



DEAG Deutsche Entertainment Aktiengesellschaft

Group Interim Report as at September 30, 2015



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Imprint

## 1. DEAG on the capital market

In the course of the slowdown of economic growth in China as well as the surprising devaluation of the Chinese Yuan, there has been a worldwide plunge on the stock markets during the third quarter 2015. In this connection the German benchmark index DAX dropped during this period by 11.7% to 9,660 points, whereas the small-cap index SDAX fell by 3.1% to 8,310 points. On balance, the DAX stock index hence recorded a slight minus of 1.48% during the first nine months, whilst the SDAX rose by 15.6% in terms of value.

After above-average share price gains during the two previous years with a plus of 40.6% as well as 63.7%, the DEAG share decreased during the first nine months 2015 by 35.8% to a share price of EUR 4.50 on September 30, 2015. During the third quarter the share fell by 17.9%. After a price of EUR 5.49 at the closing of the second quarter, the DEAG share climbed up to a quarterly high of EUR 6.99 on August 4, 2015. The quarterly low was reached on September 29, 2015 with EUR 4.45 (Xetra closing prices in both cases). Despite these losses, the DEAG share price has still more than doubled during the past years from the end of 2011 to the end of September 2015.

The daily trading volume in DEAG shares amounted during the first nine months of 2015 at all stock exchanges to 27,285 shares and was clearly above the corresponding average daily volume of the previous year of 20,410 shares. With 88% after 85% during the previous year, most transactions were again made via Xetra, the electronic trading system of Deutsche Börse. VEM Aktienbank continues to act as designated sponsor for the DEAG share. It quotes binding purchasing and selling prices on Xetra.

There have also been changes in the group of shareholders of DEAG after two international fund companies have acquired shares. On July 31, 2015 the Dutch investment company Monolith announced that its share in DEAG exceeded the threshold of 10% and reached 10.02%. At the same time Monolith pointed out that the company invests on the basis of a long-term orientation with the goal of generating profits for its share owners. On October 9, 2015 the US Kabouter Fund II with registered office in Chicago reported the acquisition of a share of 3.02% in DEAG.

With Hauck & Aufhäuser and DZ Bank the DEAG share is regularly monitored and analyzed by two recognized analysts. Hauck & Aufhäuser recently recommended the DEAG share in an updated study for buying with a target share price of EUR 7.50 per share. DZ Bank recommends to hold the share and refers to a target price of EUR 5.50 per share.

DEAG is listed in the Prime Standard of Deutsche Börse, and informs promptly about important events by ad-hoc disclosure or press release. Within the framework of an open and transparent capital market communication DEAG entertains close contacts to investors, analysts and the financial press. During the first nine months 2015, DEAG participated in capital market conferences and roadshows in Germany and abroad to present and explain its business model.

The Investor Relations page of the website [www.deag.de/ir](http://www.deag.de/ir) provides investors with a comprehensive and always up-to-date overview of the corporate developments. In the event of any questions, competent contact partners are available on the phone for a personal talk (+49-69-9055055-2) or by email ([deag@edicto.de](mailto:deag@edicto.de)).

## **2. Business development**

### **Earnings position**

After three quarters in fiscal 2015 DEAG Deutsche Entertainment AG has been able to continue its growth in sales revenues and has been able to record a considerable rise versus the comparable prior year period by 13.1% to EUR 146.4 million (prior year: EUR 129.5 million). This increase was equally supported by German and international affiliated companies.

Non-recurring expenses in the two-digit million EUR range, which were incurred for the extension of the Open Air activities mainly during the first half of 2015, have temporarily burdened the nine months result. As a result of this, the EBIT was negative in the amount of EUR -12.7 million (prior year: EUR 4.2 million) during the reporting period. Furthermore, DEAG has asserted claims in connection with a festival against a former contracting partner and an insurance company. The assessment by the lawyers entrusted with the assertion of the claims in view of a successful realization of the different claims continues to be very good. The adjusted EBIT, therefore, amounts to EUR 1.8 million.

The financial result of EUR -0.5 million slightly decreased versus prior year by EUR 0.2 million.

The group tax expenses amount to EUR 0.3 million; this takes already into account the impact of the Jahrhunderthalle transaction in terms of income tax.

The adjusted earnings after taxes and minorities amount on a group level to EUR 1.3 million after EUR 2.1 million during the previous year. Without taking into account the recourse claims, the group result amounts to EUR -13.2 million.

The rising sales revenues during the first nine months 2015 have gone along with increasing ticket sales. The recently raised expectations of a sales volume of 4.2 - 4.5 million tickets for the full year were significantly exceeded. DEAG now assumes that almost 5 million tickets will be sold for its events in 2015.

A growing ticket volume and a broad range of events are the success drivers of the own distribution channel myticket.de. During the first 12 months after its launch last year it has experienced an excellent development. The strengthening and establishment of the market positioning of the platform has been further enhanced by the investment agreement entered into on August 18, 2015 with Axel Springer SE (Axel Springer) and Starwatch Entertainment GmbH (Starwatch) which is a member of the ProSiebenSat.1 Group. Both media partners acquired by way of capital increase a stake of 20% each in the share capital of Myticket and moreover provide media services in the form of TV spots (Starwatch) and print and/or Internet advertising formats (Axel Springer).

### **Assets position**

The business development of DEAG is typically subject to seasonal fluctuations. This is why the analysis of the assets position is supplemented by comparisons with the balance sheet on the reporting date of the previous year. The balance sheet total decreased versus December 31, 2014 by EUR 40.3 million to EUR 105.7 million; compared to September 30, 2014 there has, however, been an increase by 6% or EUR 5.9 million. This development is attributable to the investment made during the reporting period into the extension of the Open Air activities and, more particularly, the anticipated low business volume during the third quarter.

The decline results on the assets side primarily from reduced current assets (EUR -44.4 million). The comparison with September 30, 2014 shows, however, a slight increase by EUR 1.4 million and hence is a better reflection of the seasonality of the business. Due to the balance sheet date, the liquid assets of EUR 16.7 million do not yet include the cash inflow from the sale of 51% in Jahrhunderthalle Kultur GmbH (Frankfurt a.M.) and the Jahrhunderthalle arena plus a plot of land of 71,072 m<sup>2</sup>. The corresponding purchase price receivables are included in the item Other current assets. As for the rest, reference is made to the statements in the section "Explanations in accordance with IAS 34".

On the liabilities side there has been, more particularly, a decline in Current liabilities (EUR - 27.3 million) and the Equity capital (EUR -13.9 million) versus December 31, 2014. A significant decrease is accounted for by the deferred revenues in the amount of EUR 37.6 million, which are lower due to seasonal reasons, as the comparison with a prior year situation on September 30 likewise shows. Here, the decline is more moderate with merely EUR 3.9 million. The increase in Liabilities to banks is essentially project-related; by contrast, there are scheduled redemptions of non-current bank liabilities from previous acquisitions.

Equity after the shares of other shareholders amounted at the end of the reporting period to EUR 30.4 million (December 31, 2014: EUR 44.3 million). The equity ratio is almost unchanged with 29% (December 31, 2014: 30%).

### **Financial position**

The cash flow before changes in net current assets for the reporting period amounts to EUR -25.3 million. After changes in the working capital by EUR -26.6 million (prior year: EUR -8.9 million) the outflow of funds from continuing operations amounts to EUR 51.4 million (prior year: outflow of funds of EUR 7.1 million). The change in working capital results primarily from a decline in the advance payment balance in the amount of EUR 27.0 million versus December 31, 2014.

The outflow of funds from investment activities in the amount of EUR 1.4 million (prior year: outflow of funds of EUR 0.3 million) includes essentially the total disbursements for investments during the reporting period.

The inflow of funds from financing activities in the amount of EUR 14.7 million (prior year: inflow of funds of EUR 6.3 million) includes essentially the balance from the use of overdraft facilities and project lines and scheduled loan redemptions in connection with the acquisitions made.

Overall, these changes resulted in a decrease in liquid assets to EUR 16.7 million.

### **3. Development of the segments**

DEAG continues to report in an unchanged segment structure. The latter reflects the strategic orientation of the group in an accurate and transparent manner:

In the segment Live Touring ("travelling business") the tour business is reported. This includes the activities of the companies DEAG Classics (Berlin), DEAG Concerts (Berlin), KBK Konzert- u. Künstleragentur (Berlin), Manfred Hertlein Veranstaltungen GmbH (Würzburg), Wizard Promotions Konzertagentur (Frankfurt a.M.), Grünland Family Entertainment (Berlin), Raymond Gubbay (London, Great Britain), the sub-Group Kilimanjaro (London, Great Britain) as well as The Classical Company (Zurich, Switzerland).

In the segment Entertainment Services ("stationary business") the regional business as well as the entire services business are reported. This includes the activities of the AIO Group (Glattpark, Switzerland), Global Concerts (Munich), Jahrhunderthalle Kultur (Frankfurt am Main), Concert Concept (Berlin), Grandezza Entertainment (Berlin), River Concerts and Elbklassik (both Hamburg), handwerker promotion e. gmbh (Unna), Blue Moon Entertainment GmbH (Vienna, Austria), mytic myticket (Frankfurt a.M.) as well as DEAG Music (Berlin) as music publishing house/label.

We would like to explain the development of the segments as follows:

#### **Live Touring:**

With EUR 93.1 million, sales revenues in the Live Touring segment were significantly above the prior year level. The around 5.9% increase in sales revenues concerns essentially Rock/Pop. This includes the sales revenues of the Festival Rock im Revier.

The adjusted EBIT increased versus prior year by EUR 1.5 million and now amounts to EUR 5.9 million. This includes the claims in connection with the implementation of the Festival Rock im Revier against a contracting partner and an insurance company. Without the recourse claims the EBIT amounts in the segment Live Touring to EUR -8.6 million.

Moreover, the shows by Andreas Gabalier, the Musikantenstadl and the classical music tour by David Garrett contributed again to the positive development in sales revenues and result in the fields of Middle-of-the-Road Music/German Hit Songs as well as Classical Music. Family Entertainment was boosted during the first nine months of fiscal 2015 by the first-time staging of the "Disney on Ice" series of events and rounded off by shows such as "Night of the Jumps" and the Roncalli Tour "Salto Vitale".

#### **Entertainment Services:**

With sales revenues of EUR 80.1 million, which were 43.1% above prior year, an EBIT of EUR 0.2 million was generated.

Apart from sales revenues and profit contributions by events with, amongst others, the rock legends AC/DC or the classical music highlight on the Munich Königsplatz "Summit Meeting of Stars" with artists such as Anna Netrebko and Jonas Kaufmann, this includes the disposal success in connection with the respective sale of parts of the stake in Jahrhunderthalle Kultur and the real property itself.

#### **4. Outlook**

As a result of the seasonal event structure of DEAG, the fourth quarter 2015 will be the strongest period of the whole year. However, the Executive Board anticipates a drop below the result forecast for 2015 in the event that the recourse claims are not realized during the reporting year despite a positive assessment by the lawyers.

For 2016 the Executive Board expects that revenues will continue to rise and that it will definitely operate in the black, driven by the existing Live Entertainment business with a well-filled event pipeline and the increasing significance of the high-margin ticketing business.

**CONSOLIDATED BALANCE SHEET (IFRS)**

|   | Interim Report     | Annual Report      | Interim Report     |
|---|--------------------|--------------------|--------------------|
|   | 2015               | 2014               | 2014               |
|   | as at              | as at              | as at              |
| <b>Assets</b>   | <b>30.09.2015</b>  | <b>31.12.2014</b>  | <b>30.09.2014</b>  |
|   | <u>in EUR '000</u> | <u>in EUR '000</u> | <u>in EUR '000</u> |
| <b>Current assets</b>                                     |                    |                    |                    |
| Liquid funds  | 16.730             | 54.064             | 21.604             |
| Trade receivables   | 8.858              | 12.924             | 7.965              |
| Down Payments   | 12.467             | 23.070             | 15.262             |
| Income tax receivables                                    | 1.682              | 1.700              | 1.374              |
| Inventories   | 141                | 146                | 103                |
| Other current assets                                      | 13.569             | 5.941              | 5.694              |
| <b>Current assets</b>                                     | <b>53.447</b>      | <b>97.845</b>      | <b>52.002</b>      |
| Goodwill  | 22.957             | 22.955             | 23.173             |
| Other intangible assets                                   | 9.996              | 10.238             | 11.766             |
| Tangible fixed assets                                     | 893                | 2.675              | 2.787 *            |
| Investment properties                                     | 7.940              | 8.350              | 8.350 *            |
| Investments   | 160                | 153                | 758                |
| According to the equity method accounted financial assets | 9.772              | 2.701              | 55                 |
| Loans to associated companies                             | -                  | -                  | 39                 |
| Down Payments   | 227                | 483                | -                  |
| Other long-term assets                                    | 210                | 262                | 312                |
| Deferred tax assets                                       | 80                 | 349                | 501                |
| <b>Long-term assets</b>                                   | <b>52.235</b>      | <b>48.166</b>      | <b>47.741</b>      |
| <b>Total assets</b>                                       | <b>105.682</b>     | <b>146.011</b>     | <b>99.743</b>      |
|   |                    |                    |                    |
|   | Interim Report     | Annual Report      | Interim Report     |
|   | 2015               | 2014               | 2014               |
|   | as at              | as at              | as at              |
| <b>Liabilities and equity</b>                             | <b>30.09.2015</b>  | <b>31.12.2014</b>  | <b>30.09.2014</b>  |
|   | <u>in EUR '000</u> | <u>in EUR '000</u> | <u>in EUR '000</u> |
| Bank loans payable  | 21.424             | 6.792              | 6.003              |
| Trade accounts payable                                    | 10.495             | 9.138              | 4.817              |
| Accruals  | 5.043              | 4.769              | 2.741              |
| Sales accruals and deferrals                              | 26.967             | 64.556             | 30.868             |
| Income tax liabilities                                    | 472                | 1.432              | 1.286              |
| Other current liabilities                                 | 4.484              | 9.542              | 3.846              |
| <b>Current liabilities</b>                                | <b>68.885</b>      | <b>96.229</b>      | <b>49.561</b>      |
| Accruals  | 354                | 454                | 864                |
| Bank loans payable  | 2.872              | 1.600              | 2.244              |
| Other long-term liabilities                               | 1.000              | 963                | 279                |
| Deferred taxes  | 2.203              | 2.483              | 2.884 *            |
| <b>Long-term liabilities</b>                              | <b>6.429</b>       | <b>5.500</b>       | <b>6.271</b>       |
| Share capital   | 16.352             | 16.352             | 16.352             |
| Capital reserve   | 39.646             | 39.646             | 39.642             |
| Revaluation surplus                                       | -                  | 298                | 298 *              |
| Accumulated deficit                                       | -31.422            | -18.443            | -17.446 *          |
| Accumulated other income / loss                           | 691                | 591                | -234               |
| <b>Equity attributable to DEAG shareholders</b>           | <b>25.267</b>      | <b>38.444</b>      | <b>38.612</b>      |
| Equity attributable to non-controlling interest           | 5.101              | 5.838              | 5.299              |
| <b>Equity</b>   | <b>30.368</b>      | <b>44.282</b>      | <b>43.911</b>      |
| <b>Total liabilities and equity</b>                       | <b>105.682</b>     | <b>146.011</b>     | <b>99.743</b>      |

\* Adjustment according to IAS 8 (Tz. 1, Annual Report 2014)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | Interim Report<br>III/2015<br>01.07.2015<br>30.09.2015<br><br><u>in EUR '000</u> | Interim Report<br>III/2014<br>01.07.2014<br>30.09.2014<br><br><u>in EUR '000</u> | 9 Month Report<br>01.01.2015<br>30.09.2015<br><br><u>in EUR '000</u> | 9 Month Report<br>01.01.2014<br>30.09.2014<br><br><u>in EUR '000</u> |
|---|--|--|--|--|
| Sales   | 27.657   | 32.822   | 146.442  | 129.480  |
| Cost of revenues  | -23.833  | -27.322  | -140.012   | -104.687   |
| <b>Gross profit</b>   | <b>3.824</b>   | <b>5.500</b>   | <b>6.430</b>   | <b>24.793</b>  |
| Distribution costs  | -4.444   | -3.478   | -15.183  | -12.651  |
| Administration costs  | -3.512   | -3.220   | -12.005  | -9.789   |
| Other operating income / expenses                                 | -26  | 232  | 8.083  | 1.831  |
| <b>Operating result (EBIT)</b>                                    | <b>-4.158</b>  | <b>-966</b>  | <b>-12.675</b>   | <b>4.184</b>   |
| Interest income and expenses                                      | -313   | -117   | -500   | -153   |
| Result from investments and participations                        | 22   | 17   | 23   | 18   |
| Income shares in companies accounted for using the equity method  | -209   | -47  | -11  | -172   |
| <b>Financial result</b>   | <b>-500</b>  | <b>-147</b>  | <b>-488</b>  | <b>-307</b>  |
| <b>Result before taxes</b>  | <b>-4.658</b>  | <b>-1.113</b>  | <b>-13.163</b>   | <b>3.877</b>   |
| Income taxes  | 187  | 185  | -331   | -942   |
| <b>Result after taxes from continued operations</b>               | <b>-4.471</b>  | <b>-928</b>  | <b>-13.494</b>   | <b>2.935</b>   |
| <b>Result after taxes from discontinued operations</b>            | <b>-</b>   | <b>-124</b>  | <b>-</b>   | <b>-124</b>  |
| <b>Group result after taxes</b>                                   | <b>-4.471</b>  | <b>-1.052</b>  | <b>-13.494</b>   | <b>2.811</b>   |
| thereof attributable to non-controlling interest                  | -574   | -80  | -322   | 692  |
| <b>thereof attributable to DEAG shareholders (Group Result)</b>   | <b>-3.897</b>  | <b>-972</b>  | <b>-13.172</b>   | <b>2.119</b>   |
| Earnings per Share in EUR (undiluted/diluted)                     |  |  |  |  |
| from continued operations   | -0,24  | -0,05  | -0,81  | 0,15   |
| from continued and discontinued operations                        | -0,24  | -0,06  | -0,81  | 0,14   |
| Average no. of shares outstanding (undiluted/diluted)             | 16.352.719   | 16.352.719   | 16.352.719   | 14.838.578   |
| <b>Consolidated Statement of Comprehensive Income</b>             | <b>III/2015<br/>in EUR '000</b>  | <b>III/2014<br/>in EUR '000</b>  | <b>01.01.-30.09.15<br/>in EUR '000</b>                               | <b>01.01.-30.09.14<br/>in EUR '000</b>                               |
| <b>Group result after taxes</b>                                   | <b>-4.471</b>  | <b>-1.052</b>  | <b>-13.494</b>   | <b>2.811</b>   |
| <b>Other result</b>   |  |  |  |  |
| (+/-) Differences from exchange rates (independent foreign units) | -232   | -31  | 742  | 125  |
| (+/-) Deferred taxes on the other total result                    | -  | -  | -  | -  |
| <b>Other result after tax</b>                                     | <b>-232</b>  | <b>-31</b>   | <b>742</b>   | <b>125</b>   |
| <b>Total result</b>   | <b>-4.703</b>  | <b>-1.083</b>  | <b>-12.752</b>   | <b>2.936</b>   |
| Non-controlling interest  | -199   | -13  | -125   | 814  |
| DEAG Shareholders   | -3.984   | -782   | -12.627  | 2.123  |

## SHORTENED CONSOLIDATED STATEMENT OF CASH FLOW

|  | Interim Report            | Interim Report            |
|--|---------------------------|---------------------------|
|  | 01.01.2015<br>-30.09.2015 | 01.01.2014<br>-30.09.2014 |
|  | <u>in EUR '000</u>        | <u>in EUR '000</u>        |
| <b>Result after taxes from continued operations</b>                  | <b>-13.494</b>            | <b>2.935</b>              |
| Depreciation and amortisation  | 1.356                     | 2.608                     |
| Change in accruals   | 434                       | -3.932                    |
| Changes not affecting payments                                       | -13.592                   | 123                       |
| Deferred taxes (net)   | -11                       | -327                      |
| Income shares in companies accounted for using the equity method     | 11                        | 172                       |
| <b>Cash flow</b>   | <b>-25.296</b>            | <b>1.579</b>              |
| Net interest income  | 500                       | 153                       |
| Change in working capital  | -26.569                   | -8.872                    |
| <b>Net cash from operating activities from continued operations</b>  | <b>-51.365</b>            | <b>-7.140</b>             |
| Net cash from operating activities from discontinued operations      | -                         | -124                      |
| <b>Net cash from operating activities (total)</b>                    | <b>-51.365</b>            | <b>-7.264</b>             |
| <b>Net cash from investment activities from continued operations</b> | <b>-1.374</b>             | <b>-266</b>               |
| <b>Net cash from financial activities (total)</b>                    | <b>14.745</b>             | <b>6.337</b>              |
| <b>equivalents</b>   | <b>-37.994</b>            | <b>-1.193</b>             |
| Effects of exchange rates  | 660                       | 160                       |
| <b>Cash and cash equivalents at beginning of Period</b>              | <b>54.064</b>             | <b>22.943</b>             |
| <b>Cash and cash equivalents at end of period</b>                    | <b>16.730</b>             | <b>21.910</b>             |

## DEVELOPMENT OF THE CONSOLIDATED EQUITY

### Changes in equity

|   | Balance as at        |   | Changes                   | Balance as at      |                      |
|---|----------------------|---|---------------------------|--------------------|----------------------|
|   | 31.12.2013           |   | 01.01.2014-<br>30.09.2014 | 30.09.2014         |                      |
|   | <u>in EUR '000</u>   |   | <u>in EUR '000</u>        | <u>in EUR '000</u> |                      |
| Share capital                                   | 13.627               |   | 2.725                     |                    | 16.352               |
| Capital reserve                                 | 29.826               |   | 9.816                     |                    | 39.642               |
| Revaluation surplus                             | 298                  | * | -                         |                    | 298                  |
| Accumulated deficit                             | - 17.827             | * | 381                       | -                  | 17.446               |
| Accumulated other income / loss                 | - 274                |   | 40                        | -                  | 234                  |
| <b>Equity attributable to DEAG shareholders</b> | <b>25.650</b>        |   | <b>12.962</b>             |                    | <b>38.612</b>        |
| Equity attributable to non-controlling interest | 3.973                |   | 1.326                     |                    | 5.299                |
| <b>Equity</b>                                   | <b><u>29.623</u></b> |   | <b><u>14.288</u></b>      |                    | <b><u>43.911</u></b> |

### Changes in equity

|   | Stand am             |   | Veränderungen             | Stand am           |                      |
|---|----------------------|---|---------------------------|--------------------|----------------------|
|   | 31.12.2014           |   | 01.01.2015-<br>30.09.2015 | 30.09.2015         |                      |
|   | <u>in EUR '000</u>   |   | <u>in EUR '000</u>        | <u>in EUR '000</u> |                      |
| Share capital                                   | 16.352               |   | -                         |                    | 16.352               |
| Capital reserve                                 | 39.646               |   | -                         |                    | 39.646               |
| Revaluation surplus                             | 298                  | - | 298                       |                    | -                    |
| Accumulated deficit                             | - 18.443             | - | 12.979                    | -                  | 31.422               |
| Accumulated other income / loss                 | 591                  |   | 100                       |                    | 691                  |
| <b>Equity attributable to DEAG shareholders</b> | <b>38.444</b>        | - | <b>13.177</b>             |                    | <b>25.267</b>        |
| Equity attributable to non-controlling interest | 5.838                | - | 737                       |                    | 5.101                |
|   | <b><u>44.282</u></b> |   | <b><u>- 13.914</u></b>    |                    | <b><u>30.368</u></b> |

\* Adjustment according to IAS 8 (Tz. 1, Annual Report 2014)

## **9. Explanations in accordance with IAS 34**

These interim financial statements, consisting of the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated condensed statement of cash flow, the development of the consolidated equity as well as selected explanatory information have been prepared in conformity with IAS 34 and the applicable provisions of WpHG (German Securities Trading Act).

The interim consolidated financial statements as at September 30, 2015 do not contain all data and information as presented in the complete annual financial statements. It is recommended to read the interim financial statements together with the consolidated financial statements as at December 31, 2014.

The generally accepted accounting principles, consolidation, currency exchange and accounting and valuation applied in the consolidated financial statements as at December 31, 2014 were maintained without any changes. We refer to the consolidated Notes in the Annual Report 2014 (pages 30-39).

The German Financial Reporting Enforcement Panel (DPR) conducts an examination in accordance with § 342b para 2 sentence 3 No. 1 HGB (German Commercial Code) at the company and examines the consolidated financial statements for the fiscal year ending on December 31, 2014. The reason for the examination is based on doubts concerning the complete accounting of expenses for anticipated losses in connection with the Rock Festivals and the associated reporting about risks involved in the probable development.

As for the rest, we refer to the statements in the risk report of the Management Report and Group Management Report 2014 (pages 18-23).

The report is not audited.

### **Changes in respect of the scope of consolidation**

DEAG as the parent company includes those companies into the interim consolidated financial statements which meet the control concept. Companies which were set up, acquired or sold during the first half year were included from the date of foundation, acquisition or until the date of sale.

During the reporting period the following changes occurred in respect of the scope of consolidation:

With a notarized deed of August 31, 2015 DEAG lost control over Jahrhunderthalle Kultur GmbH (Frankfurt a.M.) and the Jahrhunderthalle Arena itself plus the 71,072 m<sup>2</sup> plot of land. The contracts were executed on October 1, 2015. The income from the change in the scope of consolidation is recorded in this interim report. The transaction is based on a valuation of EUR 14 million. The sold stake amounts to 51%. The cash inflow resulting from the sale has not yet been taken into account on September 30, 2015.

The full report on the transaction will be published in the Annual Report 2015.

### **Other information**

The Annual Meeting adopted the following resolutions on June 25, 2015:

The balance sheet profit of DEAG Deutsche Entertainment Aktiengesellschaft in the amount of EUR 4,494,545.89 is carried forward onto new account.

The members of the Executive Board and of the Supervisory Board are granted discharge for fiscal 2014.

RBS RoeverBroennerSusat GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, was appointed as auditor and group auditor for fiscal 2015.

Other explanatory notes required by IAS 34.15ff are not relevant, of subordinate significance or there have not been any material changes since December 31, 2014.

### **Timing and release for publication**

The Executive Board of DEAG (registered office: Potsdamer Strasse 58 in 10785 Berlin) approved these interim consolidated financial statements and the interim group management report on November 30, 2015.

Berlin, November 30, 2015

DEAG Deutsche Entertainment AG

The Executive Board



Prof. Peter L. H. Schwenkow



Christian Diekmann



Detlef Kornett

## IMPRINT

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DEAG Deutsche Entertainment Aktiengesellschaft  
edicto GmbH

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