GROUP INTERIM REPORT AS AT 30 SEPTEMBER 2012

eventim

KEY GROUP FIGURES

	01.01.2012 - 30.09.2012 EUR'000	01.01.2011 - 30.09.2011 EUR'000	Change [in %]
Revenue	362,658	345,923	4.8
EBITDA	71,259	55,666	28.0
EBIT	54,399	38,989	39.5
Normalised EBITDA	70,424	63,330	11.2
Normalised EBIT before amortisation from purchase price allocation	61,155	54,541	12.1
Normalised EBITDA margin	*19.4%*	*18.3%*	*1.1*
Normalised EBIT margin before amortisation from purchase price allocation	*16.9%*	*15.8%*	*1.1*
Non-recurring items [1]	-834	7,664	-110.9
Amortisation from purchase price allocation [2]	7,590	7,888	-3.8
Earnings before taxes (EBT)	48,439	35,116	37.9
Net income after minority interest	27,151	21,105	28.6
Cash flow	47,583	37,879	25.6
	[EUR]	[EUR]	
Earnings per share [3], undiluted (= diluted)	0.57	0.44	
	[Qty.]	[Qty.]	
Number of employees [4]	1,358	1,369	
Of which temporary	(105)	(108)	

[1] Cf. page 9 for non-recurring items
[2] Purchase price allocation of Ticketcorner Holding AG and See Tickets Germany GmbH; cf. page 10
[3] Number of shares: 48 million
[4] Number of employees at end of period (active workforce)

CONTENT

1. LETTER TO THE SHAREHOLDERS

Klaus-Peter Schulenberg
Chief Executive Officer

Dear Shareholders,

CTS EVENTIM has managed yet again to turn in a convincing performance and to exploit its strengths to the full, namely technological leadership, best service and attractive events. This is confirmed by impressive figures for revenue and earnings growth. In the first nine months of the current financial year, Group revenue rose year-on-year by 4.8%, EBITDA by 28.0% and EBIT by no less than 39.5%. The figures in the Live Entertainment segment, where we achieved a 13.8% increase in revenue, are extremely good. The reasons are obvious – the CTS Group offers a unique diversity of events, combined with first-class service. People in Europe like using our platform. We continue to gain from the sustained, long-term trend towards high-margin ticket sales via the Internet and from our highly motivated employees. I am therefore confident that we will reach our targets for the year.

LIVE ENTERTAINMENT AND TICKETING SEGMENTS: STRONGER EARNING FIGURES

The Live Entertainment segment exceeds the expectations. The enormous and unswerving popularity of live events provided the driving force behind the growth achieved in the Live Entertainment segment in the first nine months of the current year. Revenue was boosted by 13.8%, EBITDA by 57.0%. In contrast to companies selling recorded music such as CDs, which have been struggling with sales problems for years now, live music is more popular than ever before. As market leader, we offer the most attractive events and cater to the wishes of our fans. CTS EVENTIM also profits from this trend as a venue operator. The Waldbühne in Berlin is showing excellent progress and in August 2012 the famous Hammersmith Apollo in London was taken over in a joint venture with the Anschutz Entertainment Group. This acquisition forms the basis for further growth in Great Britain and fits seamlessly into our foreign expansion strategy. As expected, the Ticketing segment recorded a slight decline in revenue, due first and foremost to fewer events as a result of major sporting events in summer 2012.

LEADING PROVIDER, THANKS TO TECHNOLOGY

We never rest on our laurels and are continuously working on ways to optimise our platform, since technology is and remains the core of our business model. We have the most powerful software in the market. The trend to mobile terminals was identified by us at an early stage, and we were quick to develop the relevant apps for iPhones and Android. Whenever the user behaviour of our customers changes, we offer the solutions to match. Our aim must always be to give every fan a secure and convenient means of obtaining tickets.

MORE EMOTIONS WITH THE NEW FANTICKET

For all the technology we deploy, emotions still get the attention they deserve – with our new FanTicket, we are again offering attractive tickets with a customised band/tour design. In the past, many fans treasured their concert tickets as reminders of great gigs they had been to. Many tickets – for Pink Floyd, The Rolling Stones or Jethro Tull, for example – were small works of art and had enormous sentimental value for collectors. However, this aspect of fan culture has been lost since 1990 and the introduction of standardised, computer-printed tickets. A revival is now underway at CTS EVENTIM. FanTickets are exactly what the name suggests – tickets for real fans, and collector's items thanks to the creative design. The idea got off the ground with the 2013 tour of Germany by Depeche Mode, who have been exciting pop fans all over the world for the past three decades. Producing FanTickets is a complicated technical process based on a technique that was developed by CTS EVENTIM and for which a patent is now pending. This allows us to realise even complicated design specifications both quickly and reliably. Our customers can rely, of course, on every FanTicket bought from us having the same high level of anti-forgery protection as a conventional ticket.

FANS FIND WHAT THEY SEEK AT CTS EVENTIM

The best platform can only ever be as good as the content it offers. This is another pillar of our success: the sheer range of events offered by CTS EVENTIM is unrivalled in Europe. It embraces rock, pop, classical music, German Schlagermusik, musicals and sports events. Thanks to the market acceptance and efficiency of the systems, CTS EVENTIM is the first port of call for star performers. Coldplay, PINK, Die Ärzte, Bryan Adams, Bob Dylan & Mark Knopfler, Bruno Mars and Justin Bieber are just some of the artists for whom the CTS Group handled the ticketing operation in the period under review. Thanks to the See Tickets Germany / Ticket Online Group, which has been smoothly integrated, CTS EVENTIM has ticketing access to all the productions of Stage Entertainment Germany, which is the market leader for musicals in Germany. This is a perfect example of the strategy pursued by the CTS Group, namely to cover many different genres and to fill them with attractive events. Sports events play an even greater role in the mix. Since the 2006 Football World Cup in Germany, the CTS Group has expanded substantially into this field and has meanwhile become the service partner for many big-name clubs. Whatever the sport, be it soccer, handball or basketball – more and more clubs rely on CTS EVENTIM. Another current example is the 2012 and 2013 World Ice Hockey Championship in Sweden and Finland. The CTS Group also has a presence in motor sports, and continues to handle the ticketing for the well-established 'German Touring Masters' (DTM) car-racing series, featuring world-famous drivers like Ralf Schumacher and David Coulthard. Another customer is the famous Hockenheim racing track, which places its trust in solutions made by CTS EVENTIM. When CTS EVENTIM gets involved, it provides maximum customer service for the duration of the relationship. That explains why the portfolio already includes more than 20 different sports disciplines and over 80 clubs and associations.

FIRST-CLASS SERVICE

An essential part of our service is tuned to customer needs in order to be delivered as smoothly as possible. As an example, customers of CTS EVENTIM can now book concert trips, watch video excerpts and download songs, in addition to the classical function of buying tickets. On request, CTS EVENTIM can offer VIP package deals containing everything from parking space to after-show buffet. This all means that the CTS Group is systemically broadening its value chain in order to tap new sources of income. The CTS Group is thus keeping well abreast of trends. In the modern world, characterised by a complex world of work and efficiently used leisure time, service is acquiring growing importance, and CTS EVENTIM is superbly positioned in that respect.

SUCCESS THROUGH CONTINUITY

Since the IPO in 2000, CTS EVENTIM has been firmly established as a sound, reliable and dividend-paying investment. Its impressive revenue and earnings growth, both historically and currently, are strong evidence of that fact. By developing new products and making new acquisitions in tune with its strategic focus, CTS EVENTIM has made continuous strides ahead. At the same time, CTS EVENTIM has always demonstrated sound judgement and a sense of proportion on its path to European market leadership and has not exposed itself to any unnecessary risks. The CTS Group has the right business model and a robust structure for further growth, whether organic or fuelled by new acquisitions. Our aim is still to satisfy the expectations of our shareholders, customers and employees at all times.

To finish, I would briefly like to address the dispute with Live Nation. We have always made it clear that we do not accept the termination of our contract by Live Nation and are insisting that the contract will be honoured and that damages will be paid. This standpoint has not altered and I remain very confident that we will prevail at the end.

Yours sincerely,

Klaus-Peter Schulenberg
Chief Executive Officer

2. CTS SHARES

The confidence in a sustained recovery of the markets, that continued to grow in the third quarter of 2012, made share indexes climb. The ‘comeback for shares’ is manifested above all in the continuously rising level of investment in shares on the part of institutional investors, which helped the SDAX index, among others, to achieve an increase versus previous months of 4% in the third quarter of 2012. Those shares that enjoyed very solid valuation over the past twelve months and were spared the impacts of high market volatility were thus unable to benefit particularly from the positive mood on markets during the third quarter of 2012. CTS EVENTIM AG shares fall into the latter category, and finished the third quarter slightly down, at -2%.

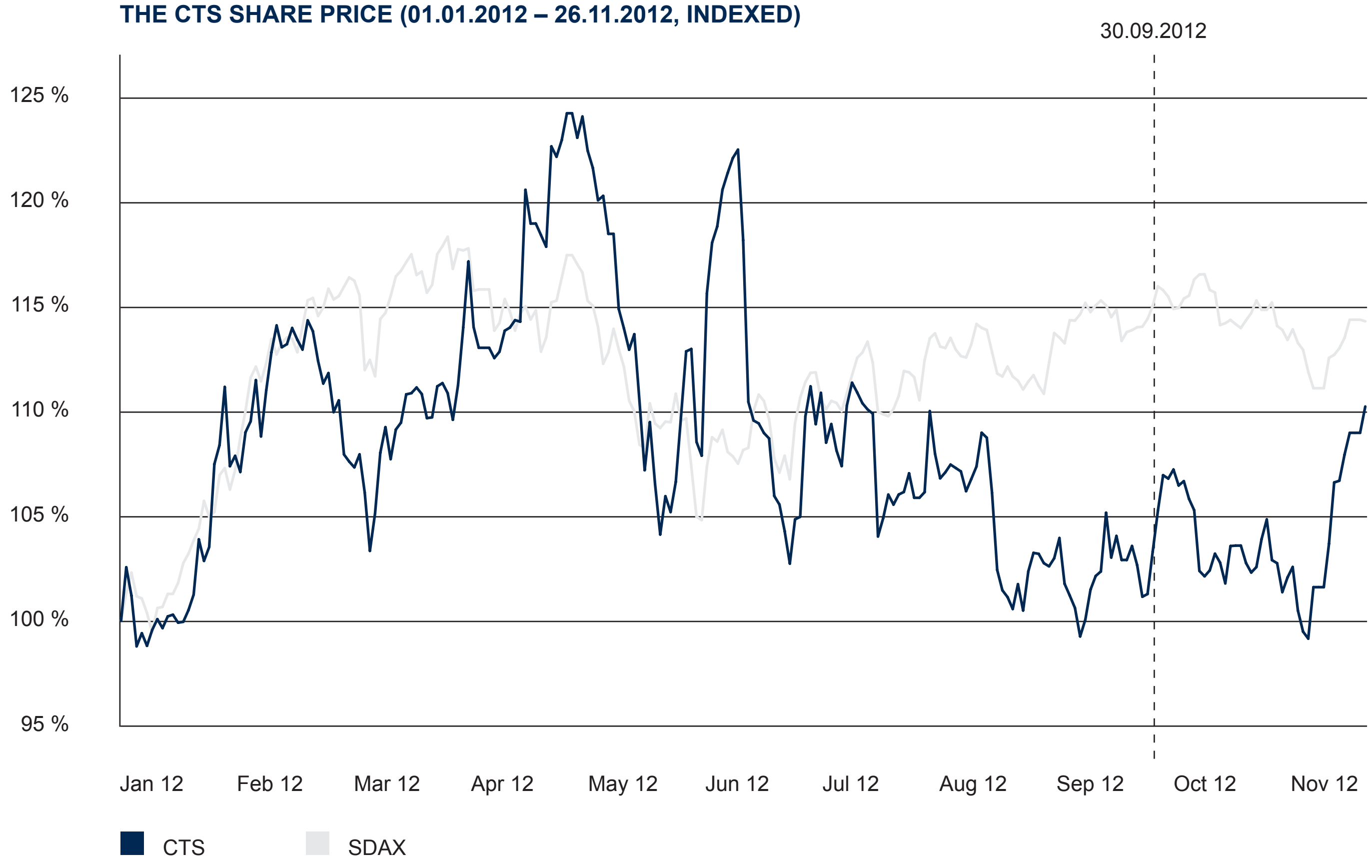
As a long-term investment, shares in CTS EVENTIM are still among the definite winners on the market. Since 1 January 2008, shares in CTS EVENTIM AG have appreciated in value by 85%. Over the same period, the SDAX index fell 4.4% in value.

Since publication of the provisions figures for the third quarter of 2012 on 15 November 2012, shares in CTS EVENTIM AG have gained almost 12% in value and have out-performed the SDAX index yet again. Over the same period, the SDAX index rose only 2%.

CTS EVENTIM AG continues to pursue a policy of clear and transparent communication with the equity markets. In the current financial year so far, CTS EVENTIM AG has participated at various investor conferences and has held a number of roadshows in Europe and North America.

The analysts at various banks, including Bankhaus Metzler, Berenberg Bank, Commerzbank AG, Deutsche Bank AG, DZ Bank, HSBC and M.M. Warburg, see further upward potential for CTS EVENTIM AG shares and recommend them accordingly with a ‘Buy’ rating.

THE CTS SHARE PRICE (01.01.2012 – 26.11.2012, INDEXED)



Number of shares held by members of executive organs as at 30 September 2012:

	Number of shares [Qty.]	Share [in %]
Members of the Management Board:		
Klaus-Peter Schulenberg (Chief Executive Officer)	24,097,000	50.202
Volker Bischoff	0	0.000
Alexander Ruoff	4,000	0.008
Members of the Supervisory Board:		
Edmund Hug (Chairman)	9,430	0.020
Prof. Jobst W. Plog	1,800	0.004
Dr. Bernd Kundrun	0	0.000

3. INTERIM MANAGEMENT REPORT FOR THE GROUP

1. EARNINGS PERFORMANCE, FINANCIAL POSITION AND CASH FLOW

EARNINGS PERFORMANCE

	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	**362,658**	**345,923**	**16,735**	**4.8**
Gross profit	**111,384**	**105,999**	**5,385**	**5.1**
EBITDA	**71,259**	**55,666**	**15,593**	**28.0**
EBIT	**54,399**	**38,989**	**15,410**	**39.5**
non-recurring items:				
Acquisition costs / workforce restructuring	911	1,251	-340	-27.2
Settlement of an acquisition	-1,820	0	-1,820	100.0
Legal consultancy cost in connection with the arbitration proceedings against Live Nation	75	6,413	-6,338	-98.8
	-834	7,664	-8,498	-110.9
Amortisation from purchase price allocation [1]	7,590	7,888	-298	-3.8
Normalised EBITDA	70,424	63,330	7,094	11.2
Normalised EBIT before amortisation from purchase price allocation	61,155	54,541	6,614	12.1

[1] Purchase price allocation of Ticketcorner Holding AG und See Tickets Germany GmbH; cf. page 10

REVENUE GROWTH

The **CTS Group** generated EUR 362.658 million in revenue in the period under review, compared to EUR 345.923 million in Q1-3/2011 (up 4.8%). Revenue (before consolidation between segments) breaks down into EUR 140.062 million in the Ticketing segment (Q1-3/2011: EUR 151.094 million) and EUR 226.372 million in the Live Entertainment segment (Q1-3/2011: EUR 198.877 million).

The **Ticketing segment** generated EUR 140.062 million in revenue (before consolidation between segments), down from EUR 151.094 million in Q1-3/2011. This 7.3% drop in revenue is mainly attributable to two factors: The comparatively high figure in the first half of 2011 due to ticket sales for the FIFA 2011 Women's World Cup in Germany, and the major sports events in summer 2012 (European Football Championships in Poland and the Ukraine, and the Olympic Games in London), whose dominance meant fewer events being offered in ticketing presales. The share of revenue generated by foreign subsidiaries amounted to 42% for the 2012 reporting period to date, approximately the same as a year before (41%). The highly profitable online ticketing business contributed to this improvement in earnings with an Internet ticketing volume of 12.7 million tickets (Q1-3/2011: 12.6 million). After adjusting for Internet ticketing sales for the FIFA Women's World Cup in HY1/2011, a growth in Internet ticketing volume of around 4% was achieved.

The **Live Entertainment segment** showed excellent performance in the first nine months of 2012. Revenue was boosted by attractive live events, especially established festivals like 'Rock am Ring' and 'Rock im Park', while tours by Bryan Adams, Coldplay, Nickelback and Shadowland met with huge demand from fans. Revenue rose year-on-year by EUR 27.495 million to EUR 226.372 million (Q1-3/2011: EUR 198.877 million; up 13.8%).

GROSS PROFIT

As at 30 September 2012, the gross profit of the **Group** had increased by 5.1% to EUR 111.384 million. The consolidated gross profit margin was almost unchanged year-on-year, at 30.7% compared to 30.6%.

In the **Ticketing segment**, the gross margin rose from 54.4% to 55.9% in the first nine months of 2012, and in the **Live Entertainment segment** from 12.0% to 14.6%.

NON-RECURRING ITEMS

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

- In the first nine months of 2012, profits were reduced by effects totalling EUR 911 thousand (Q1-3/2011: EUR 1.251 million); these resulted from planned and realised acquisitions and from workforce restructuring, mainly for severance payments and for benefits paid to interim employment (‘transfer’) companies.

- In the first nine months of 2012, a positive effect on profits resulting from the settlement of an acquisition was normalised to the amount of EUR -1.820 million.

- In the first nine months of 2012, EUR 75 thousand (Q1-3/2011: EUR 6.413 million) in legal consultancy costs were incurred in connection with the arbitration proceedings against Live Nation.

NORMALISED EBITDA / EBITDA

Normalised **Group** EBITDA increased by EUR 7.094 million or 11.2% to EUR 70.424 million. The normalised EBITDA margin was 19.4% (Q1-3/2011: 18.3%). Foreign subsidiaries accounted for 18% of normalised Group EBITDA, about the same level as the year before.

Group EBITDA showed a marked improvement of EUR 15.593 million or 28.0% to EUR 71.259 million (Q1-3/2011: EUR 55.666 million). The Group EBITDA margin improved by 3.6 percentage points to 19.7%, compared to 16.1% in Q1-3/2011.

In the **Ticketing segment**, the normalised EBITDA amounted to EUR 47.786 million (Q1-3/2011: EUR 48.663 million). In line with declining revenue, the slight drop in earnings was mainly characterised by the high figure achieved in the first half of 2011 as a result of ticket sales for the FIFA 2011 Women’s World Cup in Germany, and by the major international sports events in summer 2012, whose dominance meant fewer events being offering in presales. The share of normalised EBITDA in the Ticketing segment attributable to foreign companies rose year-on-year from 20% to 23% in the current reporting period.

The EBITDA figure improved significantly by 18.6% from EUR 40.999 million in Q1-3/2011 to EUR 48.620 million. The EBITDA margin improved both in Germany and abroad by a total of 7.6 percentage points to 34.7%, compared to 27.1% in Q1-3/2011.

In the **Live Entertainment segment**, EBITDA improved by EUR 8.360 million from EUR 14.667million to EUR 23.027 million, mainly because of earnings generated by the tours and events held during the reporting period including the festivals ‘Rock im Park’ and ‘Rock am Ring’, Madonna, ‘Alegria’ Cirque du Soleil, Coldplay, Nickelback, Lord of the Dance and Shadowland. The EBITDA margin in the first nine months of 2012 improved to 10.2%, after 7.4% in Q1-3/2011.

NORMALISED EBIT BEFORE AMORTISATION FROM PURCHASE PRICE ALLOCATION / EBIT

The key figure called ‘normalised EBIT before amortisation from purchase price allocation’ was defined in the business year 2010 due to the acquisitions made and the overall effects resulting from remeasurement of intangible assets taken over (trademark, customer base and software). When purchase price allocation is conducted in accordance with IFRS, the intangible assets of the target companies must be revalued with their fair values as at the date of first inclusion in consolidation within the Group. These revalued intangible assets are amortised on the basis of redefined useful lives in the Group. The substantial amortisation within the Group when conducting the purchase price allocation were eliminated in the key figure ‘normalised EBIT before amortisation from purchase price allocation’ in order to provide a fair view of earnings power.

In the first nine months of 2012, normalised **Group** EBIT before amortisation from purchase price allocation rose by 12.1% from EUR 54.541 million to EUR 61.155 million. The normalised EBIT margin before amortisation from purchase price allocation increased from 15.8% to 16.9%.

The EBIT figure, at EUR 54.399 million, is 39.5% higher year-on-year (Q1-3/2011: EUR 38.989 million). Total depreciation and amortisation within the Group is slightly above last years level at EUR 16.860 million (Q1-3/2011: EUR 16.677 million) and includes EUR 7.590 million in amortisation from purchase price allocation by the Ticketing segment companies acquired in the 2010 financial year (Q1-3/2011: EUR 7.888 million). The EBIT margin improved by 3.7 percentage points from 11.3% to 15.0%.

In the **Ticketing segment**, normalised EBIT before amortisation from purchase price allocation decreased by -3.0% from EUR 41.304 million to EUR 40.060 million. The normalised EBIT margin before amortisation from purchase price allocation was 28.6% (Q1-3/2011: 27.3%).

The EBIT figure improved by EUR 7.552 million from EUR 25.752 million to EUR 33.304 million (up 29.3%). The EBIT margin improved by 6.8 percentage points to 23.8%, compared to 17.0% in Q1-3/2011.

The **Live Entertainment segment** achieved an EBIT of EUR 21.483 million, compared to EUR 13.237 million in Q1-3/2011 (up 62.3%). The EBIT margin grew by 2.8 percentage points to 9.5%, compared to 6.7% in Q1-3/2011.

FINANCIAL RESULT

The financial result, at EUR -5.960 million (Q1-3/2011: EUR -3.873 million) mainly includes EUR 1.521 million in financial income (Q1-3/2011: EUR 1.595 million), EUR 5.909 million in financial expenses (Q1-3/2011: EUR 4.908 million) and EUR -1.572 million in increased expenses from investments in associated companies (Q1-3/2011: EUR -561 thousand).

This decrease in financial result was mainly due to lower results from investments in associated subsidiaries and costs of debt to finance the various acquisitions made, as well as to other financial expenses.

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

As at 30 September 2012, earnings before tax (EBT) were up from EUR 35.116 million in Q1-3/2011 to EUR 48.439 million. After deduction of tax expenses and non-controlling interest, net income after non-controlling interest amounted to EUR 27.151 million (Q1-3/2011: EUR 21.105 million). Earnings per share (EPS) for the first nine months of 2012 came to EUR 0.57, compared to EUR 0.44 in Q1-3/2011.

PERSONNEL

On average over the year to date, the companies in the CTS Group had a total of 1,409 employees on their payroll, including 125 part-time workers (Q1-3/2011: 1,431, including 122 part-timers). Of that total, 1,199 are employed in the Ticketing segment (Q1-3/2011: 1,224 employees) and 210 in the Live Entertainment segment (Q1-3/2011: 207 employees). The decrease in the number of employees in the Ticketing segment was mainly attributable to the staff reductions resulting from the integration of the See Tickets Germany / Ticket Online Group. The increase in workforce size in the Live Entertainment segment arose mainly in connection with normal business operations.

Personnel expenses, at EUR 50.749 million, were slightly below prior year figure (Q1-3/2011: EUR 50.852 million). This decrease in personnel expenses in the Ticketing segment (EUR -2.313 million) is offset by an increase in personnel expenses in the Live Entertainment segment (EUR +2.210 million). The reduction in personnel expenses in the Ticketing segment is due primarily to the ongoing integration of the See Tickets Germany / Ticket Online Group, in contrast to the personnel restructuring costs incurred in Q1-3/2011. The increase in personnel expenses in the Live Entertainment segment was amongst others the result of higher additions to pension provisions caused by a lower discount rate applied in actuarial calculations.

FINANCIAL POSITION

The main changes in **ASSETS** were reductions in cash and cash equivalents (EUR -74.447 million), trade receivables (EUR -7.116 million), payments on account (EUR -4.915 million) and intangible assets (EUR -7.733 million). These are offset by an increase in receivables from affiliated and associated companies (EUR +2.573 million), in receivables from income tax (EUR +3.138 million), in other current assets (EUR +9.436 million), in investments in associates (EUR +14.875 million) and in goodwill (EUR +782 thousand; taking acquisitions and currency translation into account).

The EUR -74.447 million reduction in **cash and cash equivalents** in the Group resulted primarily from greater cash outflow for operating activities, particularly in form of larger payments of taxes on income, reduction of advance payments received in the Live Entertainment segment, liabilities for ticket monies not yet invoiced in the Ticketing segment, and other liabilities. Cash and cash equivalents were also reduced by higher cash outflow for financial activities to redeem financial liabilities and for distributions of dividend. This was offset by external loans taken out to finance the Hammersmith Apollo Ltd., London, (hereinafter: HAL Apollo) joint venture. At EUR 175.517 million (31.12.2011: EUR 249.964 million), cash and cash equivalents include ticket revenue from presales for events in subsequent quarters (tickets not yet invoiced in the Ticketing segment), which are reported under other liabilities (EUR 91.728 million; 31.12.2011: EUR 124.234 million); other assets also include receivables relating to ticket revenue from presales in the Ticketing segment (EUR 21.119 million; 31.12.2011: EUR 18.997 million).

Trade receivables decreased by EUR -7.116 million in the context of ongoing business operations, especially in the Ticketing segment.

The EUR +2.573 million increase in **receivables from affiliated and associated companies** includes an increase in receivables in the Ticketing segment and a reduction in receivables from associated companies in the Live Entertainment segment.

The reduction in **payments on account** (EUR -4.915 million) was mainly due to the execution of events during the period under review.

The increase in **receivables from income tax** (EUR +3.138 million) mainly arose because of prepaid capital gains taxes on dividends.

The increase in **other current assets** (EUR +9.436 million) is mainly due to the increase in receivables from value added tax on input (EUR +1.400 million), cash in transit (EUR +891 thousand), receivables relating to ticket revenue from presales in the Ticketing segment (EUR +2.122 million) and receivables from promoters (EUR+1.750 million) in connection with ongoing operations. In addition, the assets which can no longer be offset against provisions for pensions as at 30 September 2012 led to a EUR +851 thousand increase in other assets because employees in the Live Entertainment segment who are already eligible for retirement are still on the payroll, and because the assets could no longer be classified as plan assets. In the past, the assets invested in insurance contracts (before beneficiary employees entered retirement) were still offset against pension provisions and were not reported as other assets.

The EUR -7.733 million change in **intangible assets** was principally due to systematic amortisation of the trademark, customer base and software that were capitalised as assets in the purchase price allocation in respect of the Ticketcorner Group and See Tickets Germany / Ticket Online Group.

Investments in associates (EUR +14.875 million) increased, mainly due to acquisition of the interest in HAL Apollo.

The main changes in **LIABILITIES** were the decreases in trade payables (EUR -8.371 million), in advance payments received (EUR -24.582 million), in other liabilities (EUR -41.947 million) and in medium- and long-term financial liabilities (EUR -15.592 million). These reductions are offset by a EUR +21.770 million increase in current financial liabilities and in the current portion of non-current financial liabilities and by an EUR +8.557 million increase in shareholders' capital.

The EUR +21.770 million increase in **short-term financial liabilities and current portion of long-term financial liabilities** includes primarily the timely reclassification from non-current loan liabilities with medium- and long-term maturities, and the external loans to finance the HAL Apollo joint venture.

Trade payables decreased by EUR -8.371 million, above all in the context of ongoing business operations in the Ticketing segment.

The EUR -25.340 million decrease in **advance payments received** in the Live Entertainment segment as at 30 September 2012 resulted mainly from events that were executed in the second and third quarters.

The EUR -41.947 million change in **other current liabilities** as at 30 September 2012 is predominantly due to lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment (EUR -32.506 million) and lower VAT liabilities (EUR -4.746 million). 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 in the course of the following year when the events are held and invoiced.

The EUR -15.592 million decrease in **medium- and long-term financial liabilities** arose primarily from timely reclassification of such financial liabilities as current financial liabilities.

As at 30 September 2012, **shareholders' equity** rose by EUR +8.557 million to EUR 188.416 million, mainly because of the positive EUR 27.151 million Group result for the 2012 reporting period to date, and due to increased non-controlling interest of EUR 3.005 million ensuing from non-controlling interest in current profits in the Live Entertainment segment. The distribution of EUR 21.118 million in the second quarter of 2012 caused a reduction in shareholders' equity. The equity ratio (shareholders' equity divided by the balance sheet total) increased from 25.2% to 29.0%.

CASH FLOW

The amount of cash and cash equivalents shown in the cash flow statement corresponds to the cash and cash equivalents stated in the balance sheet. Compared to the reporting date of 30 September 2011, cash and cash equivalents increased by EUR 21.620 million to EUR 175.517 million. This EUR 21.620 million change includes cash inflows amounting to EUR 71.928 million during the 2011 financial year, as well as EUR -50.308 million in cash outflows in the first nine months of 2012 relative to Q1-3/2011.

Cash flow from operating activities fell year-on-year by EUR -42.909 million from EUR 8.521 million to EUR -34.388 million.

This year-on-year decrease in cash flow from operating activities was mainly the result of the changes in paid taxes on income (EUR -8.673 million), in receivables and other assets (EUR -22.157 million), and in liabilities (EUR -28.655 million). The decrease is offset by positive cash flow effects resulting from a higher consolidated net income figure (EUR +6.046 million) and an increase in non-controlling interest (EUR +2.890 million).

The EUR -8.673 million change in **paid taxes on income** results from higher levels of ongoing tax prepayments in the first nine months of 2012 and to prepaid capital gains taxes on dividends.

The negative cash flow effect deriving from changes in **receivables and other assets** (EUR -22.157 million) contrasts with the Q1-3/2011 period, mainly because of an increase in ticket money receivables, and particularly due to the presales that began for the PINK tour before the closing date (30 September 2012). Other factors contributing to the negative cash flow effect, in addition to the increase in receivables from affiliated and associated companies, were also the increase in other assets as a result of a higher amount of VAT receivables, receivables from completion of an acquisition agreement, and higher receivables from promoters in connection with ongoing operations.

The negative cash flow effect arising from the EUR -28.655 million change in **liabilities** is predominantly attributable to greater dismantling of advance payments received in the Live Entertainment segment, which are transferred to revenue when the respective events have taken place in the first nine months of 2012. Cash flow was also reduced by increased repayments of liabilities for ticket monies not yet invoiced in the Ticketing segment, and by payments of VAT liabilities.

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.

Cash flow from investing activities decreased year-on-year by EUR -18.528 million to EUR -24.580 thousand. This outflow of cash mainly resulted from investments to acquire shares in the HAL Apollo and from investments in intangible assets and in property, plant and equipment.

Cash flow from financing activities improved year-on-year by EUR 10.799 million to EUR -15.934 million. The change in cash flow from financing activities mainly relates to larger repayments of loans (EUR -5.943 million) and to payments made in the first nine months of 2012 for the acquisition of additional shares in subsidiaries already included in consolidation (EUR -1.930 million). This is offset by a cash inflow amounting to EUR 19.000 million, inter alia to finance the joint venture stake in HAL Apollo.

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

2. EVENTS AFTER THE BALANCE SHEET DATE

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

3. CORPORATE GOVERNANCE DECLARATION

The executive bodies of CTS EVENTIM AG are guided in their actions by the principles of responsible and good corporate governance. The Management Board submits a report on corporate governance in a declaration of compliance, in accordance with § 289a (1) HGB as well as a declaration of compliance in accordance with §161 Stock Corporation Act (Aktiengesetz) on corporate governance. The current and all previous declarations of compliance are permanently available on the Internet at the www.eventim.de website.

4. REPORT ON EXPECTED FUTURE DEVELOPMENT

The **CTS Group** will continue pursuing its proven, strategic direction, which is centered on online ticketing. This is where the greatest growth potential lies, since the global trend towards the Internet as a platform for information and purchasing continues apace. CTS EVENTIM believes it is superbly positioned to generate further growth and to expand on its leadership of the European market. The trend towards smartphones and similar devices works in support of this goal. According to the Federal Association for Information Technology, Telecommunications and New Media (BITKOM), for example, a total of 23 million smartphones will be sold in Germany in 2012. Thanks to mobile apps, CTS EVENTIM will profit from this precipitous growth in smartphones.

The strategic acquisitions in the **Ticketing segment** in recent years – namely the See Tickets Germany / Ticket Online Group and the Ticketcorner Group – are integrated according to schedule, and now make a positive contribution to revenue and earnings. Sustainable synergies are also being realised as a result of scale effects.

The activities of the CTS Group remain focused on further refining the proprietary ticketing software. Technological leadership is the key to our unique market position and will remain of paramount importance. The successfully introduced apps for iPhone and Android, with which customers can buy tickets from their smartphones, are a major step forward. This is bolstered by the burgeoning of social media, such as the Facebook Ticket Shop, the Facebook Fan Pages, and the greater quality and scope of customer services. Exclusive presales, reservation of specific seats via the Internet, VIP package deals and print-at-home solutions are being used more and more often. As the leading ticketing company, we will continue to create new products to extend the value chain for everything relating to ticketing.

22 years after computer-printed tickets were first introduced in Germany, CTS EVENTIM is turning over a new chapter in ticketing history. For the first time ever, Europe's leading ticket seller is now producing admission tickets with a customised band/tour design – FanTickets. At last, fans buying a concert ticket online at www.eventim.de now get a ticket that also signifies a unique item of fan culture – tickets for gigs have not been this colourful, emotional and worthy of collection since the invention of digital printing. Audiences at the 2013 Depeche Mode Tour will be the first to enjoy the new tickets bearing a special motif. FanTickets are made possible by a novel technology specially engineered by CTS EVENTIM. The technique, for which a patent is pending, involves digitally combining individual motif and ticket data in real time and applying them directly to the tamper-proof CTS EVENTIM ticket blank using a special high-performance printer. Printing, packaging and dispatch are centralised and fully automatic, and the concert-goer receives a unique ticket personally produced for him or her.

The CTS Group is superbly positioned in the **Live Entertainment segment** as well. Whatever the category, be it pop, rock, German Schlagermusik, festivals or musicals – the CTS Group offers its customers an extraordinarily wide range of events. In the months ahead, the CTS Group will thrill audiences with top performers such as PINK, Depeche Mode, Roger Waters, Linkin Park, KISS, Joe Cocker, Rihanna and Eric Clapton, and with the Cirque du Soleil 'Michael Jackson – The Immortal World Tour' event series. In addition to new kinds of events, some renowned venues are also gaining in importance for ongoing business operations. For example, CTS EVENTIM is now operating not only the Waldbühne arena in Berlin, but also the famous Hammersmith Apollo in London (in a joint venture with Anschutz Entertainment Group (AEG)), and in the third quarter of 2012 signed contracts to take over the company that operates the Lanxess Arena in Cologne; however, the transaction is still subject to a merger control approval by the German antitrust authority. The objective is to continue pursuing this diversification of the Live Entertainment segment in Germany and in other countries.

A declared aim of CTS EVENTIM is to assert and extend its position as market leader in Germany and Europe. This will succeed with organic growth alone. At the same time, CTS EVENTIM pursues merger and acquisition opportunities when they arise, based on strategic fit and attractive valuation.

The Management Board expects the Group to progress well in the 2012 business year and to achieve a further improvement in revenue and earnings. The fourth quarter, traditionally the strongest, will play a special role in that regard.

5. RISKS AND OPPORTUNITIES

The risk management system now in place means that the risks facing the CTS Group are limited and controllable. There are no discernible risks that might jeopardise the continued existence of the Group as a going concern. The statements made in the risk report included in the 2011 Annual Report remain valid.

6. RELATED PARTY DISCLOSURES

For disclosures of important transactions with related parties, reference is made to item 8 in the selected notes to the consolidated financial statements.

Bremen, 28 November 2012

CTS EVENTIM Aktiengesellschaft

The Management Board

4. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2012

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2012 (IFRS)

ASSETS	30.09.2012	31.12.2011
	[EUR]	[EUR]
Current assets		
Cash and cash equivalents	175,517,350	249,964,314
Trade receivables	21,841,958	28,958,336
Receivables from affiliated and associated companies	7,617,760	5,045,151
Inventories	1,349,506	1,793,138
Payments on account	9,954,764	14,869,859
Receivables from income tax	10,839,398	7,701,649
Other assets	44,371,827	34,935,635
Total current assets	**271,492,563**	**343,268,082**
Non-current assets		
Property, plant and equipment	13,158,145	14,552,641
Intangible assets	84,558,088	92,291,474
Investments	2,365,930	2,300,583
Investments in associates	16,948,409	2,073,144
Loans	280,794	534,198
Other assets	3,782,740	3,051,213
Goodwill	252,578,865	251,797,101
Deferred tax assets	4,283,774	3,619,087
Total non-current assets	**377,956,745**	**370,219,441**
Total assets	**649,449,308**	**713,487,523**

SHAREHOLDERS’ EQUITY AND LIABILITIES	30.09.2012	31.12.2011
	[EUR]	[EUR]
Current liabilities		
Short-term financial liabilities and current portion of long-term financial liabilities	46,519,124	24,748,651
Trade payables	32,632,190	41,003,224
Payables to affiliated and associated companies	198,587	2,735,596
Advance payments received	59,200,796	83,783,126
Other provisions	2,764,852	4,402,051
Tax provisions	11,895,606	10,986,278
Other liabilities	119,960,808	161,907,989
Total current liabilities	**273,171,963**	**329,566,915**
Non-current liabilities		
Medium- and long-term financial liabilities	164,549,334	180,141,159
Other liabilities	564,735	171,571
Pension provisions	5,914,671	4,805,193
Deferred tax liabilities	16,832,774	18,944,019
Total non-current liabilities	**187,861,514**	**204,061,942**
Shareholders' equity		
Share capital	48,000,000	48,000,000
Capital reserve	1,890,047	1,890,047
Statutory reserve	2,164,937	2,164,937
Retained earnings	120,431,730	114,803,415
Treasury stock	-52,070	-52,070
Non-controlling interest	14,480,468	11,475,828
Total comprehensive income	12,325	8,086
Currency differences	1,488,394	1,568,423
Total shareholders' equity	**188,415,831**	**179,858,666**
Total shareholders' equity and liabilities	**649,449,308**	**713,487,523**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2012 (IFRS)

	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	Change
	[EUR]	[EUR]	[EUR]
Revenue	362,657,657	345,923,391	16,734,266
Cost of sales	-251,273,842	-239,924,515	-11,349,327
Gross profit	**111,383,815**	**105,998,876**	**5,384,939**
Selling expenses	-36,554,460	-35,956,471	-597,989
General administrative expenses	-24,558,665	-23,803,187	-755,478
Other operating income	10,837,544	8,630,941	2,206,603
Other operating expenses	-6,709,312	-15,881,644	9,172,332
Operating profit (EBIT)	**54,398,922**	**38,988,515**	**15,410,407**
Income / expenses from participations	0	906	-906
Expenses / Income from investments in associates	-1,572,103	-561,050	-1,011,053
Financial income	1,521,216	1,595,061	-73,845
Financial expenses	-5,908,801	-4,907,791	-1,001,010
Earnings before tax (EBT)	**48,439,234**	**35,115,641**	**13,323,593**
Taxes	-16,097,419	-11,710,548	-4,386,871
Net income before non-controlling interest	**32,341,815**	**23,405,093**	**8,936,722**
Non-controlling interest	-5,190,454	-2,299,959	-2,890,495
Net income after non-controlling interest	**27,151,361**	**21,105,134**	**6,046,227**
Earnings per share (in EUR); undiluted (= diluted)	0.57	0.44	
Average number of shares in circulation; undiluted (= diluted)	48 million	48 million	

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2012 (IFRS)

	01.07.2012 - 30.09.2012	01.07.2011 - 30.09.2011	Change
	[EUR]	[EUR]	[EUR]
Revenue	105,784,219	82,077,483	23,706,736
Cost of sales	-72,756,517	-51,735,024	-21,021,493
Gross profit	**33,027,702**	**30,342,459**	**2,685,243**
Selling expenses	-11,002,039	-12,051,882	1,049,843
General administrative expenses	-7,893,445	-8,104,358	210,913
Other operating income	1,673,241	3,121,745	-1,448,504
Other operating expenses	-2,065,855	-4,465,615	2,399,760
Operating profit (EBIT)	**13,739,604**	**8,842,349**	**4,897,255**
Expenses / Income from investments in associates	-1,187,019	-1,339,290	152,271
Financial income	364,675	314,581	50,094
Financial expenses	-1,908,038	-1,495,099	-412,939
Earnings before tax (EBT)	**11,009,222**	**6,322,541**	**4,686,681**
Taxes	-4,477,225	-2,667,898	-1,809,327
Net income before non-controlling interest	**6,531,997**	**3,654,643**	**2,877,354**
Non-controlling interest	-472,844	314,508	-787,352
Net income after non-controlling interest	**6,059,153**	**3,969,151**	**2,090,002**
Earnings per share (in EUR); undiluted (= diluted)	0.13	0.08	
Average number of shares in circulation; undiluted (= diluted)	48 million	48 million	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2012 (IFRS)

	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	32,341,815	23,405,093	8,936,722
Exchange differences on translating foreign subsidiaries	-119,217	375,668	-494,885
Available-for-sale financial assets	23,356	-19,941	43,297
Cashflow Hedges	-19,117	0	-19,117
Other results	**-114,978**	**355,727**	**-470,705**
Total comprehensive income	**32,226,837**	**23,760,820**	**8,466,017**
Total comprehensive income attributable to			
Shareholders of CTS AG	27,075,571	21,213,868	
Non-controlling interest	5,151,266	2,546,952	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2012 (IFRS)

	01.07.2012 - 30.09.2012	01.07.2011 - 30.09.2011	Change
	[EUR]	[EUR]	[EUR]
Net income before non-controlling interest	6,531,997	3,654,643	2,877,354
Exchange differences on translating foreign subsidiaries	-109,135	-32,527	-76,608
Available-for-sale financial assets	29,588	2,058	27,530
Cashflow Hedges	-19,117	0	-19,117
Other results	**-98,664**	**-30,469**	**-68,195**
Total comprehensive income	**6,433,333**	**3,624,174**	**2,809,159**
Total comprehensive income attributable to			
Shareholders of CTS AG	5,987,153	4,030,102	
Non-controlling interest	446,180	-405,928	

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2012 (IFRS) (SHORT FORM)

	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	Change
	[EUR]	[EUR]	[EUR]
Net income after non-controlling interest	27,151,361	21,105,134	6,046,227
Non-controlling interest	5,190,454	2,299,959	2,890,495
Depreciation and amortisation on fixed assets	16,859,629	16,677,028	182,601
Changes in pension provisions	1,100,083	-35,763	1,135,846
Deferred tax expenses / income	-2,718,355	-2,167,373	-550,982
Cash flow	**47,583,172**	**37,878,985**	**9,704,187**
Other non-cash transactions	3,104,307	3,138,757	-34,450
Book profit / loss from disposal of fixed assets	235,555	7,601	227,954
Interest expenses / interest income	3,612,561	2,814,176	798,385
Income tax expenses	18,815,774	13,877,921	4,937,853
Interest received	1,189,363	1,555,970	-366,607
Interest paid	-2,586,531	-2,657,945	71,414
Income tax paid	-20,878,554	-12,206,318	-8,672,236
Increase (-) / decrease (+) in inventories	449,636	166,049	283,587
Increase (-) / decrease (+) in payments on account	4,913,667	6,560,207	-1,646,540
Increase (-) / decrease (+) in receivables and other assets	-6,721,375	15,435,787	-22,157,162
Increase (+) / decrease (-) in provisions	-1,876,011	-4,474,864	2,598,853
Increase (+) / decrease (-) in liabilities	-82,229,917	-53,575,133	-28,654,784
Cash flow from operating activities	**-34,388,353**	**8,521,193**	**-42,909,546**
Cash flow from investing activities	**-24,579,965**	**-6,052,471**	**-18,527,494**
Cash flow from financing activities	**-15,933,556**	**-26,732,656**	**10,799,100**
Net increase / decrease in cash and cash equivalents	**-74,901,874**	**-24,263,934**	**-50,637,940**
Net increase / decrease in cash and cash equivalents due to currency translation	454,910	124,656	330,254
Cash and cash equivalents at beginning of period	249,964,314	178,036,473	71,927,841
Cash and cash equivalents at end of period	**175,517,350**	**153,897,195**	**21,620,155**
Composition of cash and cash equivalents			
Cash and cash equivalents	175,517,350	153,897,195	21,620,155
Cash and cash equivalents at end of period	**175,517,350**	**153,897,195**	**21,620,155**

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]
01.01.2011	**24,000,000**	**23,310,940**	**0**	**98,544,269** [1]	**-52,070**	**11,394,955** [1]	**21,842**	**1,360,202**	**158,580,138** [1]
Increase in share capital	24,000,000	-21,420,894	0	-2,579,106	0	0	0	0	0
Dividends to non-controlling interest	0	0	0	0	0	-2,084,549	0	0	-2,084,549
Dividends to shareholders of CTS AG	0	0	0	-20,878,108	0	0	0	0	-20,878,108
Net income before non-controlling interest	0	0	0	21,105,134	0	2,299,959	0	0	23,405,093
Available-for-sale financial assets	0	0	0	0	0	0	-19,941	0	-19,941
Foreign exchange differences	0	0	0	0	0	0	0	375,668	375,668
30.09.2011	**48,000,000**	**1,890,046**	**0**	**96,192,189**	**-52,070**	**11,610,365**	**1,901**	**1,735,870**	**159,378,301**
01.01.2012	**48,000,000**	**1,890,047**	**2,164,937**	**114,803,415**	**-52,070**	**11,475,828**	**8,086**	**1,568,423**	**179,858,666**
Change in the scope of consolidation	0	0	0	-404,960	0	25,986	0	0	-378,974
Dividends to non-controlling interest	0	0	0	0	0	-2,172,612	0	0	-2,172,612
Dividends to shareholders of CTS AG	0	0	0	-21,118,086	0	0	0	0	-21,118,086
Net income before non-controlling interest	0	0	0	27,151,361	0	5,190,454	0	0	32,341,815
Available-for-sale financial assets	0	0	0	0	0	0	23,356	0	23,356
Cashflow Hedges	0	0	0	0	0	0	-19,117	0	-19,117
Foreign exchange differences	0	0	0	0	0	-39,188	0	-80,029	-119,217
30.09.2012	**48,000,000**	**1,890,047**	**2,164,937**	**120,431,730**	**-52,070**	**14,480,468**	**12,325**	**1,488,394**	**188,415,831**

[1] Adjusted prior-year figures due to the final purchase price allocation of See Tickets Germany / Ticket Online Group and T.O.S.C (cf. Notes in the annual report 2011, page 73 et seq. and section 3.1.2 in selected notes to the consolidated financial statements)

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRELIMINARY STATEMENTS

CTS EVENTIM AG (hereinafter: 'CTS AG') is a corporate enterprise listed on the stock exchange and domiciled in Munich; its head office is located in Bremen. The consolidated financial statements for the first nine months of fiscal 2012, now presented as an interim report for CTS AG and its subsidiaries, were approved for publication by the Management Board in its decision of 28 November 2012.

2. BASIS OF REPORTING

The present, unaudited Group Interim Report as at 30 September 2012 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 2011 was chosen, as provided for in IAS 34. The interim financial statements should be read in conjunction with the consolidated financial statements as at 31 December 2011. 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 interim Group report as at 30 September 2011, and those in the balance sheet to the consolidated financial statements as at 31 December 2011.

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

3. NOTES CONCERNING ACCOUNTING PRINCIPLES AND METHODS

ACCOUNTING PRINCIPLES

The accounting principles and consolidation methods are the same as those applied in the consolidated financial statements as at 31 December 2011. The International Financial Reporting Standard (IFRS 7, 'Financial Instruments: Disclosures: Transfers of Financial Assets') applicable for the first time in fiscal 2012 has no material impact on the reported earnings performance, financial position and cash flow of the CTS Group.

RECOGNITION IN ACCORDANCE WITH IAS 32

Among other aspects, purchase price obligations in relation to non-controlling interests issued with put options are recognised as liabilities in accordance with IAS 32, and carried at the present value of the purchase price. Goodwill is recognised as the difference between the present value of the liabilities and the carrying amount of non-controlling interest. A detailed description of the main accounting principles is published in the 2011 Annual Report under item 1.9 of the Notes to the consolidated financial statements.

DERIVATIVE FINANCIAL INSTRUMENTS

Risks associated with changes in interest rates exist due to potential changes in market interest rates and may lead to a change in fair value in the case of fixed-rate financial instruments, and to variation of interest payments in the case of financial instruments with variable interest rates.

Variable-interest loans, medium-term, fixed-interest loan agreements and long-term loans are regularly reviewed for possible hedging against interest rate changes.

Forward interest swap contracts were concluded for an annuity loan in the third quarter of 2012, as a cash flow hedge, due to the historically low interest rate for the long-term financing. These derivative financial instruments secure the benefits of low interest rates for CTS EVENTIM AG, given that certain fixed-interest agreements will expire on 30 December 2013. Under the forward interest swap contracts, fixed rates of interest are paid, in return for receiving variable interest rates.

After reviewing the forward interest swaps as derivative financial instruments under IAS 39, hedge accounting rules have to be applied when recognising these hedges. The derivative financial instruments are recognised at fair value on the date the contract is concluded. They are also measured subsequently at their fair value on the balance sheet date.

When accounting for derivative financial instruments, gains and losses from an effective hedge of variable-interest loans with forward interest swaps are recognised in shareholders' equity under accumulated other comprehensive income. Gains or losses from an ineffective portion of the hedging instruments are recognised directly in the income statement, under financial result.

When the derivative financial instruments as hedging instruments expire, are sold, or no longer satisfy the hedge accounting criteria, the accumulated gain or loss not recognised through profit and loss remains in shareholders' equity until the originally hedged future transaction actually occurs and is recognised in the financial result. If the future transaction is no longer expected to occur, the cumulative gain or loss that has been recognised in shareholders' equity has to be reclassified immediately to profit or loss.

When a transaction is concluded, the hedging relationship between the hedging instrument and the underlying transaction, and the underlying strategy at inception of the hedge, are documented. At the inception of the hedge and continuously thereafter, documentation shall also include the assessment of whether the derivatives used in the hedging relationship are highly effective in offsetting the exposure to changes in the hedged item's fair value or in cash flows attributable to the hedged risk.

The fair values of the derivative financial instruments recognised in the CTS consolidated financial statements and deployed for hedging purposes are detailed in the selected notes to the consolidated balance sheet as at 30 September 2012 in the non-current other liabilities. As at the balance sheet date, measurement of the derivative financial instruments results in a loss on effective hedges, which is recognised in shareholders' equity in other comprehensive income. The fair value of the derivative financial instruments designating as hedged items is carried as other medium- and long-term financial liabilities, due to their remaining term as at 30 September 2012.

4. BUSINESS COMBINATIONS AND JOINT VENTURES

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

4.1 BUSINESS COMBINATIONS IN THE TICKETING SEGMENT

4.1.1 CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes in the scope of consolidation occurred during the reporting period and/or in relation to the 30 September 2011 closing date:

With an agreement concluded on 30 July 2012, CTS AG acquired 65% of the shares in nolock Softwarelösungen GmbH, Vienna (hereinafter: nolock GmbH). The price paid for the shares was EUR 500 thousand.

4.2. BUSINESS COMBINATIONS AND JOINT VENTURES IN THE LIVE ENTERTAINMENT SEGMENT

4.2.1 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 September 2011 closing date:

In a share acquisition agreement dated 13 December 2011, Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt am Main, acquired 51% of the shares in Seekers Event GmbH, Jena. Seekers Event GmbH organises the ‘SonneMondSterne’ festival in Jena.

The Arena Holding GmbH, Cologne, was formed as of 26 July 2012 as potential acquisition holding company and entered in the register of companies as of 7 August 2012.

4.2.2 JOINT VENTURE HAMMERSMITH APOLLO LTD.

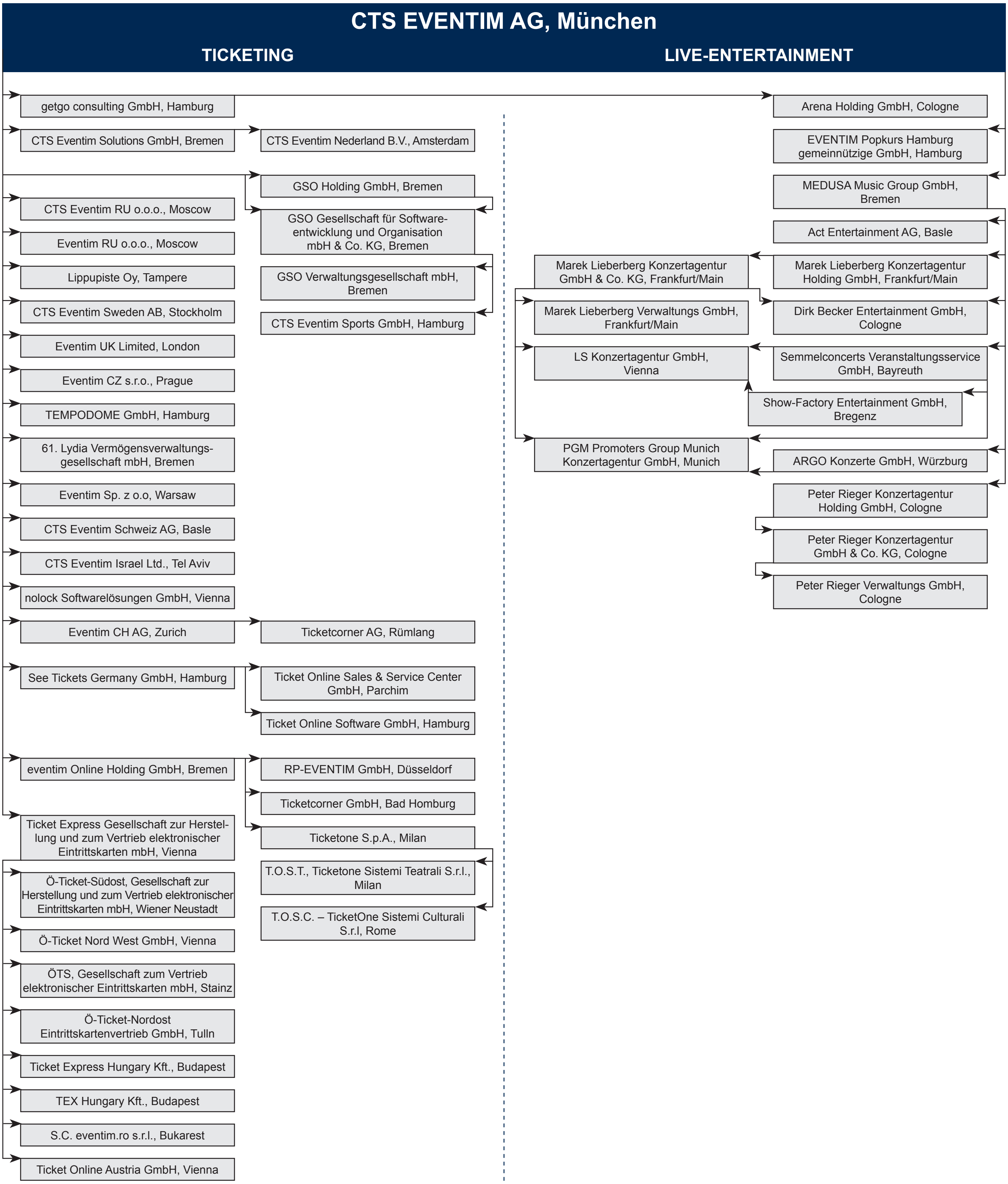
By registration in the English Companies Register on 22 May 2012, Stage C Limited (hereinafter: Stage C), was established as an acquisition company domiciled in London. CTS EVENTIM and the Anschutz Entertainment Group (AEG) hold equal shares in Stage C, as a joint venture, and is recognised in the CTS consolidated balance sheet by applying the equity method. When Stage C was established, getgo consulting GmbH, Bremen, (100% subsidiary of CTS AG) as shareholder paid in GBP 14.4 million as shareholders' equity.

In a contract of sale dated 31 May 2012, Stage C acquired 100% of the shares in Hammersmith Apollo Ltd., London, (hereinafter: HAL Apollo) from the British HMV Group plc. for GBP 32 million. At the time of acquisition, the transaction was subject to a merger control approval by the anti-trust authorities in England and Germany. Approval was granted at the beginning of August 2012.

HAL Apollo is the company which operates the central London venue of the same name. With a capacity of more than 5,000, the HAL Apollo is one of London's most popular venues for many live concerts, high-profile TV productions, comedy shows, ballet and opera. This participation in the HAL Apollo provides CTS EVENTIM with a foundation for further and rapid expansion of its market position in Great Britain.

As at 30 September 2012, the share in Stage C was recognised in the consolidated financial statements of CTS, in accordance with IAS 28, with a carrying amount of EUR 16.046 million. The share in revenue allocated to the CTS Group is EUR 280 thousand. The share in net result, consolidated according to the equity method (taking the acquisition costs and amortisation from the purchase price allocation into account) is EUR -352 thousand.

The corporate structure as at 30 September 2012 is shown in the following table:



5. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

The main changes in the consolidated balance sheet compared to 31 December 2011 are explained below:

The EUR -74.447 million reduction in **cash and cash equivalents** in the Group resulted primarily from greater cash outflow for operating activities, particularly in form of larger payments of income taxes, dismantling of advance payments received in the Live Entertainment segment, liabilities for ticket monies not yet invoiced in the Ticketing segment, and other liabilities. Cash and cash equivalents were also reduced by higher cash outflow for financial activities to redeem financial liabilities and for distributions of dividend. This was offset by external loans taken out to finance the HAL Apollo joint venture.

Trade receivables decreased by EUR -7.116 million in the context of ongoing business operations, especially in the Ticketing segment.

The EUR +2.573 million increase in **receivables from affiliated and associated companies** includes an increase in receivables in the Ticketing segment and a reduction in receivables from associated companies in the Live Entertainment segment.

The reduction in **payments on account** (EUR -4.915 million) was mainly due to the execution of events during the period under review.

The increase in **other current assets** (EUR +9.436 million) is mainly due to the increase in receivables from value added tax on input (EUR +1.400 million), cash in transit (EUR +891 thousand), receivables relating to ticket revenue from presales in the Ticketing segment (EUR +2.122 million) and receivables from promoters (EUR +1.750 million) in connection with ongoing operations. In addition, the assets which can no longer be offset against provisions for pensions as at 30 September 2012 led to a EUR +851 thousand increase in other assets because employees in the Live Entertainment segment who are already eligible for retirement are still on the payroll, and because the assets could no longer be classified as plan assets. In the past, the assets invested in insurance contracts (before beneficiary employees entered retirement) were still offset against pension provisions and were not reported as other assets.

The EUR -7.733 million change in **intangible assets** was principally due to systematic amortisation of the trademark, customer base and software that were capitalised as assets in the purchase price allocation in respect of the Ticketcorner Group and See Tickets Germany / Ticket Online Group.

Investments in associates (EUR +14.875 million) increased, mainly due to the acquisition of an interest in HAL Apollo.

Goodwill increased by EUR +782 thousand during the reporting period, due in particular to currency translation effects (EUR +330 thousand) resulting from the measurement of goodwill in foreign currencies (EUR/CHF) as at the closing date and from the acquisition of nolock GmbH made in the Ticketing segment (EUR +452 thousand).

The EUR +21.770 million increase in **short-term financial liabilities and current portion of long-term financial liabilities** includes primarily the timely reclassification from non-current loan liabilities with medium- and long-term maturities, and the external loans to finance the HAL Apollo joint venture.

Trade payables decreased by EUR -8.371 million, above all in the context of ongoing business operations in the Ticketing segment.

The EUR -25.340 million decrease in **advance payments received** in the Live Entertainment segment as at 30 September 2012 resulted mainly from presales in the second and third quarters.

The EUR -41.947 million change in **other current liabilities** as at 30 September 2012 is predominantly due to lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment (EUR -32.506 million) and lower VAT liabilities (EUR -4.746 million). Due to the strong fourth quarter at the end of each year, there is usually a large amount of liabilities for ticket monies not yet invoiced, which is then dismantled in the course of the following year when the events are held and invoiced.

The EUR -15.592 million decrease in **medium- and long-term financial liabilities** arose primarily from timely reclassification of such financial liabilities as current financial liabilities.

Non-current other liabilities include the fair value of the derivative financial instruments, at EUR 28 thousand. There is no undercoverage or overcoverage in respect of the derivative financial instruments designed as hedge items, so they are deemed to be fully effective. The change in the fair value of the derivatives is recognised in shareholders' equity at EUR 19 thousand, under accumulated other comprehensive income, taking deferred taxes into account.

As at 30 September 2012, **shareholders' equity** rose by EUR +8.557 million to EUR 188.416 million, mainly because of the positive EUR 27.151 million Group result for the 2012 reporting period to date, and due to increased non-controlling interest of EUR 3.005 million ensuing from non-controlling interest in current profits in the Live Entertainment segment. The distribution of EUR 21.118 million in dividends in the second quarter of 2012 caused a reduction in shareholders' equity. The equity ratio (shareholders' equity divided by the balance sheet total) increased from 25.2% to 29.0%.

6. SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

REALISATION OF PROFITS

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

REVENUE

The **CTS Group** generated EUR 362.658 million in revenue in the period under review, compared to EUR 345.923 million in Q1-3/2011 (up 4.8%).

The **Ticketing segment** generated EUR 140.062 million in revenue (before consolidation between segments), down from EUR 151.094 million in Q1-3/2011. The share of revenue generated by foreign subsidiaries amounted to 42% for the 2012 reporting period to date, approximately the same as a year before (41%).

In the **Live Entertainment segment**, revenue rose year-on-year by EUR 27.495 million to EUR 226.372 million (Q1-3/2011: EUR 198.877 million; up 13.8%).

COST OF SALES

The cost of sales fell by EUR 11.349 million to EUR 251.274 million. Lower cost of sales led to improved margins in both segments.

OTHER OPERATING INCOME

Other operating income increased by EUR 2.207 million to EUR 10.838 million, due, among other factors, to income resulting from completion of an acquisition.

OTHER OPERATING EXPENSES

Other operating expenses fell by EUR 9.173 million to EUR 6.709 million, mainly because non-recurring items were higher in Q1-3/2011.

FINANCIAL RESULT

The financial result, at EUR -5.960 million (Q1-3/2011: EUR -3.873 million) mainly includes EUR 1.521 million in financial income (Q1-3/2011: EUR 1.595 million), EUR 5.909 million in financial expenses (Q1-3/2011: EUR 4.908 million) and EUR -1.572 million in expenses from investments in associates (Q1-3/2011: EUR -561 thousand).

7. SEGMENT REPORTING

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

	Ticketing		Live Entertainment		Total for segment	
	30.09.2012 [EUR'000]	30.09.2011 [EUR'000]	30.09.2012 [EUR'000]	30.09.2011 [EUR'000]	30.09.2012 [EUR'000]	30.09.2011 [EUR'000]
External revenue	137,892	148,479	224,765	197,419	362,658	345,923
Internal revenue	24,802	22,660	56,701	46,548	81,503	69,208
Total revenue	**162,694**	**171,139**	**281,466**	**243,967**	**444,161**	**415,131**
Consolidation within segment	-22,632	-20,045	-55,094	-45,090	-77,727	-65,135
Revenue after consolidation within segment	**140,062**	**151,094**	**226,372**	**198,877**	**366,434**	**349,996**

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

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	30.09.2012 [EUR'000]	30.09.2011 [EUR'000]	30.09.2012 [EUR'000]	30.09.2011 [EUR'000]	30.09.2012 [EUR'000]	30.09.2011 [EUR'000]	30.09.2012 [EUR'000]	30.09.2011 [EUR'000]
Revenue	140,062	151,094	226,372	198,877	-3,776	-4,048	362,658	345,923
EBITDA	48,620	40,999	23,027	14,667	-388	0	71,259	55,666
EBIT	33,304	25,752	21,483	13,237	-388	0	54,399	38,989
Depreciation and amortisation	-15,316	-15,247	-1,544	-1,430	0	0	-16,860	-16,677
Financial result							-5,960	-3,873
Earnings before tax (EBT)							48,439	35,116
Taxes							-16,097	-11,711
Net income before non-controlling interest							32,342	23,405
Non-controlling interest							-5,191	-2,300
Net income after non-controlling interest							27,151	21,105
Average number of employees	1,199	1,224	210	207			1,409	1,431
Normalised EBITDA	47,786	48,663	23,027	14,667	-388	0	70,424	63,330
Normalised EBIT before amortisation from purchase price allocation	40,060	41,304	21,483	13,237	-388	0	61,155	54,541

8. OTHER DISCLOSURES

APPROPRIATION OF EARNINGS

The Shareholders' Meeting on 15 May 2012 adopted a resolution to distribute EUR 21.118 million (EUR 0.44 per eligible share) of the balance-sheet profit of EUR 87.096 million as at 31 December 2011 to shareholders. This distribution was carried out on 16 May 2012, and the remaining balance sheet profit of EUR 65.978 million was carried forward to retained earnings.

FINANCIAL OBLIGATIONS

Since 31 December 2011, there have been no material changes in contingent liabilities.

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. The majority shareholder of CTS AG is a controlling shareholder of other companies associated with the 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 2012 reporting period:

	30.09.2012	30.09.2011
	[EUR'000]	[EUR'000]
Goods and services supplied by the Group		
Subsidiaries not included in consolidation due to insignificance	401	365
Associated companies	1,498	1,558
Other related parties	1,711	4,814
	3,610	**6,737**

	30.09.2012	30.09.2011
	[EUR'000]	[EUR'000]
Goods and services received by the Group		
Subsidiaries not included in consolidation due to insignificance	405	249
Associated companies	841	1,969
Other related parties	11,209	10,847
	12,455	**13,065**

Bremen, 28 November 2012

CTS EVENTIM Aktiengesellschaft

Klaus-Peter Schulenberg　　Volker Bischoff　　Alexander Ruoff

FORWARD-LOOKING STATEMENTS

This Group Report contains forecasts based on assumptions and estimates by the management of CTS EVENTIM AG. 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 EVENTIM AG does not provide any guarantee or accept any liability or responsibility for any divergence between future developments and actual results, on the one hand, and the assumptions and estimates expressed in this Group Interim Report. CTS EVENTIM AG 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 Group Interim Report.

This Group Interim Report is also available in English translation; the German version of the Group Interim Report takes priority over the English translation in the event of any discrepancies. It is available for downloading from http://www.eventim.de.

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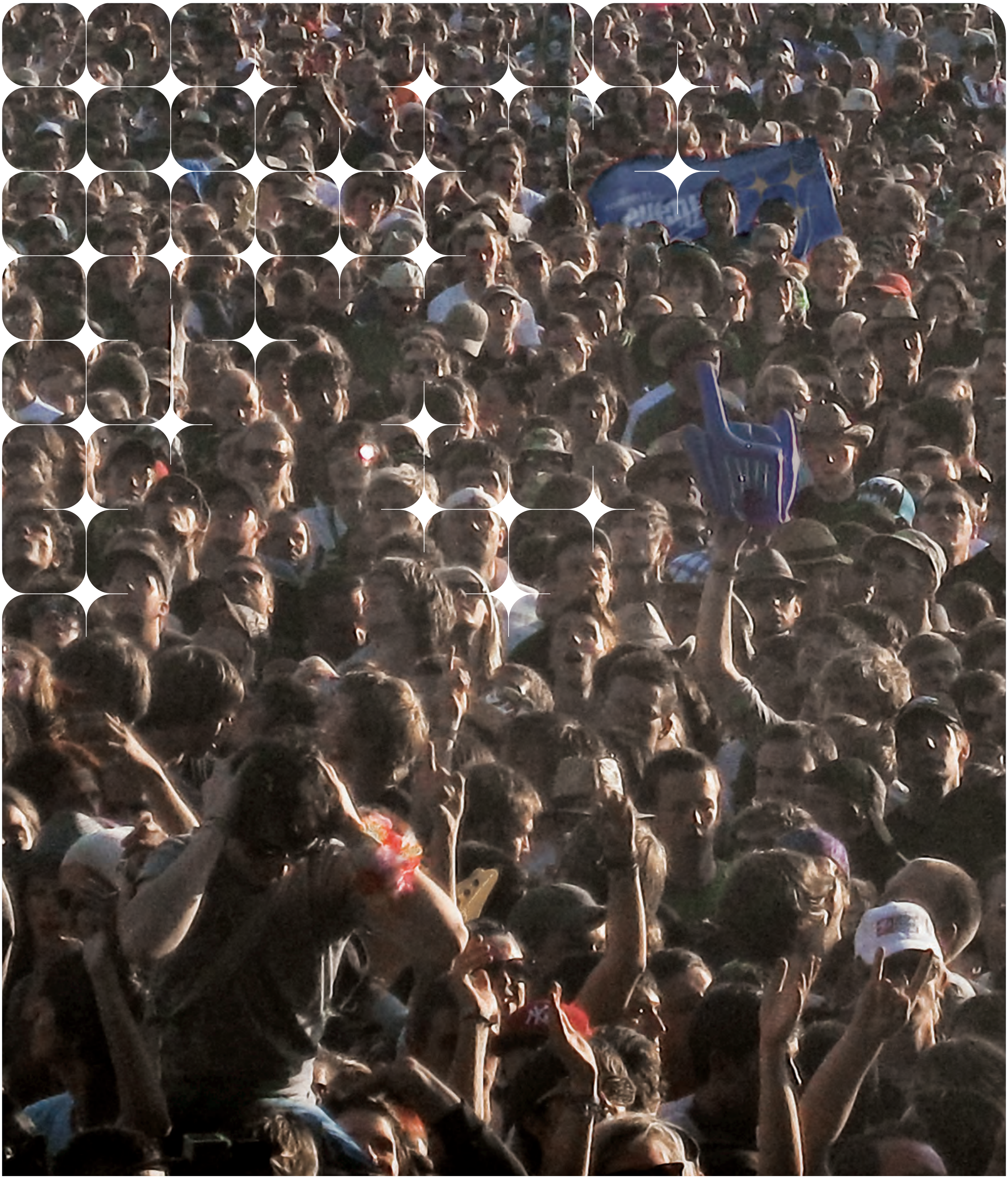

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