assets and assessment of legal aspects are still pending. An overview of the fair values of the respective balance sheet items as of initial consolidation is shown in the notes of the Annual Report 2015.

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

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

The comparative figures in the income statement and balance sheet as at 30 June 2015 had to be adjusted on account of the final purchase price allocation of the italian ticketing business Listicket and of SETP/HOI Holding B.V., Amsterdam.

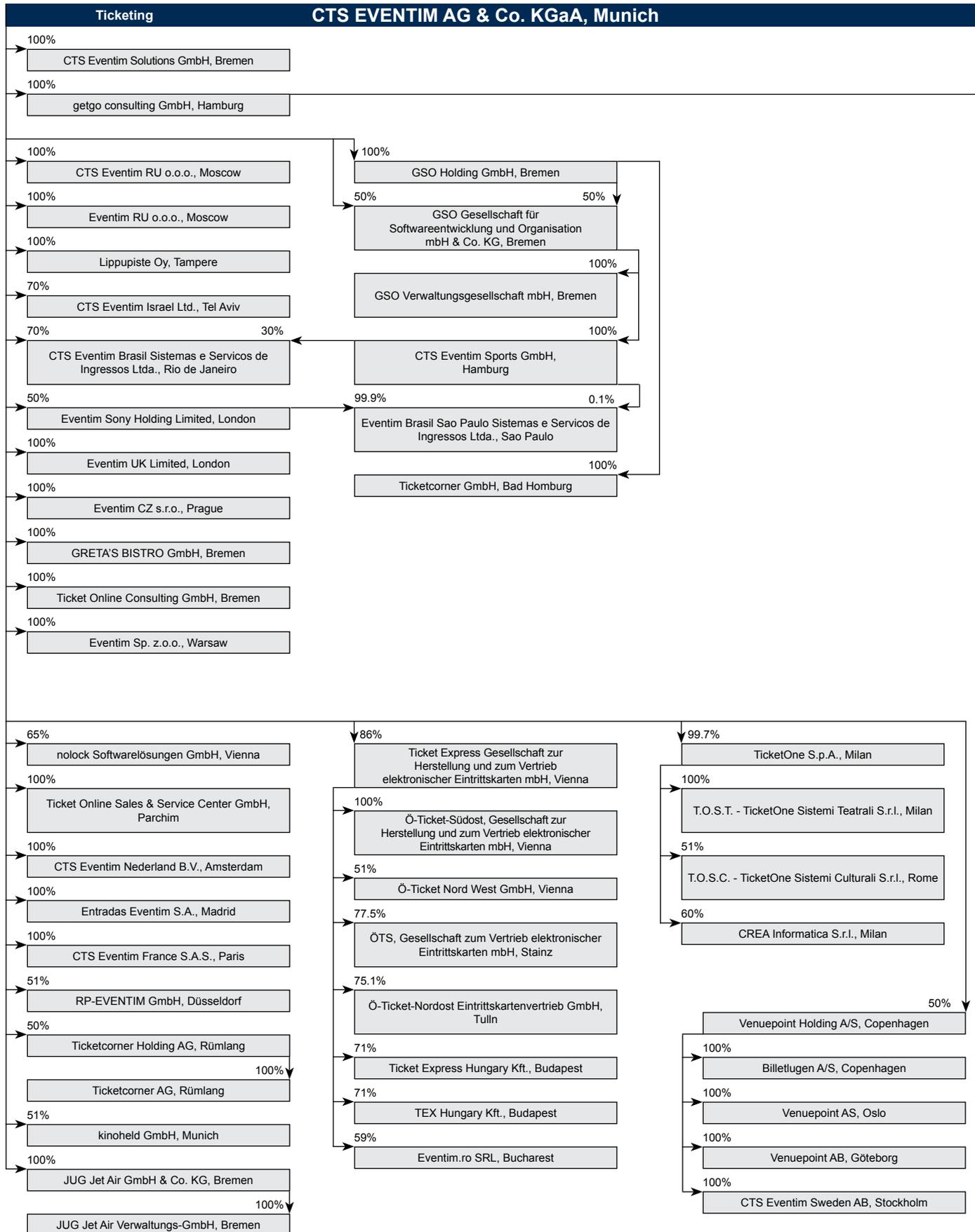
The following table provides an overview of the changes in the consolidated income statement as at 30 June 2015 as a result of the final purchase price allocation:

	<b>Consolidated Income Statement</b>		<b>Change</b>
	<b>final purchase price allocation 30.06.2015</b>	<b>provisional purchase price allocation 30.06.2015</b>	
	<b>[EUR'000]</b>	<b>[EUR'000]</b>	<b>[EUR'000]</b>
Revenue	419,710	419,710	0
EBIT	64,362	64,251	111
EBT	63,114	62,987	127
Taxes	-19,463	-19,344	-119
Net income after non-controlling interest	36,518	36,510	8

The following table provides an overview of the changes in the consolidated balance sheet as at 30 June 2015 as a result of the final purchase price allocation:

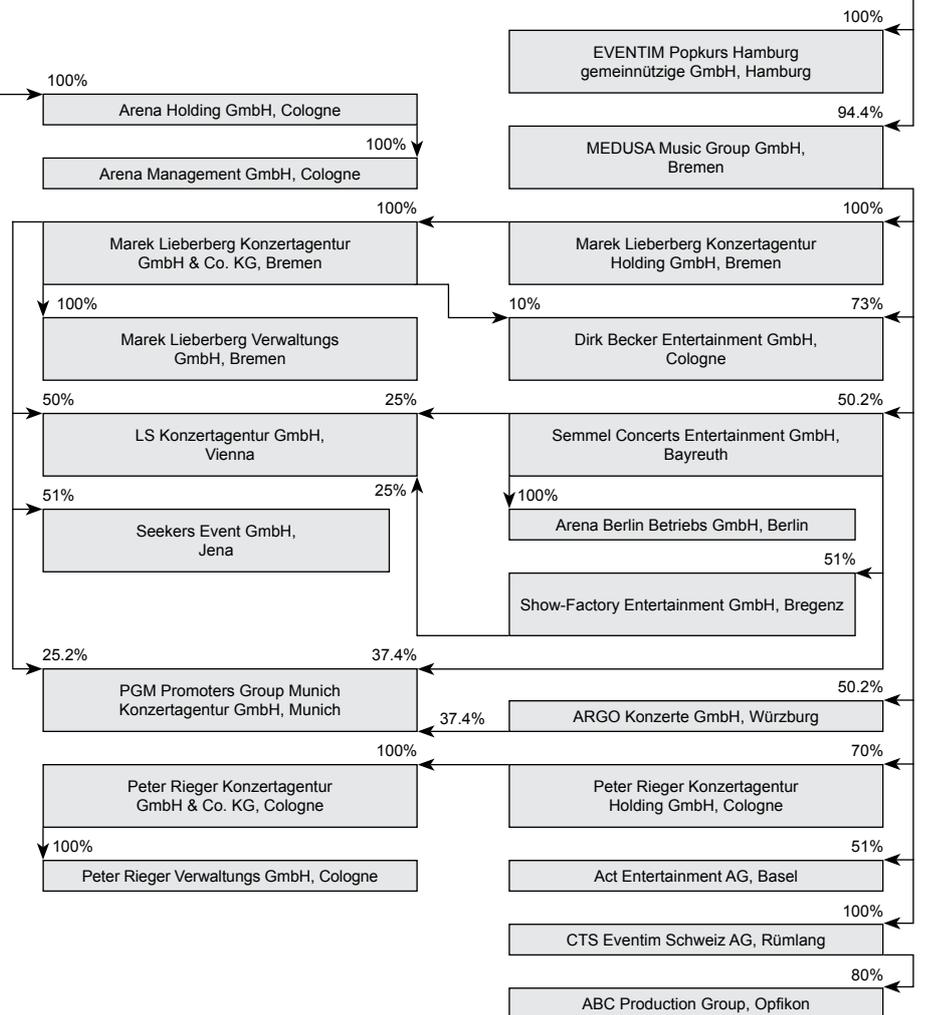
	<b>Consolidated Balance Sheet</b>		<b>Change</b>
	<b>final purchase price allocation 30.06.2015</b>	<b>provisional purchase price allocation 30.06.2015</b>	
	<b>[EUR'000]</b>	<b>[EUR'000]</b>	<b>[EUR'000]</b>
<b>ASSETS</b>			
Intangible assets	109,475	109,877	-402
Investments in associates accounted for at equity	20,929	20,904	25
Goodwill	280,071	279,883	188
Deferred tax assets	10,219	9,947	272
			<b>83</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deferred tax liabilities	14,400	14,268	132
Retained earnings	176,231	176,280	-49
Non-controlling interests	23,350	23,350	0
			<b>83</b>

The corporate structure as at 30 June 2016 is shown in the following table:



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

**Live Entertainment**



## 5. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

**Cash and cash equivalents** in the CTS Group declined by EUR 140.791 million to EUR 360.026 million (31.12.2015: EUR 500.816 million). The cash outflow in the first half year 2016 relates among other things to the seasonal reduction of ticket monies paid in the Ticketing segment and to realisation and settlement of events in the Live Entertainment segment. Furthermore, the dividend payment to shareholders in the second quarter 2016 and the repayment of loans result to additional cash outflows.

Cash and cash equivalents at EUR 360.026 million (31.12.2015: EUR 500.816 million) include ticket monies from pre-sales for events in subsequent quarters (ticket monies not yet invoiced in the Ticketing segment), which are reported under other financial liabilities at EUR 164.963 million (31.12.2015: EUR 237.498 million); other financial assets also include receivables relating to ticket monies from presales in the Ticketing segment (EUR 27.653 million; 31.12.2015: EUR 40.963 million).

Short-term **Marketable securities and other investments** decreased by EUR 5.106 million because of the sale in short-term discount certificates.

The short-term **other financial assets** decreased by EUR 15.572 million. The decline mainly results from the decrease in receivables relating to ticket revenue from presales in the Ticketing segment (EUR -13.310 million) and factoring receivables (EUR -5.266 million).

**Property, plant and equipment** increased by EUR 3.708 million and **goodwill** by EUR 6.160 million. Goodwill includes the to preliminary purchase price allocation of acquired companies in the Ticketing segment in the second quarter.

The **short-term financial liabilities** increased by EUR 24.745 million. In the reporting period taking up a loan and the timely reclassification of medium and long-term financial liabilities in short-term financial liabilities primarily led to an increase in short-term financial liabilities. Furthermore, purchase price obligations in respect of put options of existing non-controlling interest according to IAS 32 led to higher short-term financial liabilities.

The **advance payments received** in the Live Entertainment segment (EUR -59.772 million) declined, mainly due to a great number of events that will be held until 30 June 2016. The advanced payments received in the Live Entertainment segment are transferred to revenue, when the respective events have taken place.

**Tax provisions** decreased by EUR 12.239 million primarily due to the use of the provisions for the fiscal year 2015.

The EUR 74.189 million reduction in current **other financial liabilities** is predominantly due to lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment. Due to the strong fourth quarter at the end of each year, there is usually a large amount of liabilities for ticket monies not yet invoiced, which is then reduced over the course of the following year, when the events are held and invoiced.

The **medium and long-term financial liabilities** increased by EUR 4.732 million. The timely reclassification of medium and long-term financial liabilities to current financial liabilities are opposed by long-term purchase obligations from put options (put option; in accordance with IAS 32) of existing non-controlling interests and non-controlling interests of acquired companies.

**Shareholders' equity** declined by EUR 25.054 million to EUR 329.117 million. The positive net income is offset by dividend payments to shareholders, changes in currency differences and purchase price obligations in respect of put options of non-controlling interests (cf. Notes 3. accounting principles) recognised in shareholders' equity according to IAS 32.

The equity ratio (shareholders' equity divided by the balance sheet total) increased from 32.2% to 34.7%.

## 6. SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

### PROFIT REALISATION

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

### REVENUE

The **CTS Group** generated EUR 421.774 million in revenue in the period under review, compared to EUR 419.710 million in previous year (+0.5%).

The **Ticketing segment** generated EUR 161.303 million in revenue in the period under review (before consolidation between segments), up 10.9% from EUR 145.447 million in previous year. Revenue increased due to an internet ticket volume growth in the reporting period. The total volume of online tickets sold increased by 3.2 million or 21.7% (thereof EUR 800 thousand from newly acquired subsidiaries) to 18.1 million (previous year: 14.9 million). The share of revenue generated by foreign subsidiaries was at 48.9% (previous year: 48.4%).

In the first half year of 2016, the **Live Entertainment segment** revenue decreased to EUR 261.859 million (previous year: EUR 277.206 million, -5.5%) due to a lack of major tours (e.g. AC/DC and Herbert Grönemeyer) compared to prior period.

## **COST OF SALES**

Cost of sales decreased by EUR 5.878 million from EUR 301.208 million to EUR 295.330 million.

The gross profit of the **CTS Group** increased by EUR 7.943 million from EUR 118.501 million to EUR 126.444 million. The consolidated gross margin rose from 28.2% to 30.0%.

In the **Ticketing segment**, the gross margin was 56.0% compared to 56.4% in the same period last year.

In the **Live Entertainment segment**, the gross margin was 13.8% compared to 13.1% in the same period last year.

## **SELLING EXPENSES**

Selling expenses increased by EUR 2.741 million to EUR 38.101 million. This increase was mainly due to higher depreciation, other operating expenses amongst other things marketing expenses and a rise in personnel expenses due to the expansion in the number of consolidation companies.

## **GENERAL ADMINISTRATIVE EXPENSES**

General administrative expenses increased by EUR 446 thousand to EUR 24.651 million. This increase result mainly due to the expansion in the number of consolidation companies.

## **OTHER OPERATING INCOME**

Other operating income decreased by EUR 2.415 million to EUR 7.978 million. This was due, among other things to a lack of income from currency translation compared to previous period.

## **OTHER OPERATING EXPENSES**

Other operating expenses increased by EUR 666 thousand to EUR 5.633 million; this was due to, among other things, the expansion in the number of consolidation companies.

## **FINANCIAL RESULT**

The financial result, at EUR -2.552 million (previous year: EUR -1.248 million) mainly includes EUR 631 thousand in financial income (previous year: EUR 638 thousand), EUR 2.962 million in financial expenses (previous year: EUR 2.611 million), EUR -369 thousand in results from affiliated companies and associates accounted for at equity (previous year: EUR 710 thousand) and income from participations EUR 148 thousand (previous year: EUR 16 thousand).

## **TAXES**

Taxes increased by EUR 1.136 million to EUR 20.599 million mainly due to positive business development. The tax rate amounts to 32.5% (previous year: 30.8%). The rise of the tax rate results mainly to lower income from affiliated companies and withholding tax refunds for prior years as well as higher tax expenses for previous years.

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

As at 30 June 2016, earnings before tax (EBT) increased from EUR 63.114 million in previous year by EUR 371 thousand to EUR 63.485 million. After deduction of tax expenses and non-controlling interest, consolidated net income amounted to EUR 36.950 million (previous year: EUR 36.518 million). Earnings per share (EPS) was at EUR 0.39 slightly above previous year's level (EUR 0.38).

## 7. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying values, balance sheet values and fair values as at 30 June 2016 are shown in the following table according to measurement categories:

	Balance sheet value according to IAS 39					Fair value [EUR'000]
	Carrying value 30.06.2016	At amortised cost	At fair value through profit and loss	At fair value not through profit and loss	Purchase cost	
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	
<b>ASSETS</b>						
Cash and cash equivalents	360,026	360,026				360,026
Marketable securities and other investments (at fair value not through profit and loss)	493			493		493
Marketable securities and other investments (at amortised cost)	1,278	1,278				1,273
Trade receivables	33,575	33,575				33,257
Receivables from affiliated and associated companies accounted for at equity	8,873	8,873				8,778
Other original financial assets	46,123	46,123				45,833
Other derivative financial assets (at fair value through profit and loss)	97		97			97
Investments (held-to-maturity)	1,023	1,023				1,040
Investments (at amortised cost)	1,936				1,936	
Loans	181	181				189
<b>LIABILITIES</b>						
Short-term financial liabilities	41,367	41,367				41,340
Medium- and long-term financial liabilities	137,295	137,295				137,583
Trade payables	76,580	76,580				76,281
Payables to affiliated and associated companies accounted for at equity	1,342	1,342				1,337
Other original financial liabilities	172,162	172,162				171,486
Other derivative financial liabilities (at fair value not through profit and loss)	14			14		14
<b>Categories according to IAS 39:</b>						
Loans and receivables	450,056	450,056				449,356
Financial liabilities at amortised cost	428,746	428,746				428,027
Available-for-sale financial assets	2,429			493	1,936	493
Held-to-maturity investments	1,023	1,023				1,040

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

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

## DISCLOSURES REGARDING FAIR VALUE

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

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

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

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

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

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

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

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

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

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

The following table provides an overview of the financial assets and liabilities measured at fair value, and their allocation to the three levels within the fair value hierarchy according to IFRS 13 as at 30 June 2016:

	<b>30.06.2016</b>		
	Level 1	Level 2	Total
	[EUR'000]	[EUR'000]	[EUR'000]
<b>ASSETS</b>			
Cash and cash equivalents	0	360,026	360,026
Marketable securities and other investments (at fair value not through profit and loss)	493	0	493
Marketable securities and other investments (at amortised cost)	0	1,273	1,273
Trade receivables	0	33,257	33,257
Receivables from affiliated and associated companies accounted for at equity	0	8,778	8,778
Other original financial assets	0	45,833	45,833
Other derivative financial assets (at fair value through profit and loss)	0	97	97
Investments (held-to-maturity)	1,040	0	1,040
Loans	0	189	189
	<b>1,533</b>	<b>449,453</b>	<b>450,986</b>
<b>LIABILITIES</b>			
Short-term liabilities	0	41,340	41,340
Medium- and long-term financial liabilities	0	137,583	137,583
Trade payables	0	76,281	76,281
Payables to affiliated and associated companies accounted for at equity	0	1,337	1,337
Other original financial liabilities	0	171,486	171,486
Other derivative financial liabilities (at fair value not through profit and loss)	0	14	14
	<b>0</b>	<b>428,041</b>	<b>428,041</b>

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

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

## 8. SEGMENT REPORTING

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

	Ticketing		Live Entertainment		Total segments	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
External revenue	160,174	143,840	261,600	275,870	421,774	419,710
Internal revenue	24,791	23,495	37,427	48,819	62,218	72,314
<b>Total revenue</b>	<b>184,965</b>	<b>167,335</b>	<b>299,027</b>	<b>324,689</b>	<b>483,992</b>	<b>492,024</b>
Consolidation within the segment	-23,662	-21,888	-37,168	-47,483	-60,830	-69,371
<b>Revenue after consolidation within the segment</b>	<b>161,303</b>	<b>145,447</b>	<b>261,859</b>	<b>277,206</b>	<b>423,162</b>	<b>422,653</b>

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

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	30.06.2016 [EUR'000]	30.06.2015 [EUR'000]	30.06.2016 [EUR'000]	30.06.2015 [EUR'000]	30.06.2016 [EUR'000]	30.06.2015 [EUR'000]	30.06.2016 [EUR'000]	30.06.2015 [EUR'000]
Revenue	161,303	145,447	261,859	277,206	-1,388	-2,943	421,774	419,710
EBITDA	57,212	51,748	23,824	27,317	0	0	81,036	79,065
EBIT	42,909	38,295 <sup>1</sup>	23,128	26,067	0	0	66,037	64,362 <sup>1</sup>
Depreciation and amortisation	-14,303	-13,453 <sup>1</sup>	-695	-1,250	0	0	-14,998	-14,703 <sup>1</sup>
Financial result							-2,552	-1,248 <sup>2</sup>
Earnings before tax (EBT)							63,485	63,114 <sup>1,2</sup>
Taxes							-20,599	-19,463 <sup>1</sup>
Net income before non-controlling interest							42,886	43,651 <sup>1,2</sup>
Non-controlling interest							-5,936	-7,133 <sup>1</sup>
Net income after non-controlling interest							36,950	36,518 <sup>1,2</sup>
Average number of employees	1,638	1,541	602	581			2,240	2,122
Normalised EBITDA	57,604	51,881	23,824	27,316	0	0	81,428	79,197
Normalised EBIT before amortisation from purchase price allocation	48,634	44,059	23,206	26,322	0	0	71,840	70,381

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

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

## 9. OTHER DISCLOSURES

### APPROPRIATION OF EARNINGS

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

### FINANCIAL OBLIGATIONS

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

### RELATED PARTY DISCLOSURES

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

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

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

	30.06.2016	30.06.2015
	[EUR'000]	[EUR'000]
<b>Goods and services supplied by the Group</b>		
Subsidiaries not included in consolidation due to insignificance	320	261
Associated companies accounted for at equity	2,295	1,096
Other related parties	2,606	2,050
	<b>5,221</b>	<b>3,407</b>

	30.06.2016	30.06.2015
	[EUR'000]	[EUR'000]
<b>Goods and services received by the Group</b>		
Subsidiaries not included in consolidation due to insignificance	684	376
Associated companies accounted for at equity	1,187	1,542
Other related parties	11,770	9,794
	<b>13,641</b>	<b>11,712</b>

## **EVENTS AFTER THE BALANCE SHEET DATE**

### **EXPANSION OF THE NUMBER OF COMPANIES**

MEDUSA Music Group GmbH, Bremen, was granted approval by the Federal Cartel Office (Bundeskartellamt) on 8 July 2016 for its acquisition of the residual 50% stake in SETP/HOI Holding B.V., Amsterdam. Since 1943, Holiday on Ice is one of the world's most established show and entertainment companies and has made a name for itself all over the world with its spectacular ice shows.

By increasing its shareholding to 50.2%, CTS EVENTIM secured a majority stake in FKP Scorpio Konzertproduktionen GmbH, Hamburg, in June 2016. This gives us direct access to an outstanding growth platform for established festivals and renowned artists in Europe. The completion of the transaction is still pending, awaiting the approval of the appropriate antitrust authorities.

Beyond that, no events requiring disclosure took place after the balance sheet date.

### **ASSURANCE BY LEGAL REPRESENTATIVES**

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

Bremen, 25 August 2016

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

Klaus-Peter Schulenberg

Volker Bischoff

Alexander Ruoff

## **FORWARD-LOOKING STATEMENTS**

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

The German version of the Group interim report takes priority over the English translation in the event of any discrepancies. Both language versions can be downloaded at <http://www.eventim.de/tickets.html?affiliate=EVE&fun=tdoc&doc=eventim/default/info/en/investor/investorFinancialReportDownload>.

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