GROUP INTERIM REPORT AS AT 30 JUNE 2018

eventim

KEY GROUP FIGURES

	01.01.2018 - 30.06.2018	01.01.2017 - 30.06.2017	Change
	[EUR'000]	[EUR'000]	[in %]
Revenue	606,606	488,512 [1]	24.2
EBITDA	93,198	82,246 [1]	13.3
EBITDA margin	15.4%	16.8% [1]	-1.5 pp
EBIT	75,332	64,851 [1]	16.2
EBIT margin	12.4%	13.3% [1]	-0.9 pp
Normalised EBITDA	94,148	83,658 [1]	12.5
Normalised EBIT before amortisation from purchase price allocation	81,965	72,716 [1]	12.7
Normalised EBITDA margin	*15.5%*	*17.1%* [1]	*-1.6 pp*
Normalised EBIT margin before amortisation from purchase price allocation	*13.5%*	*14.9%* [1]	*-1.4 pp*
Non-recurring items [2]	951	1,412	-32.7
Amortisation resulting from purchase price allocation	5,682	6,453 [1]	-12.0
Earnings before tax (EBT)	77,573	70,896 [1]	9.4
Net income after non-controlling interest	43,908	47,072 [1]	-6.7
Cash flow	67,415	60,206 [1]	12.0
	[EUR]	[EUR]	
Earnings per share [3], undiluted (= diluted)	0.46	0.49	
	[Qty.]	[Qty.]	
Number of employees [4]	2,867	2,632	
Of which temporary	(572)	(483)	

[1] Adjusted prior-year figures due to the final purchase price allocation of the FKP SCORPIO Group
[2] Detailed description of non-recurring items on page 7
[3] Number of shares: 96 million
[4] Number of employees at end of year (active workforce)

CONTENT

1. LETTER TO THE SHAREHOLDERS

Klaus-Peter Schulenberg
Chief Executive Officer

Dear Readers,

In the first half of 2018, CTS EVENTIM managed to follow up on the success we achieved in the record-breaking year 2017: Our group revenue exceeded the half billion Euro mark for the first time ever in the first six months of a financial year. It improved significantly – by almost a quarter – to EUR 606.6 million. By far the greatest part of that dynamic growth was achieved organically. Our normalised EBITDA also rose substantially year-on-year, climbing 12.5% to EUR 94.1 million.

We achieved this dynamic growth in a market environment that in many countries was less advantageous for us than in 2017, when there were significantly more presales for major tours. Despite that, we succeeded in boosting the number of tickets sold.

I would like to point out the strong growth shown by our web shops:

Although far fewer concerts attracting large audiences entered presales in 2018 than in 2017 (also due to the FIFA World Cup), we still managed to increase our online ticketing volume by almost 10% to around 22.4 million. The market-induced smaller number of such events could be more than compensated for by growth in our digital and mobile services.

This is a clear indication that we are well-equipped for further growth – not only in our present markets, but also beyond. In the Ticketing segment, revenue rose 3.1% to EUR 183.4 million, even though there were fewer presales for high-margin major tours with higher ticket price levels than the year before. Normalised EBITDA came in at EUR 65.6 million, despite expenses for implementing the European General Data Protection Regulation.

We can also be very satisfied with our performance in the Live Entertainment segment, where we achieved high double-digit growth rates and record figures for both revenue and earnings. While revenue rose by 36.0% to EUR 429.1 million, normalised EBITDA advanced by no less than 57.4% to reach EUR 28.5 million. In the first half of the year, many promoters in our portfolio organised even more concerts and tours attracting big audiences and high revenue levels than it was the case in 2017. The new 'Holiday on Ice' tour was not only a popular, but also a commercial success.

The recent acquisitions of more concert and festival promoters is contributing to growth in the Live Entertainment segment as well. So far in 2018, CTS EVENTIM has continued its international expansion in this segment with takeovers of D'Alessandro e Galli and Vivo Concerti (both Italy) and Doctor Music (Spain).

We are absolutely delighted at being able to offer European tour opportunities to many more artists from all over the world, and that two legendary formats, namely the Lucca Summer Festival and the Doctor Music Festival, are now enriching our constantly growing line-up of festivals. We will continue to invest in first-class, innovative content. Another example, taking place one day after this six-month report appears, is our New Horizons Festival. It will not only feature the Who's Who of the electronic dance music scene, but will also be attracting even more visitors than the debut event last year.

And we shape other key industry trends just as innovatively:

- The secondary market is just one example: at the start of the year, our fanSALE portal was swiftly awarded Google AdWords certification for online advertising. In future, we want to establish fanSALE not just as one of the leading, but also as the fairest ticketing platform for the secondary market.

- Big Data: five years ago, we created our Information Science department. Since then, we have been using data to systematically generate insights, and have been applying these insights to develop business. This is something we are getting better and better at. Our data are particularly valuable because our web shops generate high levels of external sales. In Germany, CTS EVENTIM is one of the three leading companies in this area – behind only Amazon and Otto, but ahead of Zalando.

- Sponsoring: in April this year, we launched EVENTIM BRAND CONNECT. This new business unit bundles sponsoring activities which have been managed decentrally hitherto. In this way, we are able to offer existing and new partners a totally new form of transboundary marketing campaigns – with access to tens of thousands of live events in ten different countries. Not only are we thus creating a bridge between online and offline business, but are also offering campaign opportunities along the entire fan connection.

- Venues: we strategically invest in our venues. One recent example is the Waldbühne in Berlin, where we built and completed a new, contemporary backstage area in time for the new season. Its creation was directed by Max Dudler, the internationally renowned architect. This will allow the Waldbühne to continue setting standards, not only in terms of atmosphere, but also with regard to infrastructure.

These and other initiatives will help CTS EVENTIM to continually delight not only millions of people all over the world, but also you, dear shareholders. As one of only seven German companies to have increased its dividend every year for the past ten years, we are well on the way to achieving our goals.

The driving force behind this success are our employees in 23 countries. Let me take this opportunity to express my warmest thanks to them for their enormous dedication and commitment, and to wish you, dear readers, an informative in the form of our Six-Month Report.

With best regards,

your

Klaus-Peter Schulenberg
Chief Executive Officer

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

2. CTS EVENTIM SHARES

The continued uncertainty due to the punitive tariffs imposed by the US, along with their impact and retaliatory measures by the affected economies, has been rubbing off on capital markets since the start of the year. The general feeling of uncertainty among investors regarding the potential impact of these trade policy measures on the global economy led to sideward movement on capital markets in the first six months of the 2018 financial year. Speculation as to potential escalation of the trade dispute between the US and its partners continues to be an issue that capital markets are focused on.

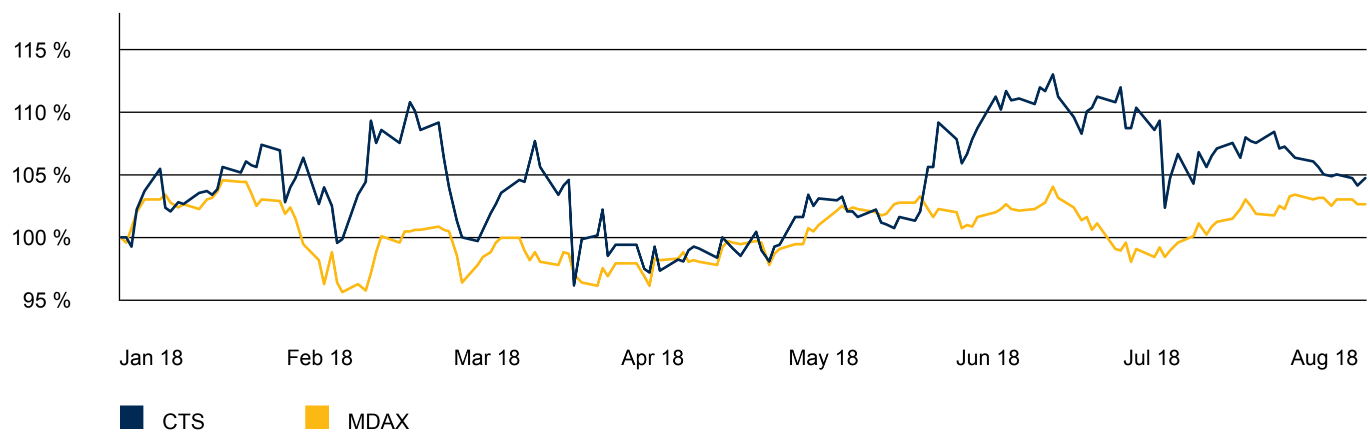
In this capital market environment, shares in CTS EVENTIM nevertheless succeeded in significantly outperforming the benchmark index MDAX. By gaining 10.5% in value in the first six months of 2018, compared to the MDAX's development of -1.3%, shares in CTS EVENTIM were once again able to noticeably buck the trend and outperform the benchmark index by 11.8%. The share even outperformed the blue-chip index DAX by 15.2% due to the development of -4.7% seen by the index of the 30 largest listed German companies.

CTS KGaA's industry environment remains positive. The Live Entertainment trend continues to extend to all age and population groups. Supported by advancing digitalisation, attractive growth prospects remain available to the CTS Group. The focus here is on organic and acquisition-based growth, as well as on the constant expansion of the Group's own product, service and technology portfolio.

The medium- and long-term growth prospects are also reflected in analysts' opinions. The vast majority of bank analysts recommend buying or holding the share. Baader-Helvea, Bankhaus Lampe, Berenberg, Commerzbank, DZ Bank, Equinet, Hauck & Aufhäuser, Kepler-Cheuvreux, M.M. Warburg and NordLB are among the banks that monitor and issue recommendations on the CTS EVENTIM share.

CTS KGaA will be attending various capital market conferences and investor roadshows as the 2018 financial year continues with the aim of continuously expanding dialogue with national and international investors. The CTS EVENTIM investor relations strategy continues to focus on active exchange with potential and current investors.

THE CTS EVENTIM SHARE PRICE (01.01.2018 – 21.08.2018, INDEXED)



3. INTERIM GROUP MANAGEMENT REPORT

1. EARNINGS PERFORMANCE; FINANCIAL POSITION AND CASH FLOW

EARNINGS PERFORMANCE

	01.01.2018 - 30.06.2018	01.01.2017 - 30.06.2017	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	**606,606**	**488,512** [1]	**118,094**	**24.2**
Gross profit	**145,046**	**136,897** [1]	**8,149**	**6.0**
EBITDA	**93,198**	**82,246** [1]	**10,952**	**13.3**
Depreciation and amortisation	**-17,865**	**-17,395** [1]	**-470**	**2.7**
EBIT	**75,332**	**64,851** [1]	**10,481**	**16.2**
Financial result	2,241	6,045	-3,803	-62.9
Earnings before tax (EBT)	**77,573**	**70,896** [1]	**6,678**	**9.4**
Taxes	-25,185	-23,731 [1]	-1,453	6.1
Net income attributable to shareholders of CTS KGaA (consolidated net income)	**43,908**	**47,072** [1]	**-3,164**	**-6.7**
Net income attributable to non-controlling interests	8,481	92 [1]	8,388	> 100
EBITDA	**93,198**	**82,246** [1]	**10,952**	**13.3**
Non-recurring items	951	1,412	-462	-32.7
Normalised EBITDA	**94,148**	**83,658** [1]	**10,490**	**12.5**
Depreciation and amortisation	-17,865	-17,395 [1]	-470	2.7
Thereof amortisation from purchase price allocation	5,682	6,453 [1]	-771	-12.0
Normalised EBIT before amortisation from purchase price allocation	**81,965**	**72,716** [1]	**9,248**	**12.7**

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

REVENUE PERFORMANCE

In the **Ticketing segment** revenue rose by EUR 5.591 million (+3.1%) to EUR 183.400 million. After the successful first quarter of 2018, the second quarter was influenced by a major international sporting event, the FIFA World Cup in Russia. As a result of the event's dominance, fewer major events were offered in ticketing presales. Nevertheless, the internet ticket volume increased by 2.0 million from 20.4 million to 22.4 million (+9.4%). Compared to the same period of the previous year, however, far fewer high-margin big tours with higher ticket prices (such as Rolling Stones, U2 and Depeche Mode) were offerred. The share of revenue generated by foreign subsidiaries was at 47.1% (previous year: 47.8%).

In the **Live Entertainment** segment, a record revenue of EUR 429.121 million (+36.0%) by EUR 113.642 million was generated in the first half of the year. The increase in revenue results from the expansion of the scope of consolidation and from an increased number of very well attended and high-revenue concerts and tours.

In the **CTS Group**, this resulted in an increase in revenue in both segments by EUR 118.094 million (+24.2%) to EUR 606.606 million.

NON-RECURRING ITEMS

In the period under review CTS Group earnings were negatively impacted due to non-recurring items in the Ticketing segment amounting to EUR 747 thousand (previous year: EUR 1.412 million) and in the Live Entertainment segment amounting to EUR 204 thousand due to implemented and planned acquisitions. Non-recurring items comprise primarily legal and consulting fees for the performance of due diligence (see Annual Report 2017, 3.2 Corporate Management).

NORMALISED EBITDA / EBITDA

Normalised EBITDA in the **Ticketing segment** increased by EUR 90 thousand (+0.1%). The growth in online ticket volume both nationally and internationally contributed, significantly to this increase in earnings, although compared to the same period in the previous year, significantly fewer high-margin major tours with higher ticket prices were on offer. Increased expenses resulting from the implementation of the European General Data Protection Regulation (GDPR) and lower other operating income, led to a negative impact on earnings during the reporting period. Furthermore, higher personnel costs resulted from the implementation of technological development and expanding internationalisation. Normalised EBITDA margin decreased to 35.8% (previous year: 36.9%). The share of normalised EBITDA attributable to foreign companies increased year-on-year from 33.4% to 34.1% in the current reporting period. The EBITDA increased from EUR 64.135 million by EUR 756 thousand to EUR 64.891 million. The EBITDA margin is 35.4% (previous year: 36.1%).

Normalised EBITDA in the **Live Entertainment segment** increased significantly by EUR 10.400 million (+57.4%). The increase relates primarily to high-profile major tours and events and positive earnings contributions from new event formats. The normalised EBITDA margin increased to 6.6% compared to 5.7% in the same period last year. EBITDA increased from EUR 18.111 million by EUR 10.196 million to EUR 28.307 million. EBITDA margin rose to 6.6% (previous year: 5.7%).

Normalised **CTS Group** EBITDA increased by EUR 10.490 million or 12.5%. The normalised EBITDA margin was with 15.5% below the previous year's level with 17.1%. The normalised EBITDA margin was negatively impacted by the increased share in normalised EBITDA of the positive – yet lower-margin – in the Live Entertainment segment. Foreign subsidiaries accounted for 27.3% of normalised EBITDA (previous year: 25.1%). EBITDA increased by EUR 10.952 million from EUR 82.246 million to EUR 93.198 million. The EBITDA margin is 15.4% (previous year: 16.8%).

DEPRECIATION AND AMORTISATION

The rise in amortisation by EUR 470 thousand to EUR 17.865 million was the result of an increase in scheduled amortisation.

FINANCIAL RESULT

The financial result decreased from EUR 6.045 million by EUR 3.803 million to EUR 2.241 million. The previous year's period was disproportionately positive in financial income due to the valuation at fair value of a subsidiary accounted for using the equity method and fully consolidated as of 1 January 2017 in the amount of EUR 5.373 million. Compared to the same period of the previous year, increased financial income of EUR 1.211 million was recognised in the first six months of 2018 from the updated fair value measurement of liabilities from put options granted to minority shareholders.

TAXES

Taxes increased by EUR 1.453 million to EUR 25.185 million mainly due to positive business development. The tax rate amounts to 32.5% (previous year: 33.5%). The tax rate is influenced by the expansion of the scope of consolidation and higher tax expenses in 2017 for previous years.

EARNINGS BEFORE TAX (EBT) / CONSOLIDATED NET INCOME / EARNINGS PER SHARE (EPS)

In the reporting period, EBT increased from EUR 70.896 million by EUR 6.678 million to EUR 77.573 million.

Due to the positive business development in the Live Entertainment segment, significantly higher minority interests were reported in the period under review, so that after deducting tax expenses and non-controlling interest, a net income attributable to the shareholders of CTS KGaA of EUR 43.908 million (previous year: EUR 47.072 million) was achieved and the EPS fell as expected from EUR 0.49 to EUR 0.46.

PERSONNEL

Compared to the previous year, personnel expenses in the CTS Group increased by EUR 7.498 million from EUR 68.632 million to EUR 76.129 million. The increase in personnel expenses relates to the Live Entertainment segment with EUR 4.586 million and to the Ticketing segment with EUR 2.911 million. The increase in the Live Entertainment segment resulted primarily from the expansion of the number of companies included in consolidation. The increase in the Ticketing segment is due to the further expansion of the workforce in line with business development and the implementation of technological development and expanding internationalisation.

On average in the first half year of 2018, the companies in the CTS Group had a total of 2,859 employees (previous year: 2,667) including part-time workers on their payroll. Of that total, 1,705 are employed in the Ticketing segment (previous year: 1,676 employees) and 1,154 in the Live Entertainment segment (previous year: 991 employees).

FINANCIAL POSITION

MAIN CHANGES IN ASSETS

Cash and cash equivalents in the CTS Group decreased by EUR 121.881 million. The change in cash and cash equivalents relates on the one hand to the seasonal reduction of cash and cash equivalents in the Live Entertainment segment due to events held in the second quarter, which is offset by an increase of cash and cash equivalents due to the scope of consolidation, and on the other hand to the seasonal reduction of ticket monies paid in the Ticketing segment. In addition, dividend payments to shareholders in the second quarter of 2018 led to a cash outflow.

Cash and cash equivalents include ticket monies from presales for events in subsequent quarters (ticket monies not yet invoiced primarily in the Ticketing segment), which are reported under other financial liabilities at EUR 233.200 million (31.12.2017: EUR 314.483 million); other financial assets also include receivables relating to ticket monies from presales mainly in the Ticketing segment (EUR 34.706 million; 31.12.2017: EUR 78.664 million) and factoring receivables (EUR 9.687 million; 31.12.2017: EUR 22.266 million).

The increase in **payments on account** (EUR +32.537 million) relates to already paid production costs (e.g. artist fees) for future events to be held in subsequent quarters in the Live Entertainment segment amongst others due to the increase in the scope of consolidation.

The decrease in short-term **other financial assets** (EUR -50.216 million) mainly results from the decrease in receivables relating to ticket revenue from presales in the Ticketing segment (EUR -43.723 million) and factoring receivables (EUR -12.579 million).

The increase in current **other non-financial assets** (EUR +9.825 million) includes mainly increased VAT receivables.

Goodwill increased mainly due to the expansion in the number of consolidated companies in the Live Entertainment segment (EUR +10.936 million).

MAIN CHANGES ON THE SHAREHOLDERS' EQUITY AND LIABILITY SIDE

The decline in **short-term liabilities** is mainly the result of lower short-term financial liabilities (EUR -23.162 million) and lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment (EUR -81.283 million) and advance payments received (EUR -44.171 million) in the Live Entertainment segment. This is offset by higher trade payables (EUR +35.474 million).

Current **financial liabilities** (EUR -23.162 million) decreased as a result of loan payments.

Trade payables increased by EUR 35.474 million, amongst other things due to the expansion of the scope of consolidation.

The short-term **advance payments received** (EUR -44.171 million) decreased mainly due to the performance of events. On the other hand, there is an increase in the scope of consolidation.

The decline in short-term **other financial liabilities** (EUR -82.862 million) is mainly attributable to the reduction of liabilities from ticket monies not yet invoiced in the Ticketing segment. Due to the strong fourth quarter at the end of the 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.

Shareholders' equity decreased by EUR 3.160 million to EUR 390.640 million, mainly due to the positive consolidated net income in the reporting period which is offset by a dividend payment to shareholders. The equity ratio (shareholders' equity divided by the balance sheet total) rose to 30.4% (previous year: 28.0%).

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 closing date of 31 December 2017, cash and cash equivalents decreased by EUR 121.881 million to EUR 518.846 million.

In comparison to the closing date at 30 June 2017 cash and cash equivalents increased by EUR 70.365 million.

The decrease in **cash flow from operating activities** from EUR -4.161 million by EUR -34.228 million to EUR -38.389 million is primarily the result of changes in liabilities (advance payments received) in the Live Entertainment segment.

The negative cash flow effect arising from the change in **liabilities** amounted to EUR -128.918 million compared to the previous year period and consisted primarily of the year-on-year decline in advance payments in the Live Entertainment segment. The execution of major tours with large audiences in the reporting period in 2018 led to a negative cash flow effect, whereas higher advance payments received from presales for major tours with large audiences resulted in a positive cash flow effect in the first half of 2017.

The positive cash flow effect from the change in **receivables and other assets** of EUR 66.486 million results from the increased reduction of receivables from ticket monies in the Ticketing segment. The high receivables from ticket monies resulting from the presale of high-profile events as at the balance sheet date of 31 December 2017 were reduced accordingly in the reporting period. In addition, there were further positive cash flow effects from changes in trade receivables in the ordinary course of business.

Cash flow from investing activities increased year-on-year by EUR 1.170 million from EUR 3.550 million to EUR 4.721 million. The improved cash flow from cash inflows from the strategically based share reductions in the Live Entertainment segment is offset by higher investments in property, plant and equipment.

The **cash flow from financing activities** decreased year-on-year from EUR -103.894 million by EUR 16.258 million to EUR -87.636 million. This was mainly due to dividend payments (due to higher dividend payment of an additional special dividend in 2017) and higher redemption of financial loans.

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

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Medusa Music International GmbH, Bremen, acquired 60% of the shares in the Italian festival and concert promoter Di and Gi S.r.l., Lido di Camaiore, Italy, in February 2018. The purpose of this company is to organise and conduct concerts. With this acquisition, the CTS Group gets access to an attractive festival and artist portfolio that complements its existing activities in Italy.

In April 2018, the CTS Group has further enhanced its market position in Italy and acquired a 100% stake in Vivo Concerti S.r.l., Milan, a promoter of concerts and musicals, through its subsidiary Friends & Partners S.p.A., Milan. Among the artists whose Italian tours Vivo Concerti has organised in recent years, are international acts such as Evanescence, David Guetta, Demi Lovato, Tokio Hotel, Sam Smith, Brian Wilson and Hans Zimmer, as well as regional stars like Benji & Fede, Mannarino and Thegiornalisti.

In May 2018, the CTS Group acquired 63.5% of shares in the Spanish concert and festival promoter BIG TOURS S.L., Barcelona, through its subsidiary Medusa Music International GmbH, Bremen. By making this acquisition, the CTS Group is broadening its international base still further and now has a presence in Spain with its Live Entertainment segment. The management team of BIG TOURS S.L. has been bringing the biggest stars of the international rock and pop scene to the Spanish stages for more than 35 years.

Detailed explanations are presented in the notes under point 2.2 Purchase Price Allocations.

OUTLOOK

The EU Commission points out in its most recent forecast that economic growth in the eurozone, at 2.4%, set a ten-year high last year. For 2018, it expects an increase of 2.3%. Moreover, the budget deficit will be less than 3% of the gross domestic product this year for the first time since the economic and monetary union was established. In 2019, the growth rate will decrease slightly to 2.0% due to bottlenecks and the associated financial measures. Furthermore, the commission expects the inflation rate to rise very slowly from 1.5% in 2018 to 1.6% in 2019. Germany is forecasted, to see an economic growth of 2.3% this year and 2.1% next year.

The International Monetary Fund (IMF) confirmed its growth forecast for the global gross domestic product in its most recent estimate. Despite mounting risks due to potential escalations in trade, the IMF expects global growth of 3.9% in both 2018 and 2019. The growth forecasts for the eurozone have been downgraded slightly in each instance – by 0.2 percentage points to 2.2% for 2018 and by 0.1 percentage point to 1.9% for 2019. The IMF presumes that industrialised countries' economic growth, which it claims is particularly important for global development, has peaked. As a result, increasing risks and more irregular growth is to be expected in future, it says.

The Kiel Institute for the World Economy (IfW) has downgraded its forecast for the German gross domestic product. The German economy will reportedly grow by just 2.0% in 2018, rather than by 2.5%, on account of lower production activity at the start of the year triggered by factors such as trade conflicts with the US, the flu outbreak and frequent strikes. For 2019, the IfW expects GDP growth of 2.3% owing above all to high income growth among private households and positive development in the construction sector.

Munich's Ifo Institute has significantly downgraded its spring 2018 economic forecast. Germany's economic boom has lost momentum, it says. Against this backdrop, the Ifo Institute assumes that the German gross domestic product will grow by just 1.8% in both 2018 and 2019. The institute names a steep rise in trade-related risk as the main reason for the cautious forecast.

As already shown in the 2017 Annual Report (report on expected future development), the **CTS Group** continues to expect increases in the revenue and earnings figures for the 2018 financial year. Both the Ticketing and Live Entertainment segments are expected to contribute to both developments. Online ticketing remains an important driver of success in this respect. The number of tickets sold online increased by nearly 10% in the first six months of 2018 even though significantly fewer major tours than in the same period of the previous year went into presale in many countries. The FIFA World Cup was one of the reasons for this development. In this context, the CTS Group benefited from the rising popularity of digital offerings and its long-standing investments in mobile solutions, apps and social media.

In the **Ticketing segment**, the online ticketing volume once again increased substantially in the first six months of the year. Not least, the CTS Group is constantly examining opportunities for cooperations and acquisitions in existing and new markets. Further areas of strategic focus in Ticketing include the ongoing development of e-commerce solutions and the use and analysis of big data. With EVENTIM Analytics, the Group has an innovative, market-ready tool that offers customers significantly increased efficiency and greater knowledge in numerous relevant areas.

In the first half of the year, the **Live Entertainment segment** saw record revenue and earnings figures on the basis of growth rates that were well into double digits. The CTS Group is also open to further acquisitions and strategic partnerships in this area of business, as underscored by the most recent acquisitions in Italy and Spain.

There were no significant changes in the reporting period compared to the information on the expected development of the Group stated in the 2017 Annual Report.

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 in the Risk and Opportunity Report 2017 are still valid.

4. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2018

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018

ASSETS	30.06.2018	31.12.2017
	[EUR'000]	[EUR'000]
Current assets		
Cash and cash equivalents	518,846	640,726
Marketable securities and other investments	4,573	837
Trade receivables	56,596	60,541
Receivables from affiliated and associated companies accounted for at equity	2,850	2,218
Inventories	3,901	4,600
Payments on account	78,621	46,084
Receivables from income tax	6,255	6,141
Other financial assets	66,578	116,795
Other non-financial assets	46,965	37,140
Total current assets	**785,183**	**915,080**
Non-current assets		
Goodwill	307,775	296,839
Other intangible assets	110,817	112,722
Property, plant and equipment	33,403	31,224
Investments	1,098	1,815
Investments in associates accounted for at equity	18,888	19,294
Loans	0	3,767
Trade receivables	24	20
Other financial assets	5,228	4,605
Other non-financial assets	1,094	1,000
Deferred tax assets	21,415	18,993
Total non-current assets	**499,741**	**490,278**
Total assets	**1,284,925**	**1,405,358**

SHAREHOLDERS‘ EQUITY AND LIABILITIES	30.06.2018	31.12.2017
	[EUR'000]	[EUR'000]
Current liabilities		
Financial liabilities	36,255	59,418
Trade payables	139,363	103,889
Payables to affiliated and associated companies accounted for at equity	812	554
Advance payments received	242,284	286,454
Other provisions	7,063	7,884
Tax debts	46,922	37,568
Other financial liabilities	250,163	333,024
Other non-financial assets	58,567	64,642
Total current liabilities	**781,428**	**893,433**
Non-current liabilities		
Financial liabilities	81,845	87,781
Advance payments received	2,419	1,132
Other provisions	4,598	4,598
Other financial liabilities	217	260
Pension provisions	9,819	9,925
Deferred tax liabilities	13,959	14,429
Total non-current liabilities	**112,856**	**118,125**
Shareholders' equity		
Share capital	96,000	96,000
Capital reserve	1,890	1,890
Statutory reserve	7,200	7,200
Retained earnings	253,688	266,993
Other reserves	-1,994	-2,278
Treasury stock	-52	-52
Total equity attributable to shareholders of CTS KGaA	**356,732**	**369,753**
Non-controlling interests	33,908	24,047
Total shareholders' equity	**390,640**	**393,800**
Total shareholders' equity and liabilities	**1,284,925**	**1,405,358**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

	01.01.2018 - 30.06.2018	01.01.2017 - 30.06.2017
	[EUR'000]	[EUR'000]
Revenue	606,606	488,512 [1]
Cost of sales	-461,560	-351,616 [1]
Gross profit	**145,046**	**136,897 [1]**
Selling expenses	-44,527	-42,130
General administrative expenses	-32,014	-30,590
Other operating income	14,892	9,510
Other operating expenses	-8,065	-8,835
Operating profit (EBIT)	**75,332**	**64,851 [1]**
Income / expenses from participations	400	15
Income / expenses from investments in associates accounted for at equity	1,132	1,406
Financial income	3,916	6,882
Financial expenses	-3,207	-2,258
Earnings before tax (EBT)	**77,573**	**70,896 [1]**
Taxes	-25,185	-23,731 [1]
Net income	**52,389**	**47,164 [1]**
Net income attributable to		
Shareholders of CTS KGaA (consolidated net income)	**43,908**	**47,072 [1]**
Non-controlling interests	8,481	92 [1]
Earnings per share (in EUR); undiluted (= diluted)	0.46	0.49
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

	01.01.2018 - 30.06.2018	01.01.2017 - 30.06.2017
	[EUR'000]	[EUR'000]
Net income	52,389	47,164 [1]
Remeasurement of the net defined benefit obligation for pension plans	774	1,204
Items that will not be reclassified to profit or loss	**774**	**1,204**
Exchange differences on translating foreign subsidiaries	593	-1,163
Changes in financial assets measured at fair value	0	16
Change in the fair value of derivatives in cash flow hedges	39	-20
Share of other comprehensive income (exchange differences) of investments accounted for using the equity method	38	-255
Items that will be reclassified subsequently to profit or loss when specific conditions are met	**671**	**-1,422**
Other results (net)	**1,445**	**-218**
Total comprehensive income	**53,834**	**46,946** [1]
Total comprehensive income attributable to		
Shareholders of CTS KGaA	44,205	46,713 [1]
Non-controlling interests	9,629	234 [1]

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

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2018

	01.04.2018 - 30.06.2018	01.04.2017 - 30.06.2017
	[EUR'000]	[EUR'000]
Revenue	332,064	281,333 [1]
Cost of sales	-266,582	-214,765 [1]
Gross profit	**65,482**	**66,569** [1]
Selling expenses	-22,349	-21,620
General administrative expenses	-16,397	-15,568
Other operating income	5,788	4,229
Other operating expenses	-3,037	-5,317
Operating profit (EBIT)	**29,487**	**28,293** [1]
Income / expenses from participations	90	15
Income / expenses from investments in associates accounted for at equity	867	994
Financial income	3,717	1,335
Financial expenses	-1,465	-1,224
Earnings before tax (EBT)	**32,696**	**29,412** [1]
Taxes	-11,884	-12,300 [1]
Net income	**20,812**	**17,112** [1]
Net income attributable to		
Shareholders of CTS KGaA (consolidated net income)	**17,838**	**19,047** [1]
Non-controlling interests	2,974	-1,935 [1]
Earnings per share (in EUR); undiluted (= diluted)	0.19	0.20
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2018

	01.04.2018 - 30.06.2018 [EUR'000]	01.04.2017 - 30.06.2017 [EUR'000]
Net income	20.812	17.112 [1]
Remeasurement of the net defined benefit obligation for pension plans	-76	40
Items that will not be reclassified to profit or loss	**-76**	**40**
Exchange differences on translating foreign subsidiaries	889	-1.051
Changes in financial assets measured at fair value	0	12
Change in the fair value of derivatives in cash flow hedges	76	-23
Share of other comprehensive income (exchange differences) of investments accounted for using the equity method	-208	-406
Items that will be reclassified subsequently to profit or loss when specific conditions are met	**757**	**-1.468**
Other results (net)	**681**	**-1.427**
Total comprehensive income	**21.493**	**15.685** [1]
Total comprehensive income attributable to		
Shareholders of CTS KGaA	18.035	17.856 [1]
Non-controlling interests	3.458	-2.171 [1]

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Equity attributable to shareholders of CTS KGaA												
					Other reserves								
	Share capital	Capital reserve	Statutory reserve	Retained earnings	Currency translation	At Fair Value measured financial assets	Hedging instruments	Associated companies for at equity	Remeasure-ment of the net defined benefit obligation for pension plans	Treasury stock	Total equity attributable to shareholders of CTS KGaA	Non-con-trolling interests	Total share-holders` equity
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Status 01.01.2017	**96.000**	**1.890**	**7.200**	**250.728**	**4.102**	**14**	**-3**	**-1.242**	**-3.052**	**-52**	**355.586**	**29.428**	**385.013**
Consolidated net income	0	0	0	47.072 [1]	0	0	0	0	0	0	47.072 [1]	92 [1]	47.164 [1]
Other income	0	0	0	0	-756	16	-8	-255	644	0	-359	141	-218
Total income											**46.713 [1]**	**234 [1]**	**46.946 [1]**
Dividends	0	0	0	-94.071	0	0	0	0	0	0	-94.071	-3.344	-97.415
Capital increase / decrease	0	0	0	0	0	0	0	0	0	0	0	664	664
Changes in the scope of consolidation	0	0	0	0	0	0	0	0	0	0	0	-3.832 [1]	-3.832 [1]
Status 30.06.2017	**96.000**	**1.890**	**7.200**	**203.729 [1]**	**3.346**	**30**	**-11**	**-1.497**	**-2.409**	**-52**	**308.227 [1]**	**23.150 [1]**	**331.376 [1]**
Status 31.12.2017	**96.000**	**1.890**	**7.200**	**266.993**	**1.571**	**12**	**-18**	**-2.084**	**-1.759**	**-52**	**369.753**	**24.047**	**393.800**
Adjustments IFRS 9	0	0	0	-600	0	-12	0	0	0	0	-612	-206	-818
Status 01.01.2018	**96.000**	**1.890**	**7.200**	**266.394**	**1.571**	**0**	**-18**	**-2.084**	**-1.759**	**-52**	**369.142**	**23.841**	**392.982**
Consolidated net income	0	0	0	43.908	0	0	0	0	0	0	43.908	8.481	52.389
Other income	0	0	0	0	-194	0	22	38	430	0	296	1.149	1.445
Total income											**44.205**	**9.629**	**53.834**
Dividends	0	0	0	-56.635	0	0	0	0	0	0	-56.635	-4.128	-60.763
Changes in the scope of consolidation	0	0	0	21	0	0	0	0	0	0	21	4.567	4.588
Other changes	0	0	0	0	-283	0	0	283	0	0	0	0	0
Status 30.06.2018	**96.000**	**1.890**	**7.200**	**253.688**	**1.093**	**0**	**4**	**-1.762**	**-1.329**	**-52**	**356.732**	**33.908**	**390.640**

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

	01.01.2018 - 30.06.2018	01.01.2017 - 30.06.2017
	[EUR]	[EUR]
Cash flow from operating activities		
Net income	52,389	47,164 [1]
Depreciation and amortisation on fixed assets	17,865	17,395 [1]
Changes in pension provisions	-106	-1,277
Deferred tax expenses / income	-2,733	-3,077 [1]
Cash flow	**67,415**	**60,206** [1]
Other non-cash transactions	-1,804	-7,256 [1]
Profit / loss from disposal of fixed assets	-3,064	152
Interest expenses / Interest income	1,291	1,534
Income tax expenses	27,918	26,808
Interest received	232	175
Interest paid	-865	-1,073
Income tax paid	-17,352	-21,085
Increase (-) / decrease (+) in inventories	920	1,593 [1]
Increase (-) / decrease (+) in payments on account	-30,435	-38,997
Increase (-) / decrease (+) in marketable securities and other investments	-2,079	-10,483
Increase (-) / decrease (+) in receivables and other assets	55,663	-10,823
Increase (+) / decrease (-) in provisions	-2,433	-34
Increase (+) / decrease (-) in liabilities	-133,795	-4,878 [1]
Cash flow from operating activities	**-38,389**	**-4,161**
Cash flow from investing activities	**4,721**	**3,550**
Cash flow from financing activities	**-87,636**	**-103,894**
Net increase / decrease in cash and cash equivalents	**-121,304**	**-104,505**
Net increase / decrease in cash and cash equivalents due to currency translation	-576	-655
Cash and cash equivalents at beginning of period	640,726	553,640
Cash and cash equivalents at end of period	**518,846**	**448,481**
Composition of cash and cash equivalents		
Cash and cash equivalents	518,846	448,481
Cash and cash equivalents at end of period	**518,846**	**448,481**

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

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRELIMINARY STATEMENTS

1.1 STRUCTURE AND BUSINESS OPERATIONS OF THE GROUP

The consolidated financial statements include all significant subsidiaries in addition to the CTS EVENTIM AG & Co. KGaA (hereinafter: CTS KGaA), as the parent company. The CTS KGaA is registered in the Commercial Register at Munich Local Court under no. HRB 212700. The company's head office is in Bremen, Germany. Shares in CTS KGaA are traded under securities code 547030 in the MDAX segment of the Frankfurt Stock Exchange.

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.

The Group is organised in two segments, Ticketing and Live Entertainment, and operates in the market for leisure events. The objects of the company in the Ticketing segment are to produce, sell, broker, distribute and market tickets for concerts, theatres, art, sports and other events in Germany and abroad, in particular by using electronic data processing and modern communication and data transmission technologies. The objects of the Live Entertainment segment are to plan, prepare and execute events, in particular music events and concerts, market music productions and to operate venues.

This Group interim report of CTS KGaA and its subsidiaries for the first six months of the 2018 financial year was approved for publication by resolution of the Management Board of EVENTIM Management AG on 23 August 2018.

1.2 ACCOUNTING PRINCIPLES

The present, unaudited and unrevised Group interim report as at 30 June 2018 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 2017 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 2017. 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 2017, and those in the balance sheet to the consolidated financial statements as at 31 December 2017. The final purchase price allocation of the FKP SCORPIO Group caused adjustments to the comparative figures of profit and loss. Detailed explanations are provided in the purchase price allocations section 2.2 of the notes.

The consolidated financial statements are denominated in Euro. All amounts in the interim report are rounded to thousand euros. This may lead to minor deviations on addition.

1.3 ACCOUNTING POLICIES

The accounting principles and consolidation methods are the same as those applied in the consolidated financial statements as at 31 December 2017, with the exception of the first-time application of new and amended standards (see notes in item 1.5).

1.4 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

Standards that are not applicable until after the balance sheet date have not been prematurely applied. The effects of the new standard IFRS 16 to be applied in the future are outlined in the following section. From the other amended standards and interpretations to be applied in the future no material effects on financial position, cash flow and earnings performance are expected.

It is assumed that adopting **IFRS 16 'Leases'** will have material effects on the CTS Group's financial position, cash flow and earnings performance. The standard implies that almost all leases must be recognised in the balance sheet because the distinction between operating and finance leases for lessees is eliminated. Under the new standard, assets (the right to use the leased asset) and financial liabilities for lease payments are recognised. The only exceptions relate to short-term leases and leases of low value leased assets.

The CTS Group expects a significant increase in the balance sheet total at the time of initial application, which is mainly attributable to the capitalisation of the rights of use of venues, office buildings and motor vehicles as well as lease liabilities. Furthermore, a significant improvement in the normalised EBITDA and EBITDA due to the change in the expense types is expected from IFRS 16 and an improvement in the operating cash flow resulting from the classification of the lease payments into the cash flow from financing activities. A software solution was acquired to determine the conversion effects and to correctly depict the leases in accordance with IFRS 16. Group-wide data collection and processing will be carried out in the coming months. The exercise of the options under the modified retrospective method will also be specified. The transition to IFRS 16 is based on the modified retrospective method. Quantifiable statements on the effects of the transition can not yet be provided to this extent at the present time.

1.5 NEW AND AMENDED STANDARDS IN 2018

The effects of the first-time application of IFRS 15 and IFRS 9 on the CTS group financial statement are explained below.

IFRS 15 'Revenue from contracts with customers' contains new accounting principles for revenue recognition of costumer contracts. The Group's business models in the Ticketing and Live Entertainment segments were investigated in a detailed contractual analysis. The analysis of the identified contractual components revealed that the first-time adoption of IFRS 15 would have no effects.

IFRS 9 'Financial instruments' replaces the accounting principles in IAS 39, which affects the recognition, classification and measurement of financial assets and liabilities; the derecognition of financial instruments; the impairment of financial assets; and the recognition of hedging relationships. The initial application of IFRS 9 from 1 January 2018 led to changes in the accounting principles and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions under IFRS 9, the comparative figures have not been adjusted retrospectively. The transitional effects have been recognised as cumulative items in the retained earnings.

The following table shows the reconciliation of the balance sheet as at 31 December 2017 in accordance with IFRS 9 to the restated opening balance sheet as of 1 January 2018.

	31.12.2017	IFRS 9 adjustments due to		01.01.2018
		Classification	Impairment	(After adjustments)
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS				
Cash and cash equivalents	640,726		-66	640,660
Marketable securities and other investments	837		-10	827
Trade receivables (short-term)	60,541		-658	59,883
Receivables from affiliated and associated companies accounted for at equity	2,218		-2	2,216
Other financial assets (short-term)	116,795		-324	116,470
Loans	3,767		-1	3,766
Other financial assets (long-term)	4,605	10	-1	4,614
Deferred tax assets	18,993		235	19,228
		10	**-828**	
CURRENT LIABILITIES				
Retained earnings	266,993	22	-622	266,394
Other reserves	-2,278	-12		-2,290
Non-controlling interests	24,047		-206	23,841
		10	**-828**	

The new standards concerning the recognition of impairments will have material effects on retained earnings. Whereas IAS 39 only provided the recognition of actual losses, expected credit losses must already be taken into account upon the initial recognition of financial assets under IFRS 9. The simplified impairment model, which takes into account expected credit losses throughout the term of the respective financial asset, is used for trade receivables and receivables relating to ticket monies. As at 1 January 2018, the initial application of the expected-loss model at the CTS Group led to an increase in impairments (EUR -1.062 million) on financial assets (primarily on trade receivables and receivables relating to ticket monies) and correspondingly to deferred tax assets (EUR 235 thousand). Of the adjustment in the amount of EUR -828 thousand, EUR -622 thousand was recognised in retained earnings (including deferred taxes of EUR 160 thousand); EUR -206 thousand (including deferred taxes of EUR 76 thousand) was attributable to non-controlling interests.

The calculation of the expected defaults on trade receivables and on receivables relating to ticket monies is based primarily on historical empirical values for the past three financial years. Different historical default rates for customer groups or forms of payment are determined. These rates are adjusted for a country's respective macroeconomic factors if corresponding irregularities or peculiarities are determined that could have an impact on credit risk.

The following table shows the adjustment of the allowances as per IFRS 9 for trade receivables and receivables from ticket monies calculated as of 1 January 2018.

	Allowances		
	31.12.2017	**IFRS 9 adjustment**	**01.01.2018**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**
Trade receivables	-2,623	-658	-3,281
Receivables relating to ticket monies	-1,701	-300	-2,001

For all further financial assets, the expected defaults are determined on the basis of external market data. To do so, the financial assets are allocated to a rating class at the level of each individual contract, if possible, resulting in a EUR 102 thousand increase in the impairment as at 1 January 2018.

Under IFRS 9, the previous categories under IAS 39 will cease to exist. Instead, a financial asset will be categorised upon initial recognition as reported at amortised cost, a FVOCI debt instrument (not through profit and loss), a FVOCI equity instrument (not through profit and loss) or at fair value (through profit and loss). The categorisation is based on the determination of the business model used in the management of the financial asset and the analysis of the contractual cash flows. Due to the change in these classification rules, EUR 22 thousand was recognised in retained earnings as at 1 January 2018; thereof EUR -12 thousand was reclassified from other reserves to retained earnings.

Equity instruments are recognised at fair value through profit or loss or at fair not through profit and loss. Under the new requirements on the classification of financial instruments pursuant to IFRS 9, some debt instruments will be recognised at fair value through profit or loss.

The option to retain hedge accounting under IAS 39 was not exercised. The conversion to IFRS 9 hedge accounting had no effects as of 1 January 2018.

The following overview shows the measurement categories according to IAS 39 and the measurement categories under IFRS 9 per class of financial assets as at 1 January 2018.

Change in categories of financial instruments

		Classification IAS 39	Classification IFRS 9	Carrying value 31.12.2017	Carrying value after IFRS 9 adjustment 01.01.2018	Delta
				[EUR'000]	[EUR'000]	[EUR'000]
ASSETS						
Cash and cash equivalents	(1)	Loans and receivables	Amortised cost	640,726	640,660	-66
Marketable securities and other investments	(2)	Available for sale	Fair Value through profit and loss	521	521	0
Marketable securities and other investments	(1)	Loans and receivables	Amortised cost	316	306	-10
Trade receivables	(1)	Loans and receivables	Amortised cost	60,561	59,903	-658
Receivables from affiliated and associated companies accounted for at equity	(1)	Loans and receivables	Amortised cost	2,218	2,216	-2
Other original financial assets	(1),(2)	Loans and receivables	Amortised cost / Fair Value through profit and loss	121,358	121,043	-315
Other derivative financial assets (in cash flow hedges)	(3)	Derivatives in cash flow hedges	Derivatives in cash flow hedges	42	42	0
Investments	(1)	Loans and receivables	Amortised cost	710	710	0
Investments	(2)	Available for sale	Fair Value through profit and loss	1,105	1,105	0
Loans	(1)	Loans and receivables	Amortised cost	3,767	3,766	-1
Total financial assets				**831,324**	**830,272**	**-1,052**

(1) AMORTISED COST

Pursuant to IAS 39, financial assets were categorised as loans and receivables. By contrast, they are primarily categorised to the business model 'Hold to collect' pursuant to IFRS 9. The analysis of the contractual cash flows indicated that the financial assets will continue to be recognised at amortised cost. The adjusted carrying values as at 1 January 2018 as shown in the table are attributable to the impairment rules under IFRS 9.

(2) FAIR VALUE THROUGH PROFIT OR LOSS

Under IAS 39, a securities portfolio was categorised as available for sale. According to IFRS 9, such portfolios are categorised as held for trading and are therefore recognised at fair value through profit or loss. Investments in companies that did not fall within the scope of application of IFRS 10, IAS 27 and IAS 28 were categorised as available for sale under IAS 39. Under IFRS 9, they are recognised at fair value through profit or loss. The costs are stated as a best estimate if the fair value cannot be reliably calculated. The option of using the changes in the fair values of equity instruments in other comprehensive income has not been used so far.

A financial asset that was categorised to loans and receivables at amortised cost under IAS 39 is to be measured at fair value through profit or loss under the rules of IFRS 9.

(3) DERIVATIVES IN CASH FLOW HEDGES

Derivative financial instruments designed as cash flow hedging instruments still do not comprise a separate category. The effective changes in value are recognised in other comprehensive income and reclassified to the income statement through profit and loss following the termination of the hedge relationship.

The CTS Group has not exercised the option of retaining the hedge accounting rules under IAS 39 and has applied the regulations of IFRS 9 since 1 January 2018. Hedge accounting is currently used only to a limited extent to hedge currency risks in the Group. For this reason, there are no change effects. The existing hedging relationships were continued after the first application of IFRS 9. Spot and forward components are not segregated, but designated in full as a hedging instrument in the hedging relationship, as the underlying and hedging instruments are the same in terms of payment of the amount and timing.

2. CONSOLIDATED SUBSIDIARIES

In addition to the parent company's financial statements, the CTS Group comprises the annual financial statements of 102 subsidiaries (previous year: 95) in the consolidated financial statements.

In the reporting period, the number of fully consolidated companies in the Ticketing segment was reduced by one company; this company was allocated to the Live Entertainment segment. In the Live Entertainment segment the number of fully consolidated companies increased primarily due to acquisitions and start-ups from 51 companies to 59 companies.

In the Live Entertainment segment, 2 joint ventures (previous year: 2 joint ventures) and 7 investments in associates (previous year: 10) are included in the consolidated financial statements using the equity method. The decrease of the associated companies results from share reductions.

Due to their insignificance, as of 31 December 2017, 8 subsidiaries are accounted for as investments in affiliated companies in financial assets.

2.1 SIGNIFICANT CHANGES IN THE LIVE ENTERTAINMENT SEGMENT

The following changes in the scope of consolidation occurred during the reporting period:

In February 2018, Medusa Music International GmbH, Bremen, acquired 60% of the shares in the Italian festival and concert promoter Di and Gi S.r.l., (hereinafter: DiGi) Lido di Camaiore, Italy. The purpose of this company is to organise and conduct concerts. With this acquisition, the CTS Group gets access to an attractive festivals and artists portfolio that complements its existing activities in Italy.

In April 2018, the CTS Group has further enhanced its market position in Italy and acquired a 100% stake in Vivo Concerti S.r.l., (hereinafter: Vivo Concerti) Milan, a promoter of concerts and musicals, through its subsidiary Friends&Partners S.p.A., Milan. Among the artists whose Italian tours Vivo Concerti has organized in recent years are international acts such as Evanescence, David Guetta, Demi Lovato, Tokio Hotel, Sam Smith, Brian Wilson and Hans Zimmer, as well as regional stars like Benji & Fede, Mannarino and Thegiornalisti.

In May 2018, the CTS Group acquired 63.5% of the Spanish concert and festival promoter BIG TOURS S.L., (hereinafter: BIG TOURS) Barcelona, through its subsidiary Medusa Music International GmbH, Bremen. By making this acquisition, the CTS Group is broadening its international base still further and now has a presence in Spain with its Live Entertainment segment. The management team of BIG TOURS has been bringing the biggest stars of the international rock and pop scene to the Spanish stages under the brand name Doctor Music for more than 35 years. Artists whose Spanish tours have been organised by the company include Adele, Black Eyed Peas, Bon Jovi, Bruce Springsteen, Dire Straits, Eminem, Justin Bieber, Leonard Cohen, Michael Jackson, Nick Cave, Pink Floyd, Prince, Radiohead, Red Hot Chili Peppers, R.E.M., Robbie Williams, Rolling Stones and Tina Turner.

2.2 PURCHASE PRICE ALLOCATIONS

PROVISIONAL PURCHASE PRICE ALLOCATION OF DIGI

Since its initial consolidation at the beginning of February 2018, DiGi has generated revenue of EUR 17.574 million and earnings of EUR 723 thousand.

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

	Fair value at the time of initial consolidation - preliminary purchase price allocation - [EUR'000]
Cash and cash equivalents	18,927
Inventories	44
Payments on account	1,709
Trade receivables	163
Receivables from affiliated companies	1,384
Other assets	840
Accrued expenses	1,171
Total current assets	**24,236**
Property, plant and equipment	77
Intangible assets	530
Total non-current assets	**607**
Trade payables	1,047
Other Liabilities	1,500
Advance payments received	16,136
Pension provisions	482
Total current liabilities	**19,166**
Deferred tax liabilities	441
Total non-current liabilities	**441**
Total net assets	**5,238**

Assets and liabilities were recognised at fair value in the provisional purchase price allocation. At the time of initial consolidation, intangible assets (customer base with a useful life of 5 years and trademark with a useful life of 8 years) were valued with the fair value of EUR 1.582 million. Deferred tax liabilities of EUR 441 thousand were recorded on the temporary difference arising from the remeasurement of intangible assets.

The present value of trade receivables composed of the gross carrying amount of EUR 163 thousand. There were no allowances for bad debts. The expected inflows are thus EUR 163 thousand.

As at 30 June 2018 the purchase price allocation is still provisional because investigations regarding intangible assets and the assessment of legal aspects are still pending.

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

	[EUR'000]
Consideraton transferred	**8,356**
Total net assets	**5,238**
Pro rata net assets	**3,143**
Goodwill	**5,213**

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

PROVISIONAL PURCHASE PRICE ALLOCATION OF VIVO CONCERTI

Since its initial consolidation at the beginning of April 2018 Vivo Concerti has generated revenue of EUR 5.011 million and earnings of EUR -145 thousand.

Based on the provisional purchase price allocation, the following table shows the fair values at the time of initial consolidation of **Vivo Concerti**:

	Fair value at the time of initial consolidation - preliminary purchase price allocation -
	[EUR'000]
Cash and cash equivalents	1,389
Inventories	17
Payments on account	1,952
Trade receivables	1,646
Other assets	416
Total current assets	**5,420**
Property, plant and equipment	644
Intangible assets	1,039
Other assets	13
Deferred tax assets	90
Total non-current assets	**1,785**
Trade payables	2,791
Other liabilities	150
Advance payments received	3,670
Pension provisions	5
Total current liabilities	**6,616**
Deferred tax liabilities	50
Total non-current liabilities	**50**
Total net assets	**539**

Assets and liabilities were recognised at fair value in the provisional purchase price allocation. At the time of initial consolidation, intangible assets (customer base with a useful life of 10 years) with a fair value of EUR 151 thousand were recorded. Deferred tax liabilities of EUR 50 thousand were recorded on the temporary difference arising from the remeasurement of intangible assets.

The present value of trade receivables composed of the gross carrying amount of EUR 1.646 million. There were no allowances for bad debts. The expected inflows are thus EUR 1.646 million.

As at 30 June 2018 the purchase price allocation is still provisional because investigations regarding intangible assets and the assessment of legal aspects are still pending.

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

	[EUR'000]
Consideraton transferred	**1,556**
Total net assets	**539**
Pro rata net assets	**323**
Goodwill	**1,233**

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

PROVISIONAL PURCHASE PRICE ALLOCATION OF BIG TOURS

Since its initial consolidation at the beginning of Mai 2018 BIG TOURS has generated revenue of EUR 5.602 million and earnings of EUR 274 thousand.

Based on the provisional purchase price allocation, the following table shows the fair values at the time of initial consolidation of **BIG TOURS**:

	Fair value at the time of initial consolidation - preliminary purchase price allocation - [EUR'000]
Cash and cash equivalents	7,103
Inventories	74
Payments on account	358
Trade receivables	338
Other assets	2,979
Total current assets	**10,852**
Intangible assets	1,158
Investments	46
Deferred tax assets	1,127
Total non-current assets	**2,331**
Trade payables	16
Trade payables	533
Payables to affiliated companies	1,500
Other liabilities	250
Deferred income	6,366
Other provisions	700
Total current liabilities	**9,365**
Deferred tax liabilities	382
Total non-current liabilities	**382**
Total net assets	**3,436**

Assets and liabilities were recognised at fair value in the provisional purchase price allocation. At the time of initial consolidation, intangible assets (customer base with a useful life of 8 years) were valued with a fair value of EUR 1.034 million. Deferred tax liabilities of EUR 382 thousand were recorded on the temporary difference arising from the remeasurement of the intangible asset.

The present value of trade receivables composed of the gross carrying amount of EUR 700 thousand and allowances for bad debts of EUR 362 thousand. The expected inflows are thus EUR 338 thousand.

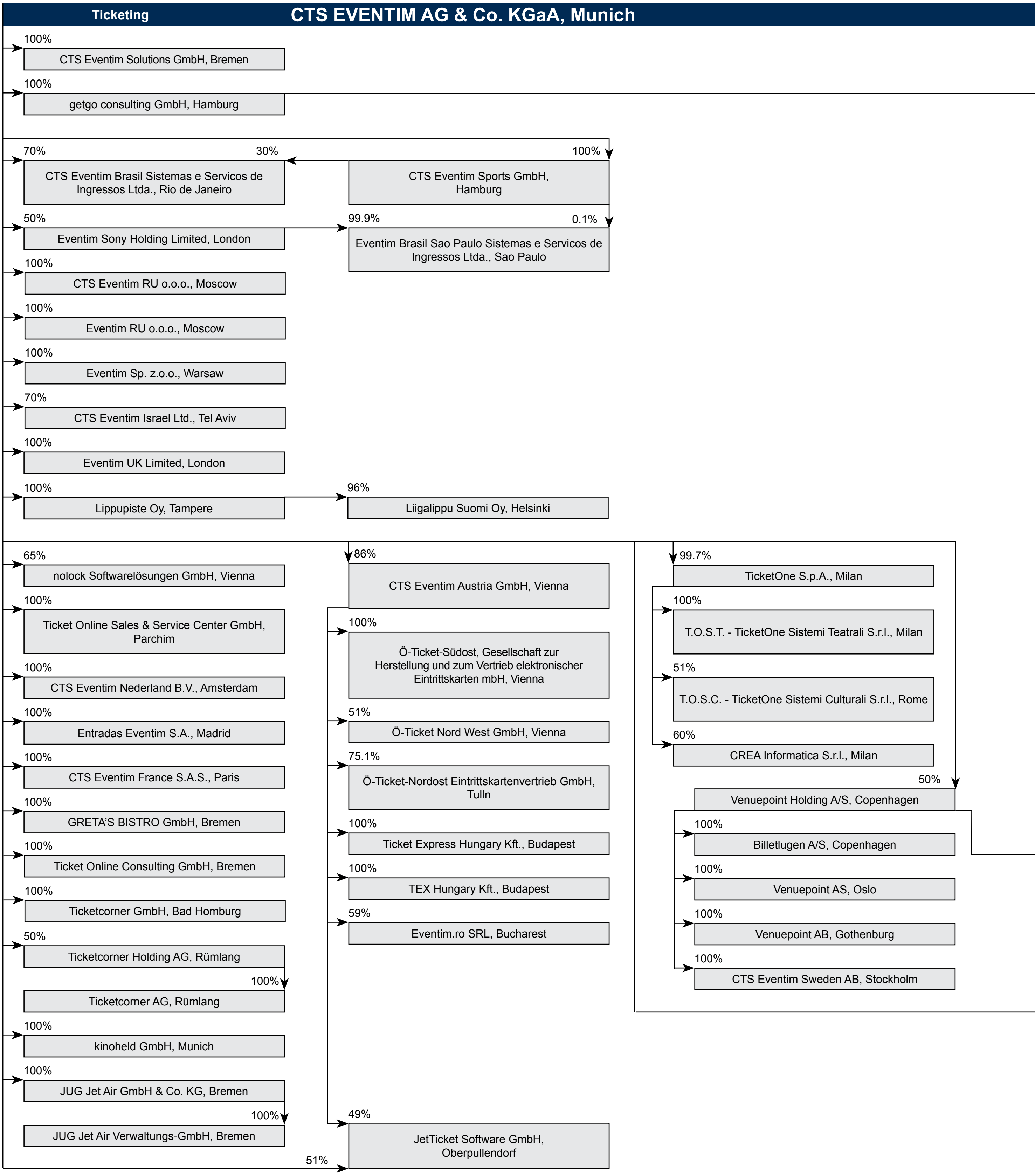
As at 30 June 2018 the purchase price allocation is still provisional because investigations regarding intangible assets and the assessment of legal aspects are still pending.

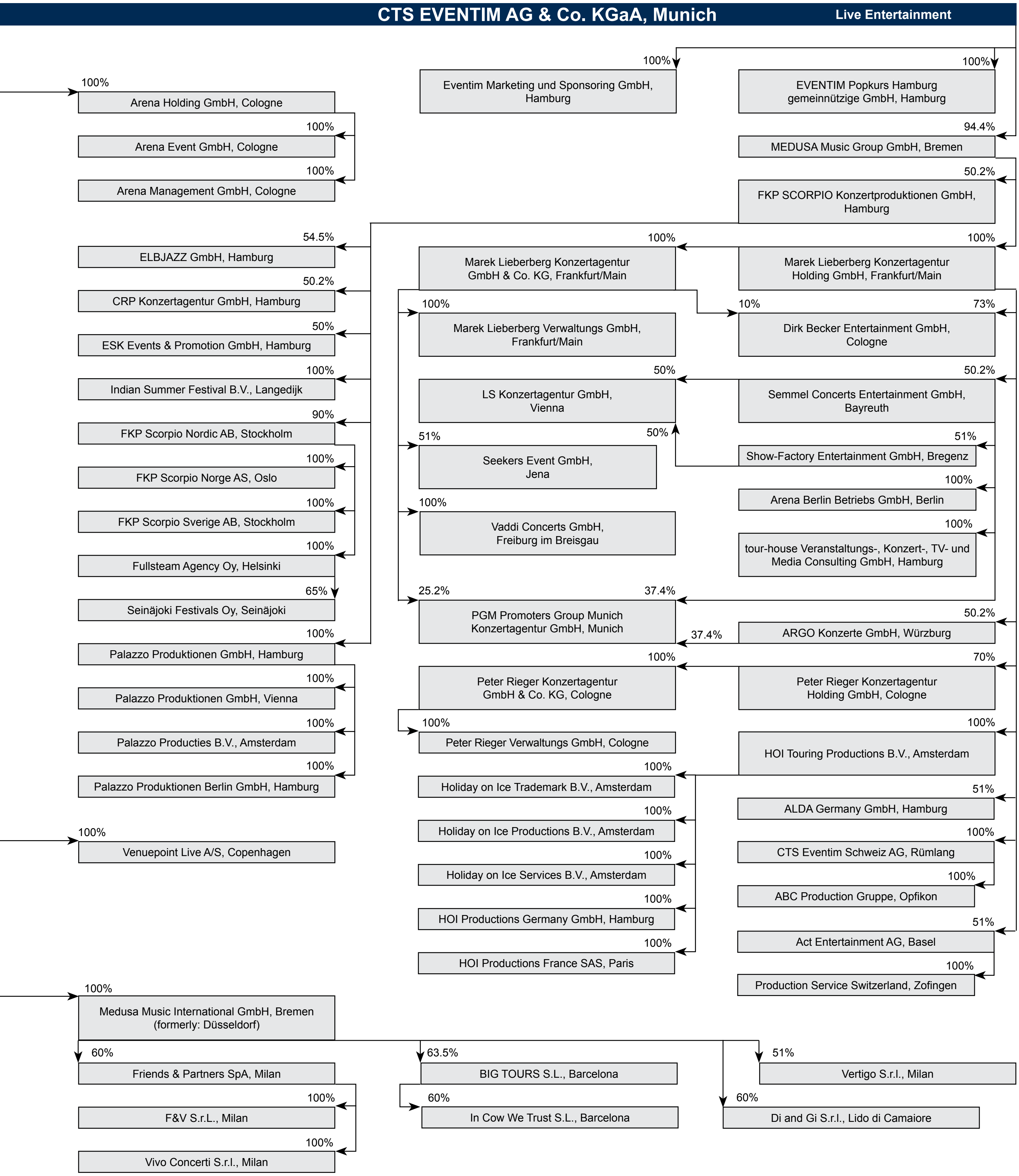
The following table shows the reconciliation of consideration transferred as at initial consolidation:

	[EUR'000]
Consideraton transferred	**6,063**
Total net assets	**3,436**
Pro rata net assets	**2,182**
Goodwill	**3,881**

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

The corporate structure as at 30 June 2018 is shown in the following table:




CTS EVENTIM AG & Co. KGaA, Munich
Live Entertainment
100%
Arena Holding GmbH, Cologne
100%
Arena Event GmbH, Cologne
100%
Arena Management GmbH, Cologne
100%
Eventim Marketing und Sponsoring GmbH, Hamburg
100%
EVENTIM Popkurs Hamburg gemeinnützige GmbH, Hamburg
94.4%
MEDUSA Music Group GmbH, Bremen
50.2%
FKP SCORPIO Konzertproduktionen GmbH, Hamburg
54.5%
ELBJAZZ GmbH, Hamburg
50.2%
CRP Konzertagentur GmbH, Hamburg
50%
ESK Events & Promotion GmbH, Hamburg
100%
Indian Summer Festival B.V., Langedijk
90%
FKP Scorpio Nordic AB, Stockholm
100%
FKP Scorpio Norge AS, Oslo
100%
FKP Scorpio Sverige AB, Stockholm
100%
Fullsteam Agency Oy, Helsinki
65%
Seinäjoki Festivals Oy, Seinäjoki
100%
Palazzo Produktionen GmbH, Hamburg
100%
Palazzo Produktionen GmbH, Vienna
100%
Palazzo Producties B.V., Amsterdam
100%
Palazzo Produktionen Berlin GmbH, Hamburg
100%
Marek Lieberberg Konzertagentur GmbH & Co. KG, Frankfurt/Main
100%
Marek Lieberberg Konzertagentur Holding GmbH, Frankfurt/Main
100%
Marek Lieberberg Verwaltungs GmbH, Frankfurt/Main
10%
73%
Dirk Becker Entertainment GmbH, Cologne
50%
LS Konzertagentur GmbH, Vienna
50.2%
Semmel Concerts Entertainment GmbH, Bayreuth
51%
50%
Seekers Event GmbH, Jena
51%
Show-Factory Entertainment GmbH, Bregenz
100%
Arena Berlin Betriebs GmbH, Berlin
100%
Vaddi Concerts GmbH, Freiburg im Breisgau
100%
tour-house Veranstaltungs-, Konzert-, TV- und Media Consulting GmbH, Hamburg
25.2%
37.4%
PGM Promoters Group Munich Konzertagentur GmbH, Munich
37.4%
50.2%
ARGO Konzerte GmbH, Würzburg
100%
Peter Rieger Konzertagentur GmbH & Co. KG, Cologne
70%
Peter Rieger Konzertagentur Holding GmbH, Cologne
100%
Peter Rieger Verwaltungs GmbH, Cologne
100%
HOI Touring Productions B.V., Amsterdam
100%
Holiday on Ice Trademark B.V., Amsterdam
51%
ALDA Germany GmbH, Hamburg
100%
Holiday on Ice Productions B.V., Amsterdam
100%
CTS Eventim Schweiz AG, Rümlang
100%
Holiday on Ice Services B.V., Amsterdam
100%
ABC Production Gruppe, Opfikon
100%
HOI Productions Germany GmbH, Hamburg
51%
Act Entertainment AG, Basel
100%
HOI Productions France SAS, Paris
100%
Production Service Switzerland, Zofingen
100%
Venuepoint Live A/S, Copenhagen
100%
Medusa Music International GmbH, Bremen (formerly: Düsseldorf)
60%
Friends & Partners SpA, Milan
63.5%
BIG TOURS S.L., Barcelona
51%
Vertigo S.r.l., Milan
100%
F&V S.r.L., Milan
60%
In Cow We Trust S.L., Barcelona
60%
Di and Gi S.r.l., Lido di Camaiore
100%
Vivo Concerti S.r.l., Milan

3. NOTES TO THE CONSOLIDATED BALANCE SHEET

Cash and cash equivalents in the CTS Group decreased by EUR 121.881 million. The change in cash and cash equivalents relates on the one hand to the seasonal reduction of cash and cash equivalents in the Live Entertainment segment due to events held in the second quarter, which is offset by the increase in the scope of consolidation, and on the other hand due to the seasonal reduction of ticket monies paid in the Ticketing segment. In addition, dividend payments to shareholders in the second quarter of 2018 led to a cash outflow.

4. NOTES TO THE CONSOLIDATED INCOME STATEMENT

REVENUE

The CTS Group generated EUR 606.606 million in revenue in the period under review, compared to EUR 488.512 million in previous year (+24.2%).

	30.06.2018 [EUR'000]	30.06.2017 [EUR'000]
Ticketing		
Ticket fees	155,785	151,591
Commissions	4,718	4,680
Other service charges	5,617	5,390
Licence fees	3,295	2,959
Other	13,986	13,189
	183,400	**177,809**
Live Entertainment		
Entertainment services	392,987	281,016
Catering and merchandising	13,636	15,832
Sponsoring	7,790	6,174
Other	14,708	12,457
	429,121	**315,479**
Intersegment consolidation	-5,915	-4,776
CTS Group	**606,606**	**488,512**

Of the external revenue of the CTS Group, EUR 435.872 million (previous year: EUR 320.399 million) was recognised over time in accordance with IFRS 15. Thereof EUR 35.740 million (previous year: EUR 35.305 million) are attributable to the Ticketing segment and EUR 400.132 million to the Live Entertainment segment (previous year: EUR 285.094 million). In the Live Entertainment segment, the periods over which revenues are recorded are very short and can last up to a maximum of several days at festivals.

The following table shows the external revenue for the reporting period, broken down by geographical distribution:

	30.06.2018	30.06.2017
	[EUR'000]	[EUR'000]
Germany	419,621	331,261
Austria	34,313	27,119
Switzerland	42,449	41,245
Italy	53,409	26,972
UK	4,810	4,842
Finland	14,227	10,366
Spain	9,804	4,001
Netherlands	13,370	13,960
Other countries	14,602	28,745
	606,606	**488,512**

The decline in revenues in the other countries mainly relates to reduced festival activities in Sweden in the Live Entertainment segment compared to the previous year.

COST OF SALES

Cost of sales increased by EUR 109.945 million to EUR 461.560 million.

As at 30 June 2018, the gross profit of the **CTS Group** increased by EUR 8.149 million to EUR 145.046 million. The consolidated gross margin declined from 28.0% to 23.9%.

In the **Ticketing segment**, gross margin decreased to 57.0% (previous year: 58.0%).

In the **Live Entertainment segment**, the gross margin declined to 9.4% from 10.8% in the same period last year.

SELLING EXPENSES

Selling expenses increased by EUR 2.397 million from EUR 42.130 million to EUR 44.527 million. The increase in selling expenses is mainly the result of higher personnel costs due to the implementation of technological development and further internationalisation.

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses increased by EUR 1.423 million from EUR 30.590 million to EUR 32.014 million. This increase results mainly from higher personnel costs and the expansion in the number of consolidated companies.

IMPAIRMENT LOSSES ON FINANCIAL ASSETS

In the first half of 2018, impairment (including the reversal of impairment losses or recoveries) on current and non-current financial assets of EUR 591 thousand were recorded in EBITDA. The impairment losses and income are reported under selling expenses and other operating income.

FINANCIAL RESULT

The financial result decreased from EUR 6.045 million by EUR 3.803 million to EUR 2.241 million. The previous year's period was disproportionately positive in financial income due to the valuation at fair value of a subsidiary accounted for using the equity method and fully consolidated as of 1 January 2017 in the amount of EUR 5.373 million. Compared to the same period of the previous year, increased financial income of EUR 1.211 million was recognised in the first six months of 2018 from the updated fair value measurement of liabilities from put options granted to minority shareholders.

TAXES

Taxes increased by EUR 1.453 million to EUR 25.185 million mainly due to positive business development. The tax rate amounts to 32.5% (previous year: 33.5%). The tax rate is influenced by the expansion of the scope of consolidation and higher tax expenses for previous years.

5. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying values, balance sheet values and fair values as at 30 June 2018 are shown in the following table according to IFRS 9 measurement categories:

		Balance sheet value according to IFRS 9				
	Carrying value 30.06.2018	Fair value through profit and loss	Fair Value hedging instruments	Financial assets at amortised cost	Other financial liabilities at residual value	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS						
Cash and cash equivalents	518,846			518,846		518,846
Marketable securities and other investments	4,573	812		3,761		4,571
Trade receivables	56,620			56,620		56,320
Receivables from affiliated and associated companies accounted for at equity	2,850			2,850		2,851
Other original financial assets	71,742	1,930		69,812		71,669
Derivatives standalone	53	53				53
Derivatives in cash flow hedges	11		11			11
Investments	1,098	1,098				1,098
LIABILITIES						
Financial liabilities	118,100				118,100	118,166
Trade payables	139,363				139,363	138,834
Payables to affiliated and associated companies accounted for at equity	812				812	809
Other original financial liabilities	250,375				250,375	249,425

Carrying values, balance sheet values and fair values as at 31 December 2017 are shown in the following table according to IAS 39 measurement categories:

		Balance sheet value according to IAS 39				
	Carrying value 31.12.2017	At amortised cost	At fair value through profit and loss	At fair value not through profit and loss	Purchase cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS						
Cash and cash equivalents	640,726	640,726				640,726
Marketable securities and other investments (at fair value not through profit and loss)	521			521		521
Marketable securities and other investments (at amortised cost)	316	316				316
Trade receivables	60,561	60,561				60,367
Receivables from affiliated and associated companies accounted for at equity	2,218	2,218				2,224
Other original financial assets	121,358	121,358				121,167
Other derivative financial assets (at fair value not through profit and loss)	42			42		42
Investments (held-to-maturity)	710	710				713
Investments (at amortised cost)	1,105				1,105	
Loans	3,767	3,767				3,964
LIABILITIES						
Financial liabilities	147,199	147,199				147,721
Trade payables	103,889	103,889				103,641
Payables to affiliated and associated companies accounted for at equity	554	554				554
Other original financial liabilities	333,196	333,196				332,401
Derivatives in cash flow hedges	88			88		88
Categories according to IAS 39:						
Loans and receivables	828,946	828,946				828,764
Financial liabilities at amortised cost	584,838	584,838				584,317
Available-for-sale financial assets	1,626			521	1,105	521
Held-to-maturity investments	710	710				713

DISCLOSURES REGARDING FAIR VALUE

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

The updated fair value measurement of liabilities from put options granted to minority shareholders, resulted in financial income of EUR 3.532 million.

According to IFRS 13, the fair values of financial assets and liabilities are classified according to the three levels of the fair value hierarchy. Level 1 contains fair values of financial instruments for which a market price can be quoted; securities are an example. In Level 2, fair values are based on market data, such as currency rates or interest curves, using market-based valuation techniques. Examples include derivatives. Fair values in Level 3 are derived using valuation techniques based on unobservable inputs, due to the lack of an active or measurable market.

Reclassifications between the levels within the fair value hierarchy are carried out at the beginning of the respective quarter in which the reason or the change in circumstances occurred that results in the reclassification. In the first six months of 2018, only reclassifications were made resulting from the changed classification regulations for financial instruments of IFRS 9.

The following table provides an overview of the fair values of financial assets and liabilities, and their allocation to the three levels within the fair value hierarchy according to IFRS 13 as at 30 June 2018:

	30.06.2018			
	Level 1	Level 2	Level 3	Total
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS				
Cash and cash equivalents	0	518,846	0	518,846
Marketable securities and other investments	1,666	2,904	0	4,571
Trade receivables	0	56,320	0	56,320
Receivables from affiliated and associated companies accounted for at equity	0	2,851	0	2,851
Other original financial assets	0	69,739	1,930	71,669
Derivatives standalone	0	53	0	53
Derivatives in cash flow hedges	0	11	0	11
Investments	0	833	264 [1]	1,098
	1,666	**651,557**	**2,194**	**655,419**
LIABILITIES				
Short-term liabilities	0	118,166	0	118,166
Trade payables	0	138,834	0	138,834
Payables to affilitiated and associated companies accounted for at equity	0	809	0	809
Other original financial liabilities	0	249,425	0	249,425
	0	**507,234**	**0**	**507,234**

[1] Due to materiality, the additional disclosures on level 3 instruments within this balance sheet item have been waived.

As of 1 January 2018, the fair value of a significant financial asset in the level 3 fair value hierarchy was EUR 1.840 million. Additions of EUR 100 thousand have been posted up to 30 June 2018. Disposals were not recorded during the reporting period. In the first half of 2018, fair value adjustments of EUR -10 thousand were recognised in other expenses. Accordingly, the book value as at 30 June 2018 amounts to EUR 1.930 million. The fair value of the financial asset in Level 3 is calculated using a discounted cash flow (DCF) method. The calculation is based on projected cash flows resulting from planning over the term of the contract. The used discount rate of 7.8% is a post-tax interest rate and reflects the specific risks of the contract. An adjustment of the interest rate by +100 basis points (-100 basis points) would reduce (increase) the fair value of the financial asset by EUR -101 thousand (EUR 108 thousand). If the expected cash flows were adjusted by +10% (-10%), the fair value would increase (decrease) by EUR 193 thousand. The underlying cash flows range from EUR 2.779 million to EUR 3.088 million.

The following table provides an overview of the fair values of financial assets and liabilities, and their allocation to the levels within the fair value hierarchy according to IFRS 13 as at 31 December 2017:

	31.12.2017		
	Level	Level 2	Total
	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS			
Cash and cash equivalents	0	640,726	640,726
Marketable securities and other investments (at fair value not through profit and loss)	521	0	521
Marketable securities and other investments (at amortised cost)	0	316	316
Trade receivables	0	60,367	60,367
Receivables from affiliated and associated companies accounted for at equity	0	2,224	2,224
Other original financial assets	0	121,167	121,167
Derivatives in cash flow hedges	0	42	42
Investments (held-to-maturity)	713	0	713
Loans	0	3,964	3,964
	1,234	**828,806**	**830,040**
LIABILITIES			
Short-term financial liabilities	0	147,721	147,721
Trade payables	0	103,641	103,641
Payables to affilitiated and associated companies accounted for at equity	0	554	554
Other orginal financial liabilities	0	332,401	332,401
Derivatives in cash flow hedges	0	88	88
	0	**584,405**	**584,405**

6. SEGMENT REPORTING

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

	Ticketing		Live Entertainment		Total for segment	
	01.01.2018 -30.06.2018 [EUR'000]	01.01.2017 -30.06.2017 [EUR'000]	01.01.2018 -30.06.2018 [EUR'000]	01.01.2017 -30.06.2017 [EUR'000]	01.01.2018 -30.06.2018 [EUR'000]	01.01.2017 -30.06.2017 [EUR'000]
External revenue	178,365	174,563	428,241	313,949 [1]	606,606	488,512 [1]
Internal revenue	5,035	3,246	880	1,530	5,915	4,776
Revenue after consolidation within the segment	**183,400**	**177,809**	**429,121**	**315,479** [1]	**612,521**	**493,288** [1]

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

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

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	01.01.2018 -30.06.2018	01.01.2017 -30.06.2017	01.01.2018 -30.06.2018	01.01.2017 -30.06.2017	01.01.2018 -30.06.2018	01.01.2017 -30.06.2017	01.01.2018 -30.06.2018	01.01.2017 -30.06.2017
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Revenue	183,400	177,809	429,121	315,479 [1]	-5,915	-4,776	606,606	488,512 [1]
EBITDA	64,891	64,135	28,307	18,111 [1]	0	0	93,198	82,246 [1]
EBIT	50,147	49,027	25,185	15,824 [1]	0	0	75,332	64,851 [1]
Depreciation and amortisation	-14,744	-15,109	-3,122	-2,286 [1]	0	0	-17,865	-17,395 [1]
Financial result							2,241	6,045
Earnings before taxes (EBT)							77,573	70,896 [1]
Taxes							-25,185	-23,731 [1]
Net income before non-controlling interest							52,389	47,164 [1]
Non-controlling interest							-8,481	-92 [1]
Net income after non-controlling interest							43,908	47,072 [1]
Average number of employees	1,705	1,676	1,154	991			2,859	2,667
Normalised EBITDA	65,637	65,548	28,511	18,111 [1]	0	0	94,148	83,658 [1]
Normalised EBIT before amortisation resulting from purchase price allocation	55,546	55,966	26,419	16,751 [1]	0	0	81,965	72,716 [1]

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

7. OTHER DISCLOSURES

APPROPRIATION OF EARNINGS

The Shareholders' Meeting on 8 May 2018 adopted a resolution to distribute EUR 56.635 million (EUR 0.59 per eligible share) of the balance sheet profit of EUR 181.955 million as at 31 December 2017 to shareholders. This distribution was carried out in May 2018, and the remaining balance sheet profit of EUR 125.320 million was carried forward to the new account.

FINANCIAL OBLIGATIONS

Since 31 December 2017, there have been no significant 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.

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 2018 reporting period:

	30.06.2018 [EUR'000]	30.06.2017 [EUR'000]
Goods and services supplied by the Group		
Subsidiaries not included in consolidation due to insignificance	315	381
Associated companies accounted for at equity	1,311	1,843
Other related parties	448	403
	2,074	**2,627**

	30.06.2018 [EUR'000]	30.06.2017 [EUR'000]
Goods and services received by the Group		
Subsidiaries not included in consolidation due to insignificance	1,030	325
Associated companies accounted for at equity	86	214
Other related parties	13,660	12,862
	14,776	**13,401**

EVENTS AFTER THE BALANCE SHEET DATE

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

ASSURANCE BY LEGAL REPRESENTATIVES

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

Bremen, 23 August 2018

CTS EVENTIM AG & Co. KGaA

represented by:
EVENTIM Management AG, general partner
The Management Board

Klaus-Peter Schulenberg | Volker Bischoff | Alexander Ruoff

FORWARD-LOOKING STATEMENTS

This Group quarterly statement contains forecasts based on assumptions and estimates by the corporate 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 corporate 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 quarterly statement. 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 quarterly statement takes priority over the English translation in the event of any discrepancies. Both language versions can be downloaded at www.eventim.de.

CONTACT

CTS EVENTIM AG & Co. KGaA
Contrescarpe 75 A
28195 Bremen
Phone: +49 (0) 421 / 36 66 - 0
Fax: +49 (0) 421 / 36 66 - 2 90

www.eventim.de
investor@eventim.de

PUBLISHERS' NOTES

PUBLISHED BY:

CTS EVENTIM AG & Co. KGaA
Contrescarpe 75 A
28195 Bremen
Phone: +49 (0) 421 / 36 66 - 0
Fax: +49 (0) 421 / 36 66 - 2 90

EDITORIAL OFFICE:

CTS EVENTIM AG & Co. KGaA

ARTWORK:

SECHSBAELLE, Bremen
www.sechsbaelle.de

COVER PICTURE:

ALDA Germany GmbH