

# Q1

## Quarterly Report 2015

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### Forward-looking statements

This quarterly report contains statements relating to future events that are based on management's assessments of future developments. A series of factors beyond the control of the Company, such as changes in the general economic and business environment and the incidence of individual risks or occurrence of uncertain events, can result in actual results differing substantially from the forecast. Constantin Medien AG does not intend to continually update the forward-looking statements contained in this quarterly report.

### Important notice

This document is a free translation into English of the original German text. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the German version, which is the authentic document.

## Key Figures

in EUR million

	3/31/2015	12/31/2014
Non-current assets	239.5	235.1
Film assets	129.7	133.3
Other intangible assets	32.8	32.9
Balance sheet total	538.2	424.7
Subscribed capital	93.6	93.6
Equity	63.0	62.5
Equity ratio (in percent)	11.7%	14.7%
Non-current financial liabilities	100.9	97.6
Current financial liabilities	72.6	67.6
	1/1 to 3/31/2015	1/1 to 3/31/2014*
Sales	95.3	136.1
Sports	35.5	33.4
Film	48.4	92.1
Sports- and Event-Marketing	10.5	10.1
Other Business Activities	0.9	0.5
Earnings before interest, taxes, depreciation and amortization (EBITDA)	17.0	51.3
Amortization, depreciation and impairment	-12.4	-54.3
Profit/loss from operations (EBIT)	4.6	-3.0
Net loss	-0.8	-5.5
Earnings attributable to shareholders	-1.1	-6.0
Cash flow from operating activities	101.0	46.8
Cash flow for investing activities	-7.6	-18.4
Cash flow for financing activities	-2.0	-25.2
	3/31/2015	12/31/2014
Shares outstanding in million	86.2	86.2
Share price in EUR	1.58	1.30
Market capitalization (based on shares outstanding)	136.2	112.1
	1/1 to 3/31/2015	1/1 to 3/31/2014*
Average number of shares outstanding (basic) in million	86.2	77.7
Earnings per share (basic) in EUR	-0.01	-0.08
Earnings per share (diluted) in EUR	-0.01	-0.08
Employees (at closing)	1,739	1,600

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

## First Quarter 2015

### January

In mid-January 2015, SPORT1 acquires an extensive rights package in the FIA World Rally Championship (WRC), up to and including 2016. The agreement contains extensive, non-exclusive and platform-neutral TV exploitation rights for Germany, Austria and Switzerland.

On January 20, SPORT1.de launches the new design of SPORT1.de. The focus, in terms of content, of the new offer lies in an even stronger live experience, an even intensified multimedia positioning with an expanded video range and an even stricter interconnection of the various media offers.

At the Bavarian Film Awards ceremony held on January 16, 2015, the Constantin Film co-production "Frau Müller muss weg" receives the Award for the best screenplay. The comedy directed by Sönke Wortmann is also a great success at the box office and has so far attracted more than one million viewers.

### February

In early February, Constantin Medien AG announced that SPORT1 had acquired extensive platform-neutral audiovisual media rights for the UEFA Europa League for the 2015/16, 2016/17 and 2017/18 match periods from UEFA. From the coming season onwards, SPORT1 will show one game each match day live on free-TV on SPORT1 as well as on SPORT1.de via online and mobile livestreams, as well as broadcasting them via its digital sports radio SPORT1.fm.

### March

At the end of March, Sport1 GmbH acquires platform-neutral and exclusive rights in Germany for all tournament matches in the European hockey championships for men and women 2015 in London and 2017 in Amsterdam.

In the marketing process for the commercial rights for the UEFA Champions League and the UEFA Europa League (each for the match periods 2015/16 to 2017/18) TEAM group achieves the required performance criteria agreed upon with UEFA. This fact led to a new agency agreement for the global marketing of the UEFA club competitions being concluded between the UEFA and TEAM for three further match periods (2018/19 to 2020/21) at the end of March 2015. Subject to a corresponding performance, it will also include the seasons 2021/22 to 2023/24.

## Foreword by the Chairman of the Management Board

### Dear Shareholders,

the Constantin Medien Group had a good start into the year 2015. We have succeeded in sustaining the momentum in operations posted in the second-half of 2014 and to partly strengthen it even more. Group profit from operations (EBIT) improved compared to the first quarter last year by EUR 7.6 million to EUR 4.6 million. Thereby, all segments were able to improve their results. At EUR 95.3 million, Group sales may have been significantly below the prior year's level of EUR 136.1 million, but this was expected due to this year's schedule for theatrical releases in the Film Segment.

The Segment Sports with our umbrella brand SPORT1, which we have expanded with high investments over the years to make it Germany's leading 360° multimedia sports platform, continues to experience an upward trend. The free-TV channel SPORT1 increased its market share in the first quarter in its core target group of men aged 14 to 49 years from 1.3 to 1.5 percent compared to the same period last year. In March, the channel even achieved the best market share for March since 2008 at 1.6 percent in the core target group. This development shows that we are on the right track with strengthening the channel profile and expanding live reporting, which we started more than two years ago.

Access figures in the online and mobile area and video calls of SPORT1.de have continued to show significant growth rates. The good resonance with viewers and users resulted in higher advertising sales and an increase in sales of the Sports Segment in the first three months of this year, by 6.3 percent to EUR 35.5 million combined with the improved segment result of EUR 2.1 million after EUR 0.5 million in the first quarter of 2014.

In February, the acquisition of extensive audiovisual media rights for the UEFA Europa League for the next three match periods 2015/16 to 2017/18 was a milestone for the further development of SPORT1. With this, we were able to secure one of the most important international live rights, significantly strengthening our attractive sports rights portfolio once more. We will utilize this top right on all of our platforms – free-TV, online, mobile, and digital radio SPORT1.fm.

The Segment Film generated sales of EUR 48.4 million in the first quarter. In comparison with the high prior years value (EUR 92.1 million), it is important to note that this was strongly driven by the global distribution of the title "Pompeii". In the first quarter of this year, Constantin Film released three films to German cinemas. And we have many more in our pipeline: According to current planning, a total of 12 new releases of primarily in-house and co-productions are provided for the 2015 theatrical period, including the already successfully started films "Frau Müller muss weg", "Fünf Freunde 4" and "Ostwind 2". In the second half of the year, these will include the second part to the successful million seller "Fack Ju Göhte", as well as the adaption of the bestseller "Er ist wieder da", which topped the Spiegel charts for 20 weeks. In addition, the licensed film "Light Between the Oceans" and the international co-production "Fantastic Four" will also be on the list of releases. Compared to the previous year, the result of the Film Segment improved by EUR 1.7 million to EUR -0.9 million.

The Segment Sports- and Event-Marketing with our Swiss marketing company TEAM will remain a stable results pillar for our Group. In the first three months of 2015, the Segment sales increased by 4.0 percent to EUR 10.5 million, with segment results significantly increasing by EUR 2.0 million to EUR 5.9 million influenced by currency effects. We are pleased to report that the co-operation between TEAM and UEFA for the marketing of the club football competitions UEFA Champions League and UEFA Europa League, which has been existing for 22 years, was renewed again after the performance criteria were achieved. The term of the agency agreement will cover the match periods from 2015/16 to 2020/21, and to the 2023/24 match period in case of TEAM's ongoing performance. This enables us to plan for the long-term and to expect a stable successful business.

In the first quarter, we also made progress in the organizational further development of our Group. A newly appointed Executive Committee with six members will assume management of the media group operating from Munich and Switzerland, with Constantin Medien AG and Highlight Communications AG as the leading companies. The task of this committee is to ensure the operative management of the Group and the strategic further development of its business while exploiting all potentials and synergies.

For the 2015 financial year, we confirm our financial targets: From today's perspective and based on unchanged currency conditions, we are still assuming Group sales to range between EUR 450 million and EUR 490 million and, compared to the previous year, further improved earnings attributable to shareholders to range between EUR 0 million and EUR 2 million. With the course of business in the first quarter we have a solid basis to achieve our targets.

With best regards

**Bernhard Burgener**

Chairman of the Management Board

## Constantin Medien AG Share

### Performance of the capital markets

In the first quarter of 2015, the development of the international stock markets was particularly influenced by the contrasting policies of the central banks on either side of the Atlantic. While the US Federal Reserve (FED) ended its bond-buying program in 2014 and gradually prepared the market participants for a first increase in base rates, the European Central Bank (ECB) continued to pursue an ultra loose monetary policy. For instance, mid-January, the ECB announced a bond-buying program to purchase euro-bonds worth EUR 60 billion per month running from March 2015 to September 2016. This results in a total investment volume of almost EUR 1.1 trillion.

Against this background, some European leading indices reached new record highs, while American leading indices were almost unchanged. Individual risk factors, e.g. geopolitical risks in Eastern Europe and in the Middle East, the economic development in individual countries, the sovereign debt crisis as well as the stability of the monetary union was paid less attention.

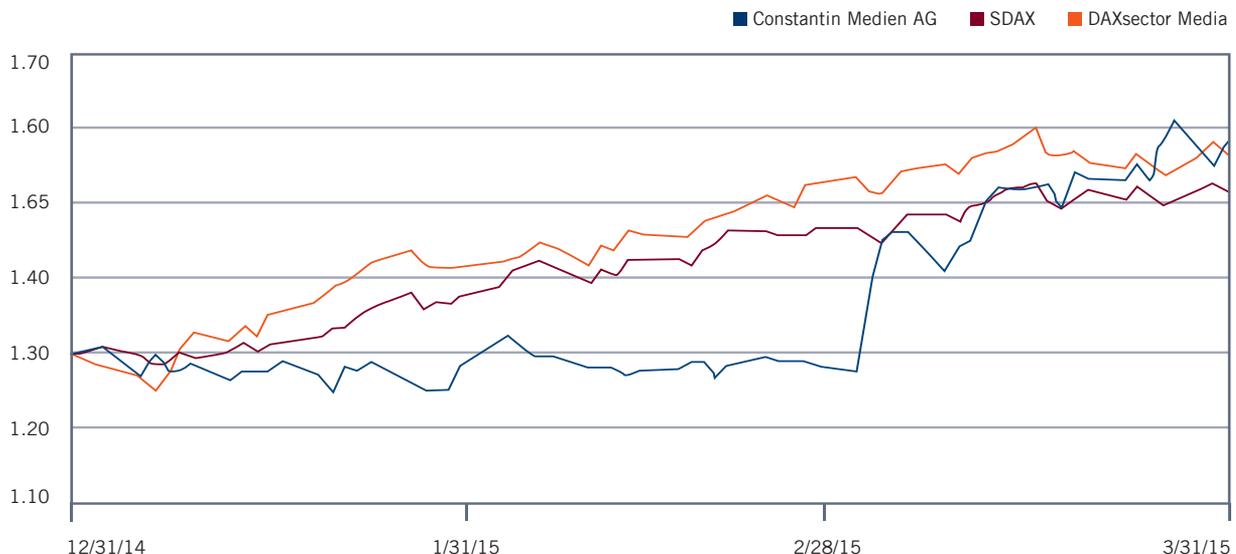
The German leading index DAX was especially positively benefited from the ECB-announcement. It rose by 22.0 percent in the first quarter 2015 and closed at 11,966 points on March 31, 2015. Temporary, the 12,200-point-mark was exceeded. The small cap and media stocks on the German stock market also showed a positive performance. The German media index (DAXsector Media) improved by 20.9 percent and closed at 423 points. The German small cap index SDAX closed at 8,417 points at the end of March 2015 after an increase of 17.1 percent.

### Constantin Medien share performance

In the first quarter, the overall performance of the Constantin Medien share was marked by an upward trend. In the first two months, the price of the Constantin Medien share initially developed sideways. A strong upward movement began in March. The Constantin Medien share closed at EUR 1.58 at the end of the first quarter. At a mark-up of 22.3 percent, the Constantin Medien share price performed in the first quarter above the comparative German media index DAXsector Media (+20.9

### XETRA closing prices of the Constantin Medien share compared to SDAX and DAXsector Media

Comparative indices indexed to Constantin Medien's closing price as of December 31, 2014



percent) and the small-cap index SDAX (+17.1 percent). As of March 31, 2015, the 52-week high stood at EUR 1.62 (April 7, 2014) and the 52-week low at EUR 1.11 (December 15, 2014). In the post-balance sheet period, the Constantin Medien AG share price trended upwards, closing at EUR 1.63 on April 30, 2015.

In the first quarter of 2015, approximately 5.5 million Constantin Medien shares (Q1 2014: 6.0 million units) were traded on the German stock exchanges. The average turnover per trading day dropped from 95,311 shares in the first quarter 2014 to around 87,883 shares in the first quarter 2015. The position of the Constantin Medien share in the German stock exchange rankings of all MDAX and SDAX listings stood at ranking number 125 as of March 31, 2015 (December 31, 2014: 124) in respect of trading volume over the last twelve months, or at ranking number 112 (December 31, 2014: 116) for the so-called free float market capitalization.

The Constantin Medien share is being actively monitored by notable research institutions. In the last twelve months, the following institutions published studies on Constantin Medien AG with share price targets:

- Oddo Seydler Bank
- Deutsche Bank
- DZ Bank
- Matelan Research

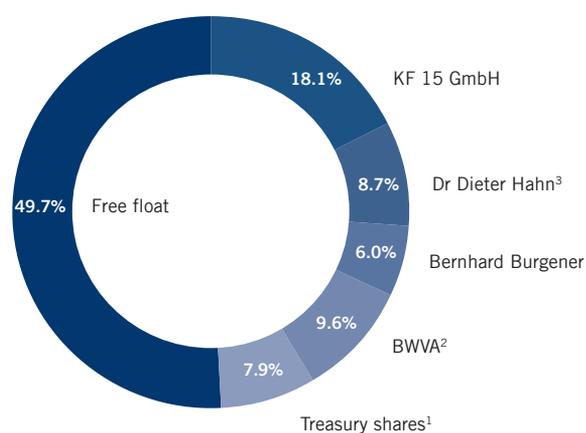
According to the current studies, the average share price target stood at EUR 2.08 as of March 31, 2015 (December 31, 2014: EUR 1.83).

### Share capital and shareholder structure

The share capital of Constantin Medien AG did not change during the first quarter 2015, amounting to EUR 93.6 million as of March 31, 2015. As a consequence of the full consolidation of its subsidiary Highlight Communications AG, its shares in Constantin Medien AG qualify as treasury shares, and so the Company held a total of 7.4 million non-voting treasury shares (7.9 percent of share capital) through Highlight Communications AG as of March 31, 2015. After deducting these shares, there were approximately 86.2 million shares outstanding as of the balance sheet date.

### Shareholder structure as of March 31, 2015

Share capital: 93.6 million shares



<sup>1</sup> Predominantly held through Highlight Communications AG

<sup>2</sup> Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte

<sup>3</sup> Attribution of further 17,066,648 voting rights according to Art. 21, 22 WpHG

### Major voting rights notifications

On February 20, 2015, the KF 15 Management GmbH & Co KG has informed the Company pursuant to Art. 21 para. 1 WpHG that its voting rights on Constantin Medien AG have fallen below the 15 percent, 10 percent, 5 percent and 3 percent threshold of the voting rights on December 22, 2014, and on that day amounted to 0.00 percent (representing 0 voting rights).

Furthermore, on February 19, 2015, the KF 15 GmbH has informed the Company according to Art. 21 para. 1 WpHG that its voting rights on Constantin Medien AG have exceeded the 3 percent, 5 percent, 10 percent and 15 percent threshold of the voting rights on December 22, 2014, and on that day amounted to 18.08 percent (representing 16,923,648 voting rights).

The free float of the Constantin Medien share was 49.7 percent as of March 31, 2015.

### Additional capital market securities of Constantin Medien AG

The share of Highlight Communications AG showed a markup of 22.1 percent in the first quarter of 2015, also above the development of their benchmark indices. The share price closed at EUR 4.07 on March 31, 2015. As of April 30, 2015, the shares traded at EUR 4.15.

The corporate bond 2013/2018, with issuance and value date April 23, 2013, a nominal value of EUR 65 million, an interest rate of 7.0 percent p.a. and a term of five years closed on March 31, 2015 at 104,05 percent, and thereby above the value as of December 31, 2014, which was 102.50 percent. As of March 31, 2015, the 52-week high stood at 104.99 percent (March 11, 2015) and the 52-week low at 91.75 percent (October 16, 2014). As of April 30, 2015, they traded at 107.00 percent.

### Information on Constantin Medien securities as of March 31, 2015

ISIN/WKN	
– Ordinary share (Prime Standard Segment)	DE0009147207/914720
– Highlight Communications AG share (Prime Standard Segment)	CH0006539198/920299
– Corporate bond 2013/2018 (Segment Entry Standard for Bonds)	DE000A1R07C3/A1R07C
Indices	DAXsector Media
Closing rate 3/31/2015 / 52-week high / 52-week low	
– Constantin Medien AG (Xetra)	EUR 1.58 / 1.62 / 1.11
– Highlight Communications AG (Xetra)	EUR 4.07 / 4.24 / 2.97
– Corporate bond 2013/2018 (Frankfurt)	104.05 / 104.99 / 91.75 percent
Share capital (3/31/2015)	93.6 million shares
Shares outstanding (3/31/2015)	86.2 million shares
Corporate bond 2013/2018 outstanding	65,000 bonds
Market capitalization (related to shares outstanding as of 3/31/2015)	
– Constantin Medien AG (Xetra)	EUR 136.2 million
– Highlight Communications AG (Xetra)	EUR 180.8 million
– Corporate bond 2013/2018	EUR 67.6 million

### Directors' Dealings/Shareholdings of Board Members as of March 31, 2015

In the first quarter of 2015, the Company was notified by Members of the Management Board and the Supervisory Board of the following reportable purchase transactions according to Art. 15a WpHG:

## Transactions

Board	Name	Date of transaction	Transaction	Securities	Number of shares	Share price (in EUR)	Total volume (in EUR)
Supervisory Board	Dr Dieter Hahn	2/24/2015	Purchase	Share	1,500,000	1.38	2,070,000
Supervisory Board	Dr Dieter Hahn	2/27/2015	Purchase	Share	274,889	1.284	352,957
Supervisory Board	DHV GmbH (Dr Dieter Hahn)	3/13/2015	Purchase	Share	471,818	1.49	703,009

The Board Members, Mr Bernhard Burgener (Chairman of the Management Board), Dr Dieter Hahn (Chairman of the Supervisory Board) and Mr René Camenzind (Supervisory Board

Member) each held a direct or indirect holding in shares or share entitlements exceeding 1 percent of the share capital as of March 31, 2015.

## Shareholdings of Board Members as of December 31, 2015

Board	Name	Number of shares
<b>Management Board</b>	Bernhard Burgener	5,650,000
	Fred Kogel	350,000
	Antonio Arrigoni	6,279
	Hanns Beese	0
<b>Supervisory Board</b>	Dr Dieter Hahn	8,146,489
	René Camenzind	2,200,656
	Dr Bernd Kuhn	8,470
	Jean-Baptiste Felten	0
	Andrea Laub	0
	Jan P. Weidner	0

No share entitlements associated with option rights for Management Board Members exist.

# Interim Group Management Report

## 1. Basis of the Group

### 1.1 Group structure and business activities

Constantin Medien AG is an internationally operating media company and based in Ismaning near Munich. The Company is focused on the Sports Segment and, through its holding in the Swiss media company Highlight Communications AG, on the Segments Film, Sports- and Event-Marketing as well as the Segment Other Business Activities.

The Group structure, business activity as well as the main sources of finance of the segments as at March 31, 2015, correspond to the presentation of the 2014 combined Group management and management report of Constantin Medien AG (see 2014 Annual Report, pp. 24 f.).

### 1.2 Management system and performance indicators

#### 1.2.1 Group management

The Management Board of Constantin Medien AG is responsible for the strategy and control of the Group. With respect to the Group companies of the Segment Sports, the operational responsibility falls to the particular management of each subsidiary. The controlling of the companies within this segment is conducted through shareholder meetings and strategic management meetings. Short- and medium-term planning and regular reportings are the basis for managing the activities of the sports companies.

Highlight Communications AG and Highlight Event & Entertainment AG as stock corporations subject to Swiss law as well as Constantin Film AG as a stock corporation under German law are autonomously managed by the Board of Directors and the Management Board, respectively. As shareholder, Constantin Medien AG exercises control in the Highlight Communications group by means of its 52.39 percent interest. Here, short- and medium-term planning as well as regular reportings to the Boards of these companies also form the basis for managing the corresponding activities. In addition, Highlight Communications AG reports to Constantin Medien AG as part of the regular Group reporting.

#### 1.2.2 Financial performance indicators

Sales and earnings attributable to shareholders are the key performance indicators within the Constantin Medien Group. In addition, the financial ratios earnings before interest and taxes (EBIT), earnings before interest, taxes, depreciation and amortization (EBITDA) and net debt (cash and cash equivalents less

financial liabilities) are identified regularly for controlling and managing the segments.

#### 1.2.3 Non-financial performance indicators

Beyond the financial key performance indicators, non-financial performance indicators and success factors arising from the specific requirements of the particular business model are also of key significance for the Company's performance.

Compared to the presentation in the combined Group management and management report of the Constantin Medien Group for the 2014 financial year, there were no changes to the non-financial performance indicators for the individual segments.

### 1.3 Material legal factors

Constantin Medien AG has to comply with a large number of stock exchange and legal requirements. As a stock corporation listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange according to German law, the Company is in particular subject to the German Stock Exchange and Capital Market legislation and has to comply with the recommendations of the German Corporate Governance Code. Highlight Communications AG is a stock corporation according to Swiss law which has been listed on the Frankfurt Stock Exchange and Highlight Event & Entertainment AG as stock company under Swiss law has to meet the "Codes of Best Practice" of the SIX Swiss Exchange. The operational activities of the companies in the individual segments are in accordance with a variety of media, data protection and copyright laws as well as with regulatory requirements.

Compared to the presentation in the combined Group management and management report of the Constantin Medien AG for the 2014 financial year, there were the following changes to the material legal factors in the Segment Film.

German theatrical film production – and this also includes the Constantin Film group – are dependent on funding. After the reduction to EUR 50 million, however, the budget of the German Federal Film Fund (DFFF) was permanently set, but the problem remains of the maximum funding limit as well as the basis for calculation (currently amounting to 80 percent of the budget), which other European countries (such as the United Kingdom) are trying to abolish, so that 100 percent of the budget may be used for calculation.

Source: Blickpunkt:Film, March 19, 2015

Furthermore, the amendment to the film funding legislation is pending, whereby proposals for improvement are geared towards ensuring that the funding system is up to the challenges of digitalization. Digital distributors headquartered abroad should pay their solidarity fee for film funding. The same is true for the group of internet providers.

Source: FAZ, March 21, 2015

Due to the license policies of major international groups such as Amazon, Google and Microsoft, the European Commission is currently discussing a change to copyright laws, the goal of which is the repeal of the territorial limitation of license rights. A broad front of rights owners, producers, distributors and creatives have spoken out against these plans. The Association of Producers, for example, argues that the territorial principle is a basic requirement for successful marketing and therefore for the profitability and affordability of film productions. The abolishment of this principle would prevent the implementation of tailored (necessary) marketing strategies.

Source: Association of German TV and Film Producers e.V., press release, March 2, 2015

#### 1.4 Research and development

Compared to the presentation in the combined Group management and management report of Constantin Medien AG for the 2014 financial year, there were no changes in the companies' activities in the various segments in the area of market research and development.

## 2. Economic Report

### 2.1. Overall economic conditions in the first quarter 2015

In the first months of 2015, the global economy displayed moderate growth and therefore continued the general trend of the previous year. The International Monetary Fund (IMF) determined in April that growth impulses are increasingly originating from industrial countries, while the economy of emerging countries such as China or Brazil are losing momentum. According to the spring forecasts of leading German economic research institutes, global production in the beginning of 2015 has seen a slight acceleration in its expansion. Major impulses therefore came from the sharp decrease in the price of crude oil which has more or less halved since June 2014.

Expert opinions agree that the German economy is currently in

a noticeable upswing. It is stimulated by unexpected expansive momentum, in particular the fall in the oil price and the significant devaluation of the euro compared to the US dollar since the start of the year. Private consumption also supports the economy. Gross domestic product is expected to increase by 0.6 percent according to the spring reports in the first quarter of 2015.

Sources: International Monetary Fund (IMF): World Economic Outlook, April 2015; 2015 spring forecasts of the economic research institutes; (Projektgruppe Gemeinschaftsdiagnose), April 16, 2015

### 2.2 Sector-specific general conditions, operating performance and analysis of non-financial performance indicators of the segments

#### 2.2.1 Sector-specific general conditions in the Segment Sports

According to the information and media company Nielsen Media Research, gross advertising investments in Germany had a volume of EUR 6.5 billion in the first quarter of 2015. This corresponds to a growth of 3.2 percent compared to the comparative quarter in 2014.

According to Nielsen, the majority of media groups were able to increase their gross revenues in the first quarter of 2015 compared to the previous year's reporting period. The lead medium TV recorded almost half of the advertising revenues at around EUR 2.9 billion – a plus of 4.8 percent. As a result, TV advertising in the reporting period maintained a share of 46.1 percent of the total gross advertising market. The most dynamic media group by far continues to be mobile, with a growth of 66.2 percent compared to the previous year at EUR 47.3 million. The online segment saw stagnant growth of only 0.1 percent.

Source: Nielsen Media Research GmbH, press release, May 5, 2015 and Nielsen Top Ten Trends March 2015, April 16, 2015

Consumer Electronics Show 2015 (CES) in Las Vegas in January, where all major manufacturers present their high tech products, once again underlined the fact that high definition production techniques continue to be the important topic on the market. While these productions were previously viewed exclusively on top-end devices, in the future, lower priced devices should also be capable of displaying content in 4K. This will also have an impact on the production market, as the demand for high definition content of this quality will increase. This development also aims to promote the newly founded UHD alliance of TV producers and content providers. The goal

is to create a consistent standard of quality for ultra HD productions. Netflix in particular is playing a major role in the area of high definition technology. This VoD provider as well as Amazon will gradually expand its range of 4K content.

Sources: netzwelt.de, "CES 2015 – Trade show TV trends: between UHD and OLED", January 2015

### 2.2.2 Operating performance in the Segment Sports

**Expansion of portfolio with UEFA Europa League as new top right** – On February 2, Constantin Medien AG announced, that Sport1 GmbH concluded a contract with UEFA regarding the acquisition of extensive platform-neutral audiovisual media rights for the UEFA Europa League for the next three match periods: From the 2015/16 season onwards, SPORT will show one match on every match day live on free-TV and in online/mobile livestream on SPORT1.de. In addition, the match is transmitted live on the digital sports radio SPORT1.fm. In addition to the fifteen live matches per match period, the agreement with UEFA also includes highlight rights for all matches of the UEFA Europa League for use on TV, online and on mobile devices. In addition, SPORT1 acquired comprehensive, non-exclusive and platform-neutral TV exploitation rights in FIA World Rally Championship (WRC) from WRC Promoter GmbH in Germany, Austria and Switzerland for the 2015 and 2016 seasons. The agreement includes extensive highlights on free-TV for all the season's races as well as live broadcasting of individual WRC races on SPORT1 and SPORT1+. At the end of February, Sport1 GmbH secured platform-neutral and exclusive rights in Germany for European hockey championships for men and women in August 2015 in London and 2017 in Amsterdam for the German-speaking region. All games featuring German sides will be broadcast live on free-TV or on pay-TV on SPORT1+.

**SPORT1.de's new design launched** – On January 20, SPORT1.de's new appearance was launched as part of the extensive relaunch of the online and mobile offers. Since then, the new structured and redesigned sports platform is offering an even more emotional live experience, even more intensive imagery, a redesigned live ticker, a further expanded video range as well as audio sequences on SPORT1.fm for users, both online and mobile. The aim of the relaunch initiated in summer 2014 is to establish the digital SPORT1 offers also as a destination for accessing sports content across all devices and to also increase further coverage across the platforms.

**New "Bundesliga Manager" App** – In addition to the popular

desktop version, SPORT1's "Bundesliga Manager" has also been available as a free App since January 23, both for iOS via Apple's App Store and for Android from the Google Play Store. SPORT1's "Bundesliga Manager" newly launched for the 2014/15 season is a fully-fledged football manager game. The goal of the game is to collect the maximum number of points through as strong a team as possible made up of current Bundesliga stars, on the basis of the real performance values of the individual players.

**SPORT1 MEDIA with new "SPORT1 TOPTIPP" advertising format** – In mid-March, SPORT1 MEDIA introduced a new campaign module, "SPORT1 TOPTIPP", in the area of "brand activation" for products and brands, which is used on the various SPORT1 platforms. With sporting goods manufacturer, Saucony, SPORT1 MEDIA gained a longstanding client as its first partner. The campaign was supported by the involvement of SPORT1 presenter Laura Wontorra's testimonial.

**PLAZAMEDIA provides technical broadcasting services for long-term customers** – In the reporting period, PLAZAMEDIA was once again host broadcaster for ZDF for various round of sixteen matches of the UEFA Champions League, including the match between FC Schalke 04 and Real Madrid CF. Furthermore, PLAZAMEDIA was also responsible for the unilateral provision of three UEFA Champions League matches in the period under review.

On UEFA's behalf, PLAZAMEDIA SWISS as host broadcaster was also responsible for the production of two qualification games for UEFA Euro in Chisinau/Moldova and Vaduz/Liechtenstein.

On behalf of Sky, PLAZAMEDIA has once again been providing extensive production services in the broadcasting of Formula One since the start of the current season. In the reporting period, PLAZAMEDIA provided the unilateral production of the first two races in Melbourne/Australia and Sepang/Malaysia. Live broadcasts and a daily studio program for the handball world championship in Qatar were provided for Sky in PLAZAMEDIA'S production environment over 16 production days.

### 2.2.3 Analysis of non-financial performance indicators in the Segment Sports

**Upward trend in free-TV continues** – The positive development in free TV also continued in the first quarter of 2015: SPORT1 achieved a market share of 0.8 percent of total viewers (Z3+)

and thereby remained at the same level as in the first quarter of 2014. SPORT1 increased its market share in its core target group of men aged 14 to 49 years (M14-49) to 1.5 percent in the reporting period. This corresponds to an increase of 15 percent compared to the previous year's quarter with 1.3 percent. In the first quarter, the darts world championship, "Der Volkswagen Doppelpass" and the "Hattrick Live" broadcasts of the Monday match of the 2<sup>nd</sup> Football Bundesliga in particular made a contribution to the positive development.

The live broadcasting of the final of the darts world championship on SPORT1 on January 4 reached record highs: an average of 1.36 million viewers (Z3+) and 1.86 million viewers at peak followed Gary Anderson's victory over world record-holder Phil Taylor. In the core target group M14-49, 660,000 viewers on average watched this match live, which corresponded to a market share of 12.1 percent. In addition, "Der Volkswagen Doppelpass" also guaranteed high viewer figures at the start of the second leg of the Bundesliga: For instance, 1.00 million viewers (Z3+) on average watched the broadcast on February 15, corresponding to a market share of 6.9 percent. In the core target group, around 390,000 viewers on average tuned in (market share M14-49: 13.7 percent).

The Monday match that received the greatest coverage in the first quarter was RB Leipzig's match against Fortuna Düsseldorf on March 16, which saw close to one million viewers on average (Z3+) with a market share of 2.8 percent, and 1.26 million at its peak. In the core target group, the average number of viewers amounted to 240,000 (market share: 4.1 percent). Also football formats such as "Bundesliga Pur" or "Bitburger Fantalk" partly recorded coverage in excess of half a million viewers on average (Z3+).

**High level in pay-TV area** – At the end of March the number of subscribers of the pay-TV channel SPORT1+ were around 1.94 million, plus those subscribers reached via the Sky platform. The pay-TV channel SPORT1 US had around 1.43 million subscribers at the end of March, plus those subscribers reached via Sky.

**Significant increase in accumulated online and mobile coverage** – In the first quarter of 2015, SPORT1.de recorded growth in accumulated online and mobile coverage compared to the previous year's period, and an increase in page impressions from around 452.5 million to around 518.7 million per month

on average – a plus of around 14.6 percent. Visits were also on the rise and increased in the period under review by just over 7.9 percent from 63.5 million to 68.5 million a month on average. Growth in access numbers is particularly due to the increase in the mobile area.

Sources: IVW (German Information Association for the Ascertainment of Distribution of Advertising Media e.V.) January to March 2014/2015

**Good development in coverage, particularly through football** –

In addition to the start of the second leg of the Football Bundesliga, the very good performance of the German teams in the UEFA Champions League and the UEFA Europa League as well as the transfer period made a contribution to the positive development. The final of the darts world championship in January, the handball world championship in Qatar, the start of Formula One and the MotoGP in March also made a contribution to the positive development in access figures.

**Decline in pure online coverage; very good development of unique users** –

Due to the increasingly strong shift in the use of content from online to mobile, as well as the Winter Olympic Games in Sotschi in the corresponding quarter in the previous year, at 24.9 million visits on average in the first quarter of 2015, the pure online coverage of SPORT1.de was slightly below the prior year value (30 million visits). In terms of page impressions, SPORT1.de achieved an average of around 146.6 million PIs per month in the period under review, which was also below the figure for the first quarter of 2014 (233.5 million PIs). In January 2015, however, SPORT1.de reached its best monthly result in its history with a total of 4.39 million unique users – an increase of around 47.8 percent against the same month of the previous year (2.97 million unique users). With this top value, SPORT1.de once again secured first place in the AGOF ranking of the sports news portals.

Sources: IVW (German Information Association for the Ascertainment of Distribution of Advertising Media e.V.) January to March 2014/2015; AGOF internet facts: January 2014 and January 2015 unique users aged 10 and older

**Continuing strong growth in mobile area** – At around 43.6 million visits a month on average, SPORT1 saw significant growth in the first quarter of 2015, achieving an increase of around 30.9 percent compared to the same period of previous year (33.3 million visits per month on average). In terms of page impressions, SPORT1 grew even more strongly in the reporting period: from 219 million PIs per month in the first quarter of

2014 to 372.2 million PIs per month in the first quarter of 2015 – a plus of 70 percent. The number of downloads for all SPORT1 Apps (incl. SPORT1.fm) for iPhone/iPad, Android, Windows and BlackBerry following the first quarter of 2015 was approx. 5.8 million in total compared to around 4.5 million downloads after the first quarter of 2014.

**Increase in video views** – For the first quarter of 2015, SPORT1 also showed a strong development for impressions in the entire video area (all SPORT1 platforms and the SPORT1 YouTube channels): At an average of 8.3 million impressions per month, the coverage was 76.6 percent higher in the period under review than in the first quarter of 2014 (4.7 million video impressions a month on average). This positive development was particularly due to the expansion of the SPORT1 YouTube channels through new channels such as the Brand Channel, PS Profis, SPORT1 Motor and SPORT1.fm. The number of video views on SPORT1 YouTube channels alone successfully rose from around 0.5 million impressions on average per month in the first quarter of 2014 to some 3.8 million impressions per month in the first quarter of 2015.

Sources: IVW (Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V.) January to March 2014/2015; iTunes Connect January to March 2014/2015; Google Play Developer Console January to March 2014/2015; Windows Phone Dev Center March 2014 and January to March 2015; Vendor Portal for Black Berry World January to March 2015; Google Analytics January to March 2014/2015; YouTube Content Management System January to March 2014/2015; YouTube Analytics January to March 2014/2015

**New monthly record for SPORT1.fm** – The digital sports radio SPORT1.fm recorded a total of 4.83 million streaming sessions (calls with a duration of at least 60 seconds) in February 2015. This made February the most successful month since the channel's launch in July 2013. Overall, SPORT1.fm recorded more than 9.5 million streaming sessions in the first quarter of 2015, which corresponds to a monthly average of 3.2 million streaming sessions and therefore an increase of 26.6 percent in comparison to the same period of the previous year (Q1 2014: monthly average of 2.5 million streaming sessions). The coverage highlights of SPORT1.fm in the first quarter of 2015 included the live broadcasts of the Football Bundesliga and 2<sup>nd</sup> Bundesliga, the DFB Pokal, the UEFA Champions League, the UEFA Europa League and the European Championship qualifying and friendly matches of the DFB team.

Source: Triton Digital January to March 2014/2015

#### 2.2.4 Sector-specific general conditions in the Segment Film

**Theatrical production/rights acquisition** – Against the backdrop of continuing debates regarding the revocation of territorial restriction of license rights on European level, license strategies and financing models in particular (subsidies etc.) may be seen to be jeopardized.

In the area of rights acquisition and license trading, the supply and demand of high-quality licenses at the Berlinale was somewhat weak, despite this not yet having been assessed due to the year still being young. The possible conclusion of corresponding exploitation contracts is by now more of an exception than the rule.

**Theatrical distribution** – The German theatrical market had a successful start to 2015. With major blockbusters and a good genre mix of US productions and German films, sales of approx. EUR 300 million were generated in the first quarter, with nearly 37.2 million cinema tickets sold. Compared to the same period of the previous year, both figures had therefore increased by almost 21 percent each. With this massive increase, the first quarter of 2015 is the highest in terms of sales and audience in the past five years.

The driver behind this success was the road comedy “Honig im Kopf” launched at the end of December 2014, which brought in around 5.56 million moviegoers in the first three months of this year. The erotic drama “Fifty Shades of Grey” also achieved impressive results, which, with 4.26 million moviegoers, represented the best start to the current year. In addition to these exceptional films, seven further (German and international) productions attracted more than one million viewers to cinemas in the first quarter of 2015.

The list of German films with the highest viewer numbers at the start of this year is topped by the comedy “Traumfrauen” with around 1.56 million viewers, followed by the Constantin Film co-production “Frau Müller muss weg” (around 1.04 million) and “Fünf Freunde 4” (around 840,000). Based on these audience successes, the viewer market share of German films after the first three months of 2015 stood at 33 percent

Sources: Rentrak, results of overall market 1<sup>st</sup> quarter 2015; Blickpunkt:Film 16/15

**Home Entertainment** – The German Home Entertainment sector was not able to reach the previous year's level in the first

two months of 2015\* and, with total market sales of EUR 250 million, it recorded a decline of around five percent compared to the same period of the previous year (EUR 263 million).

The decline in sales primarily resulted from the sustained development on the purchasing market which at EUR 195 million, was seven percent below the previous year's level (EUR 209 million). At EUR 55 million, the video rental market was able to record a slight increase in comparison to the first two months of 2014 (EUR 54 million). Within the purchasing market, sales from physical media (Blu-ray & DVD) fell from EUR 194 billion in January/February 2014 to EUR 177 billion. On the other hand, the digital purchasing market (Electronic-Sell-Through) continued to develop positively and increased by 23 percent to EUR 18 million (previous year: EUR 15 million).

The consolidation on the video rental market is due primarily to the continuing growth of the digital area. Whereas revenues from the rental of physical media (DVD and Blu-ray) fell by 7 percent to EUR 35 million (previous year: EUR 38 million), the digital format "Transactional-Video-on-Demand" (TVoD), with revenues of EUR 20 million (previous year: EUR 16 million), increased by 22 percent. A twelve-month comparison shows that the share of revenue of digital services in overall market revenues has therefore increased from 12 percent in 2014 to currently 15 percent.

Source: GfK Panel Services, FFA Key Facts, February 2015

\* GfK data for the first quarter of 2015 were not yet available at the time of editorial

**License trading/TV exploitation** – The free-TV channels are ever more strongly competing with pay-TV, download portals and streaming platforms. As a result of this development, TV consumers have become program directors and can determine which shows they want to watch and when. Online video libraries are now also offering exclusive in-house productions, which are not available at all on traditional TV. On the other hand, however, there are still shows, such as broadcastings of sporting events, in which traditional TV remains the top choice. In addition, there is the question of how many subscription channels consumers are prepared to pay for.

Source: FAZ, January 22, 2015

**TV service production** – The distribution of sales from TV service productions continues to be discussed. During this year's Berlinale, it became clear that each segment has its own nego-

tiations and agreements concerning new models for the contractual arrangement of TV service productions. For example, negotiations regarding documentary films and part-financed service productions are being held with ZDF, while discussions are being held with ARD with regard to screenplays and direction. Joint or generally valid remuneration regulations are therefore not yet on the horizon.

Source: Blickpunkt:Film 10/15

### 2.2.5 Operating performance in the Segment Film

**Filming of two theatrical movies underway** – Filming of the Constantin film co-production "Fack Ju Göhte 2", which had already started in December 2014, continued into the first quarter of 2015. Directed by Bora Dagtekin, a renowned cast including Elyas M'Barek, Karoline Herfurth and Katja Riemann once again graced the screen. The film is scheduled for release in Germany on September 10, 2015.

Furthermore, the first take of the Rat Pack production "Die Lochis – Bruder vor Luder", with the YouTube stars Heiko and Roman Lochmann (aka "The Lochis") first came to the big screen in the period under review. This comedy is scheduled for release on December 24, 2015.

**First award in 2015** – At the Bavarian Film Awards ceremony held on January 16, 2015, the Constantin Film co-production "Frau Müller muss weg" received the Award for the best screenplay. This snappy comedy, directed by Sönke Wortmann, was also a great success at the box office.

**Two movies performing well in theatrical distribution** – With "Frau Müller muss weg", "Fünf Freunde 4" and "Enchanted Kingdom", the Constantin Film group released three movies (two in-house/co-productions) to German cinemas in the first quarter of 2015. The strong start to the year 2015 in theaters was primarily reflected by the comedy "Frau Müller muss weg", but also the teen adventure "Fünf Freunde 4" delivered solid audience figures.

Source: Rentrak, results of overall market 1<sup>st</sup> quarter 2015

**Securing market position in Home Entertainment** – In the German-speaking Home Entertainment market, the Highlight Communications group was able to secure its market position in the first two months of 2015\*. The product portfolio especially was supported by the new release of the licensed title "Step Up: All In" as well as the enduringly successful

comedy “Fack Ju Göhte”.

\* GfK data for the first quarter of 2015 were not yet available at the time of editorial

**Material contracts in license trading/TV exploitation** – In the first quarter of 2015, the starts of initial licenses of “Justin and the Knights of Valour”, “The Fifth Estate”, “Da geht noch was”, “Fack Ju Göhte”, “Tarzan”, “Pompeii”, “The Mortal Instruments: City of Bones”, “The Bag Man”, “Delivery Man” and “Männerhort” had effects on sales. All licenses specified were licensed for the pay-TV channels Sky, Disney and/or Teleclub. Added to these in pay-TV were the first licenses of “Step Up: Miami Heat” (ProSiebenSat.1), “Resident Evil: Retribution” (ProSiebenSat.1), “So Undercover” (ProSiebenSat.1) and “Agent Ranjid rettet die Welt” (ZDF).

**Further improvement in the order situation in TV service production** – After years of tension and the shortage in orders, the situation in the German TV service production market continued to ease in the first quarter of 2015, allowing the subsidiaries of Constantin Film AG to realize numerous service productions.

Constantin Entertainment GmbH was able to further strengthen its market position as one of the leading TV entertainment producers in Germany and, among others, was able to gain further daily formats as well as secure orders for future seasons for existing daily projects for the year 2015. It is particularly worth mentioning the projects “Schicksale” (SAT.1), “Im Namen der Gerechtigkeit” (Sat.1), “In Gefahr – Ein verhängnisvoller Moment” (SAT1.) and “Shopping Queen” (Vox). One new addition is the daily show “Richter Martin Laupe – Menschen vor Gericht” which Constantin Entertainment will realize for RTL and of which 46 episodes have been initially commissioned.

Abroad, the subsidiaries of Constantin Entertainment GmbH further produced successful formats for major TV channels in 2015, including the cooking show “Game of Chefs” and the improvised comedy show “Friday” for the Israeli broadcaster Reshet.

On behalf of ZDF, Moovie GmbH filmed the thriller “Ein verhängnisvolles Angebot” in the period under review. A broadcast date for this film has not yet been announced. Rat Pack Filmproduktion GmbH continued to make “Kalkofes Matt-

scheibe 5 – Rekalked” with Oliver Kalkofe for Tele 5 in the first quarter of 2015.

## 2.2.6 Analysis of non-financial performance indicators in the Segment Film

**Continuous optimization of consistently high-quality in-house productions and license acquisitions** – In order to further ensure the high quality of national and international in-house productions and acquired licensed titles in future, the Constantin Film group will continue to rely on titles that are specifically tailored to the needs of the audience and a clearly defined target group, and are based e.g. on specific brands. The expertise of the producers, employees and business partners as well as a highly developed network of contacts in the “creative community” within Germany and abroad are indispensable requirements for a successful production line-up. In addition to commercial success, the combination of these factors is expressed by the numerous awards to the Constantin Film group.

**Two Constantin Film productions in the top ten of the German movie charts** – In the theatrical distribution business area, the Constantin Film group achieved good results in the first quarter of 2015, with two films reaching the Top Ten of German movie charts. Third place went to the surprise comedy “Frau Müller muss weg”, released in January and attracted more than one million moviegoers in the first three months of the year. Teen adventure “Fünf Freunde 4”, which is currently in first exploitation, takes fifth place. To date, this Constantin Film co-production has been seen by 960,000 viewers, with the million viewer mark still in sight.

Taking together the performance of all films released in German cinemas in the first quarter of 2015, the Constantin Film group reached a market share of 5.2 percent by viewers. In the distributor rankings, it was therefore number seven after Warner, Universal, Fox, Disney, Studiocanal and Universum.

Source: Rentrak, results of overall market 1<sup>st</sup> quarter 2015

**Slight decline in market share in the German video sell-through market** – In the Home Entertainment area, the Highlight Communications group, based on its attractive program line-up and a host of high-selling secondary market releases in January and February 2015\* – in co-operation with its distribution partner Paramount Home Entertainment – was able to secure a joint market share of 8 percent in the German video sell-through

market (comparison period 2014: 10 percent).

Sources: GfK Panel Services commissioned by FFA "Video sell-through market" and "Video rental market", February 2015

\* GfK data for the first quarter of 2015 were not yet available at the time of editorial

**Convincing ratings in TV exploitation** – In the area of license trading/TV exploitation, good coverage and market shares were achieved in the first quarter 2015, thereby meeting expectations. The SAT.1 broadcast of "Wickie auf großer Fahrt" on January 24, for example, was watched by 2.3 million viewers, corresponding to a market share of 7.3 percent of the total audience. The Mario Barth comedy "Männersache" was watched by 1.47 million viewers on January 1, 2015 on RTL, thereby achieving a market share of 6.8 percent (overall market).

Source: GG Media TV Facts, January 1 and 24, 2015

**Further rating successes in TV service production** – TV service productions – both television plays and series – again achieved pleasing two-digit percentage ratings in the first quarter of 2015 and as such met expectations. These successes are an important key factor for follow-up commissions.

The series "Schuld", an adaptation of the novel by Ferdinand von Schirach made by Moovie GmbH on behalf of ZDF, achieved high two-figure viewer ratings upon its first airing in February and March 2015. The episode "Der Andere", for example, was watched by 4.22 million viewers on February 20, thereby achieving a market share of 13.3 percent (overall market). On January 23, 2015, an average of 3.69 million viewers watched the romantic comedy "Drunter und Brüder", produced by Olga Film GmbH for ARD, equating to a market share of 11.6 percent (overall market).

Sources: GG Media TV Facts, February 20, 22, 27 and 28, 2015, March 6, 7, 13, 14, 20, 22, 27 and 29, 2015; January 23, 2015

Constantin Entertainment GmbH also attracted a large audience and an encouraging two-digit percentage market share with the dailies "Schicksale" and "In Gefahr – Ein verhängnisvoller Moment" and the comedy show "Mario Barth deckt auf!". Elsewhere in Europe, the Bulgarian subsidiary of Constantin Entertainment GmbH was able to achieve a market share of almost 50 percent with its cooking show "Master Chef".

Source: GARB Audience Management Bulgaria

### 2.2.7 Sector-specific general conditions in the Segment Sports- and Event-Marketing

The trend towards significant price increases in the sale or purchase of premium sports broadcasting rights is continuing and shows no signs of stopping. A good example of this is the national live broadcasting rights to the English Premier League for the 2016/17 and 2018/19 seasons, which were granted in February 2015 for a total of GBP 5.136 billion (= USD 6.9 billion). This is a 70 percent increase on the license price for the 2013/14 to 2015/16 seasons. The price for the rights to that period itself already represented an increase of just 70 percent.

In the sales process, the pay-TV provider BSkyB maintained its position as the main broadcaster for the live broadcasts of the Premier League and purchased five of the seven rights packages, while the two remaining packages went to national competitor BT Sport. These rights are of crucial importance for the success of BSkyB and BT Sport in their British households. According to TV Sports Market Global Report 2015, the conclusion of these contracts has allowed the Premier League to overtake North American Major League Baseball (MLB) and to rank as the second most valuable package of sports broadcasting rights, right behind the American National Football League (NFL).

Sources: SportBusiness, TVSM Global Report 2015; <http://www.sportbusiness.com/sport-news/sky-and-bt-send-premier-league-rights-fees-soaring-again>

### 2.2.8 Operating performance in the Segment Sports- and Event-Marketing

**Extension of TEAM's mandate for the marketing of UEFA's club competitions** – In the first quarter of 2015, the TEAM group was able to realize additional important agreements, in the areas of TV rights and sponsorship rights alike, in the marketing process for the commercial rights for the UEFA Champions League and UEFA Europa League (each for the match periods 2015/16 to 2017/18). One example of this is the conclusion of the contract with the Japanese electronics group Sony, which will continue its commitment as sponsor of the UEFA Champions League for three more seasons.

On March 27, 2015, it was announced, that TEAM had met the required performance criteria under its existing club competition agency agreement with UEFA and that a new agency agreement had been concluded between the two parties. With this agreement, TEAM will continue to act as UEFA's exclusive

agent for the worldwide marketing of the media, sponsorship and licensing rights relating to the UEFA Champions League, the UEFA Europa League and the UEFA Super Cup for an extended term. New regulations for fixed and performance-related agency fees were established in this context. The term of the new agency agreement covers UEFA club competitions from the 2015/16 season to the end of the 2020/21 season and, subject to TEAM's ongoing performance, will also include seasons 2012/22 to 2013/24.

**Finals in the field of view** – From an operational perspective, TEAM's focus in the period under review was on the active supporting of commercial partners in the knockout rounds of both competitions. The many attractive and exciting matches yet again captivated millions of viewers, who watched the event directly at the stadiums or live on their TV at home. Furthermore, the preparations for the big finals on May 27 in Warsaw (UEFA Europa League) and on June 6 in Berlin (UEFA Champions League) are already underway in which TEAM will support UEFA's commercial partners.

#### 2.2.9 Analysis of non-financial performance indicators in the Segment Sports- and Event-Marketing

**Marketing enhanced by intensive relationships and longstanding expertise** – Given the fact, that the TEAM group has been marketing the UEFA Champions League since the competition was first staged in the 1992/93 season, it has an intensive network of relationships with TV broadcasters and sponsors that has been built up over the years. These close, trusting relationships with licensees and the company's longstanding market expertise are also beneficial to TEAM in the current marketing process for the 2015/16 to 2017/18 seasons.

#### 2.2.10 Sector-specific general conditions in the Segment Other Business Activities

**Event/Entertainment business** – Music events continue to be very attractive for sponsors. In Germany alone, companies invested a total of EUR 27 million in 2014 in order to present their brand messages in the special atmosphere of music events. Compared to the prior year, this is an increase of 29 percent. Breweries were some of the most important sponsors in the past year, making up 21 percent of the total volume. Financial service providers were the second largest group of sponsors with a proportion of 14 percent, followed by automobile companies with a share of 13 percent.

Source: REPUCOM, "Livemusik Sponsoring Report 2014", October 2014

#### 2.2.11 Operating performance in the Segment Other Business Activities

**Focus on major musical events** – The activities of Highlight Event AG primarily focused on the successful commercial handling of the Vienna Philharmonic Orchestra's New Year's Concert 2015, which took place for the fifth time under the musical direction of the renowned conductor and honorary member of the orchestra, Zubin Mehta.

In addition, preparations for the Eurovision Song Contest were in full swing. The event, held for the 60<sup>th</sup> time this year, is taking place in the capital of Austria, Vienna, from May 19 (first semi-final) to May 23 (final). The Summer Night Concert of the Vienna Philharmonic Orchestra was also being prepared in this phase, which was staged at Schönbrunn Palace on May 14, also conducted by Zubin Mehta.

#### 2.2.12 Analysis of non-financial performance indicators in the Segment Other Business Activities

**Global broadcast of the New Year's Concert** – As a result of Highlight Event AG's intensive marketing activities, the Vienna Philharmonic Orchestra's New Year's Concert 2015 was once again broadcast in more than 80 countries worldwide, either live or with a time delay. With this international coverage, the event once again demonstrated its role as the biggest classical music event by far.

#### 2.3 Results of operations, net assets and financial position of the Constantin Medien Group

The accompanying unaudited consolidated interim financial statements as of March 31, 2015 have been prepared in conformity with IAS 34 Interim Financial Reporting. Details regarding the accounting are presented in note 2 and 3 of the notes to the consolidated interim financial statements in this report.

The non-conclusion of the sale of the PLAZAMEDIA companies (refer to Annual Report 2014, notes to the consolidated financial statements, note 2.1) in May 2014 and the corresponding change in the plan of sale meant, that the assets and liabilities of PLAZAMEDIA GmbH (formerly PLAZAMEDIA GmbH TV- und Film-Produktion) and its subsidiaries were from that date no longer classified as held for sale. Thus, the not recognized amortization and depreciation in the first quarter 2014 had to be caught up. The prior year figures have been adjusted accordingly.

### 2.3.1 Overall assessment of the reporting period

The Constantin Media Group continues to operate in a demanding market environment characterized by structural changes, which is especially characterized in the segments Sports and Film by intense competition. In addition the segments Sports and Film are subject to seasonal fluctuations (see explanations in note 2 of the notes to the consolidated financial statements of this report).

The Constantin Medien Group reported a good first quarter of 2015. The business development is in line with own expectations. The positive operating trend of the financial year 2014 could be continued. All segments significantly improved earnings compared to the first quarter of 2014.

In the first three months the Group reached sales of EUR 95.3

million (3M 2014: EUR 136.1 million). The scheduled reduction in sales is attributable to the Segment Film. In the first quarter of 2015 as planned with “Frau Müller muss weg” and “Fünf Freunde 4” national titles had a theatrical release, while sales were significantly higher in the same period last year mainly due to the global distribution of the movie “Pompeii”. The operating result (EBIT) improved significantly by EUR 7.6 million to EUR 4.6 million after EUR -3.0 million in the first three months 2014. A lower financial result, mainly due to foreign currency exchange effects, negatively affected the Group’s net result. Nevertheless, both the Group’s net result and earnings attributable to shareholders improved considerably. The Group’s net result amounts to EUR -0.8 million (3M 2014: EUR -5.5 million), the earnings attributable to shareholders amount to EUR -1.1 million (3M 2014: EUR -6.0 million).

### 2.3.2 Segment performance

#### Segment performance January 1 to March 31, 2015 in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014*	Change
<b>Sales</b>			
Sports	35,516	33,417	2,099
Film	48,380	92,087	-43,707
Sports- and Event-Marketing	10,475	10,140	335
Other Business Activities	893	495	398
Others	0	0	0
<b>Total sales</b>	<b>95,264</b>	136,139	-40,875
<b>Segment result</b>			
Sports	2,112	457	1,655
Film	-894	-2,608	1,714
Sports- and Event-Marketing	5,850	3,906	1,944
Other Business Activities	-348	-532	184
Others	-2,156	-4,245	2,089
<b>Total segment result</b>	<b>4,564</b>	-3,022	7,586

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

In the first three months 2015, the **Segment Sports** increased sales by 6.3 percent to EUR 35.5 million (3M 2014: EUR 33.4 million). The positive trend in market shares in free-TV continued in the first quarter 2015. The free-TV channel reached

with 1.6 percent the highest March market share in the advertising-relevant target group of males aged 14 to 49 since the year 2008. For the entire first quarter 2015 the market share of males aged 14 to 49 was 1.5 percent (3M 2014: 1.3 percent).

The cumulated access figures in the online and mobile area as well as video views continued to develop positively. In particular, following the general trend, the mobile area recorded once again significant growth in visits and page impressions compared to the same period last year. Furthermore, both existing partnerships with advertising customers could be expanded and new advertisers could be acquired. As at the same time the cost of materials and licenses could be reduced, the segment result significantly improved to EUR 2.1 million (3M 2014: EUR 0.5 million).

In first three months 2015, the **Segment Film** recorded sales of EUR 48.4 million, after EUR 92.1 million in the same period last year. While in the prior year's quarter high sales were recorded in the areas theatrical distribution and license trading, primarily due to the global distribution of the movie "Pompeii", in the first quarter 2015 with "Frau Müller muss weg" and "Fünf Freunde 4" national titles were released to cinemas. The home entertainment area was able to consolidate its market position in the German-speaking countries with planned lower sales. In particular the new release of the license title "Step Up: All In" contributed to this. In accordance with the decline in sales the exploitation-related amortizations of film assets have been reduced. Also in the first quarter 2015 the release costs were significantly below the level of the first quarter 2014. Thus, the segment result in the first three months 2015 improved to EUR -0.9 million (3M 2014: EUR -2.6 million).

In the first three months 2015, sales in the **Segment Sports- and Event-Marketing** were with EUR 10.5 million slightly above than previous year's level (3M 2014: EUR 10.1 million). The segment result increased to EUR 5.9 million after EUR 3.9 million in the same period last year and was positively influenced by high foreign currency exchange gains from the valuation of balance sheet items as a result of the increase in value of the Swiss franc against the Euro.

The **Segment Other Business Activities** increased sales to EUR 0.9 million in the first three months 2015 (3M 2014: EUR 0.5 million). This results in the improvement of the segment result to EUR -0.3 million (3 M 2014: EUR -0.5 million). Once again, the event and entertainment business (among other things the marketing of the New Year's Concert of the Vienna Philharmonic Orchestra) could be completed with profit. The segment loss resulted from the online/social gaming area.

The three-month result of the **Others** division stood at EUR -2.2 million (3M 2014: EUR -4.2 million). In the same period last year cost of EUR 3.0 million for counterparty lawyers in the so-called Formula 1 proceedings had been included in the result. In the first quarter of this year, expenses incurred of EUR 1.6 million in connection with the upcoming departure of Antonio Arrigoni from the Management Board of the Company.

### 2.3.3 Sales and earnings performance of the Constantin Medien Group

The sales and earnings performance of the Constantin Medien Group was characterized in the first three months mainly by the following factors:

The decrease in total output (sales including capitalized film production costs and other own work capitalized) by EUR 40.6 million to EUR 102.5 million (3M 2014: EUR 143.1 million) was more than offset by the exploitation-related reduction of amortization and impairment on the film assets (EUR -42.0 million to EUR 10.5 million after EUR 52.5 million in Q1 2014). Other operating income increased, primarily as a result of foreign currency exchange effects, by EUR 3.1 million to EUR 8.9 million, whereas the material expenses declined by EUR 4.4 million to EUR 41.5 million and other operating expenses by EUR 2.0 million to EUR 20.6 million. This led to a significant improvement of the operating result (EBIT) by EUR 7.6 million to EUR 4.6 million in the reporting period (3M 2014: EUR -3.0 million).

In addition to the development of sales as described in chapter 2.3.2, the following developments are to be noted:

The decrease in cost of materials and licenses to EUR 41.5 million in the first three months 2015 (3M 2014: EUR 45.9 million) was attributable on the one hand to lower license and production costs in the Segment Sports and on the other hand mainly national projects were in production in the Segment Film in the first quarter 2015.

The decrease in amortization, depreciation and impairment by EUR 41.8 million to EUR 12.5 million (3M 2014: EUR 54.3 million) is primarily attributable to the exploitation-related decrease of amortization and impairment on film assets. Those amounted in the first three months 2015 to EUR 10.5 million after EUR 52.5 million in the first three months 2014. This in-

cludes impairment on film assts of EUR 1.9 million (3M 2014: EUR 5.4 million).

The decrease in other operating expenses to EUR 20.6 million (3M 2014: EUR 22.6 million) was mainly due to lower promotion and release cost and legal and consulting fees. Foreign exchange currency losses had an opposing effect.

In the first three months 2015, the financial result amounted to EUR -5.9 million after EUR -2.0 million in the same period last year. The reason for the decline is mainly the increase of

negative foreign currency exchange effects by EUR 4.7 million. Whereas interest expenses for the corporate bonds were EUR 0.7 million lower as in the same period 2014 due to the early redemption of the corporate bond 2010/2015 in August 2014.

In the first three months 2015, the Group's net result improved to EUR -0.8 million after EUR -5.5 million in the same period last year. Earning attributable to shareholders included therein amounted to EUR -1.1 million (3M 2014: -6.0 million). Thus earnings per share, both basic and diluted, stood at EUR -0.01 (3M 2014: EUR -0.08) in the first three months 2015.

#### 2.3.4 Net assets position of the Constantin Medien Group

##### Consolidated balance sheet (abbreviated version) as of March 31, 2015 in EUR '000

	3/31/2015	12/31/2014	Change
Non-current assets	239,513	235,149	4,364
Current assets	298,729	189,544	109,185
<b>Total assets</b>	<b>538,242</b>	<b>424,693</b>	<b>113,549</b>

The change in the net assets position of the Constantin Medien Group resulted mainly from the sharp increase in cash and cash equivalents by EUR 96.7 million to EUR 170.4 million (December 31, 2014: EUR 73.7 million). The increase mainly resulted from advance payments received in the Segment Sports- and Event-Marketing. In connection with the extension of the TEAM marketing mandate and the recasting of the agreement, the fixed and performance-related agency com-

mission was revised (see chapter 2.2.8) and the UEFA made an advance payment on the fixed compensation for the upcoming three years. Also, trade accounts receivable and other receivables rose by EUR 13.6 million to EUR 120.0 million (December 31, 2014: EUR 106.4 million). The increase is primarily attributable to higher deferred expenses from license payments as well as the increase of loans to film producers by closing date comparison.

#### 2.3.5 Financial position of the Constantin Medien Group

##### Consolidated balance sheet (abbreviated version) as of March 31, 2015 in EUR '000

	3/31/2015	12/31/2014	Change
Equity attributable to the shareholders	21,645	19,950	1,695
Non-controlling interests	41,307	42,556	-1,249
Total equity	62,952	62,506	446
Non-current liabilities	185,747	120,207	65,540
Current liabilities	289,543	241,980	47,563
<b>Total equity and liabilities</b>	<b>538,242</b>	<b>424,693</b>	<b>113,549</b>

The principles of the Group's financing and the Group's financial risks correspond with the exception of the changes described in chapter 5, risks and opportunities report, to those presented in the Annual Report 2014 (see Annual Report 2014, combined Group management and management report, chapter 2.3.5). Furthermore, we refer to the notes of the consolidated financial statements, note 6, financial risk management.

The equity of the Constantin Medien Group remains with EUR 63.0 million (December 31, 2014: EUR 62.5 million) almost unchanged. The equity ratio (total equity divided by the balance sheet total) as of March 31, 2015 amounted to 11.7 percent after 14.7 percent as of December 31, 2014. The decrease in the equity ratio is due to the sharp increase in total assets. The adjusted equity ratio (after netting advance payments received against film assets and film-related cash and cash equivalents with the corresponding financial liabilities) amounted to 13.0 percent (December 31, 2014: 16.7 percent).

The increase of non-current liabilities to EUR 185.7 million (December 31, 2014: EUR 120.2 million) is, besides a slight increase in financial liabilities (EUR +3.3 million), attributable to advance payment received from the UEFA (EUR +60.0 million).

Current liabilities increased in the first three months 2015 by EUR 47.5 million to EUR 289.5 million (December 31, 2014: EUR 242.0 million). Thereby, financial liabilities rose mainly due to foreign currency exchange effects by EUR 5.0 million, advanced payments received by EUR 29.0 million (in particular advance payments received from the UEFA) and other liabilities

by EUR 13.7 million. An opposite effect had the reduction of income tax liabilities (EUR -3.1 million). The increase in current advance payments received, like the increase in non-current advance payments received, relates to the Segment Sports- and Event-Marketing.

### 2.3.6 Liquidity development of the Constantin Medien Group

The Constantin Medien Group achieved a positive cash flow from operating activities of EUR 101.0 million in the first three months 2015 (3M 2014: EUR 46.8 million). The sharp increase is mainly attributable to the cash inflow from advance payments received in the Segment Sports- and Event-Marketing.

A cash outflow of EUR 7.6 million resulted from investing activities (3M 2014: cash outflow of EUR 18.4 million), which was mainly incurred in the Segment Film.

The Group's financing activities led to a cash outflow of EUR 2.0 million after a cash outflow of EUR 25.2 million in the same period last year. The cash outflow resulted from the repayment of short-term loans and the purchase of non-controlling interests.

In total, in the first three months 2015 a positive cash flow of EUR 91.4 million resulted after a cash inflow of EUR 3.2 million in the same period last year.

The advance payments received in the Segment Sports- and Event-Marketing led to a significant improvement in net debt of the Constantin Medien Group. It declined against the year-end 2014 by EUR 88.4 million to EUR -3.0 million. Net debt as of March 31, 2015 can be broken down as follows:

#### Net debt as of March 31, 2015 in EUR '000

	3/31/2015	12/31/2014	Change
Cash and cash equivalents	170,427	73,748	96,679
Current financial liabilities	72,552	67,569	4,983
Non-current financial liabilities	100,910	97,591	3,319
<b>Net debt</b>	<b>-3,035</b>	<b>-91,412</b>	<b>88,377</b>

### 3. Personnel Report

As of March 31, 2015, the Constantin Medien Group had a total of 1,739 employees including freelance employees (March 31, 2014: 1,600 people). The number of salaried employees as of March 31, 2015 increased to 1,336 people (March 31, 2014: 1,201 people). The number of freelance employees remained almost unchanged at 403 employees (March 31, 2014: 399 people). The increase in salaried employees primarily relates to the Film Segment.

### 4. Addendum Report

On April 28, 2015, Highlight Communications AG increased its stake in the already fully-consolidated Highlight Event & Entertainment AG, Lucerne/Switzerland, from 71.93 percent to 74.99 percent.

### 5. Risk and Opportunities Report

#### Risk Management System

Entrepreneurial actions and utilization of opportunities always also involve risks. In order to protect the continuing existence of the Constantin Medien Group, and to support the achievement of corporate objectives, an integrated, company-wide Risk Management System was implemented.

The Risk Management System of the Constantin Medien Group comprises both risks and opportunities. According to the decentralized Group structure, the operative responsibility in dealing with issues lies with the respective risk officers. These are largely the members of the management boards and committees as well as the managing directors and the department heads of the individual subsidiaries. The factors on which the risks and opportunities are based are recorded and assessed quarterly and approved by the risk officers. At Constantin Medien AG level, the issues reported are consolidated, and if applicable categorized consistently, and assessed at Group level. Any risks potentially jeopardising the continued existence must be reported immediately.

A detailed description of the Risk Management System is set forth in chapter 8.1.1 of the combined Group management and management report of the Annual Report 2014 of Constantin

Medien AG. The same applies for the description of the internal control system relating to the Group accounting process (Annual Report 2014, combined Group management and management report, chapter 9). Additionally, reference is made to the risk and opportunities report of Highlight Communications AG.

#### Major changes in opportunities and risks in the reporting period

The opportunities and risk profile of the Constantin Medien Group for the months coming after the first three months of 2015 primarily corresponds with the assessments reported in the consolidated financial statements as of December 31, 2014. A detailed presentation of the Company's risks is set forth in chapter 8.1.2 of the combined Group management and management report of the Annual Report 2014 of Constantin Medien AG. Additionally, reference is made to the risk and opportunities report of Highlight Communications AG.

Compared to the risks and opportunities presented in the combined Group management and management report of the 2014 financial year, the following changes arose in the period under review:

Under the risk *"In the Sports Segment, the Constantin Medien Group is dependent upon the coverage of the individual channels and platforms"*, reference was made to the pending extension to the broadcasting license for the free-TV channel SPORT1. This now has a broadcasting license from the Bavarian Regulatory Authority for New Media (BLM), which was most recently extended at the request of Sport1 GmbH for a further eight years until April 20, 2023. Overall, the risk of the coverage remains classified as a substantial risk.

The risk *"The Constantin Medien Group is exposed to currency risks as part of its operating activities"* was classified as a medium risk, taking into account the effects of countermeasures. Against the background that the Swiss National Bank gave up the Euro stop-out prize of EUR 1.20 on January 15, 2015, the current evaluation of the individual risk factors now leads to classification as a substantial risk.

*"The Constantin Medien Group sees opportunities in the improvement of synergies through the optimization of internal processes"* was noted as one of the opportunities, but had not been classified due to project progress. On the basis of the knowledge obtained in the initial identification and evaluation phase, this issue is now classified as a significant opportunity.

The evaluation of the remaining opportunity and risk factors was updated. Individual expected values, derived from the product of the absolute amount of damage and the probability of occurrence, have changed slightly. The effect of the revaluation of the factors will not lead to any further impact on the classification of the individual opportunities and risks, however. No new opportunities or risks were identified in the period under review. The current evaluation of the risk factors by the relevant parties responsible supports the classification of opportunities and risks set out in the combined Group management and management report of the Annual Report 2014 of Constantin Medien AG.

#### **Consolidated presentation of opportunities and risk situation**

The Management Board continues to see the biggest risk factors in regulatory interventions, the maintenance of technical coverage as a basis for generating strong revenues, access to licenses and literary materials for exploitation as well as anticipating customer taste and future media use. In addition to the co-operation with script authors, directors and producers in Germany and abroad as well as in access to attractive literary materials and licenses, which the Constantin Medien Group not least can attribute to its image and its creative and committed staff, the Management Board now sees the biggest opportunities in the development of synergies through the optimization of internal processes.

Based on the information available and on estimates, particularly the probability of occurrence, the maximum amount of damage and the effect of countermeasures taken, the Management Board of Constantin Medien AG reaches the conclusion that these issues do not represent a going concern character. This particularly applies to individual risks, as well as to the risks as a whole as far as the effect of all risks together can be reasonably simulated or otherwise estimated. The Management Board considers the Group to be sufficiently prepared to deal with the remaining risks not reduced by countermeasures. It is convinced that the measures taken keep the risk at an economically acceptable extent and considers the Group's risk-bearing capacity to be sufficient.

## **6. Outlook**

### **6.1 Economic environment**

In April, the International Monetary Fund (IMF) again revised its forecasts for economic growth in the euro zone in 2015

slightly upwards, and is predicting a growth of 1.5 percent (previously: +1.2 percent). As other important economic areas, it also expects Europe to benefit greatly from the sharp decrease in oil prices. The continuing low interest policy of the European Central Bank (ECB) and the strength of the US dollar compared to other currencies are also said to have a positive impact. The IMF mentioned the ongoing smoldering debt crisis in Greece and sustained geopolitical tension such as the Ukraine/Russia conflict or the crisis in the Middle East as examples of risks for the global economy.

For the German economy, the IMF assumes a growth of gross domestic product of 1.6 percent in 2015 (previously: +1.3 percent). The Institute for World Economy (IfW) estimates that private consumption will benefit from purchasing power growth in the euro zone, which is due to the severe decline in energy prices, advancing stimulation on the job market and the slight rise in wage increases. According to spring forecasts of the economic research institutes, gross domestic product in Germany is even expected to increase by 2.1 percent in 2015. The reasons mentioned for the positive development are strong private consumption, supported by a low price of oil, a good job market situation and an increase in wages, as well as exports, which will benefit from the low euro exchange rate. In addition, slightly positive economic stimuli from the rest of the euro zone will provide a boost to German foreign trade.

Sources: International Monetary Fund (IMF): World Economic Outlook, Update April 2015; Kiel Institute for World Economy (IfW), Kiel: Economic situation in the euro zone in spring 2015, March 2015; spring forecasts of the economic research institutes; (project group joint diagnosis) April 16, 2015

### **6.2 Priorities for the 2015 financial year**

Compared to the presentation of the sector-specific general conditions in the Outlook in the combined Group management and management report of Constantin Medien AG for the 2014 financial year, there were no significant changes regarding the further development of the individual markets in the relevant segments with the exception of the following market estimates.

#### **6.2.1 Segment Sports**

##### **Sector-specific general conditions**

According to the Circle of Online Marketers (OVK), net advertising revenues for the areas of online and mobile totaled EUR 1.581 billion in 2014. This corresponds to a growth of +6.6 percent. Mobile display advertising recorded a sales increase of +52 percent, thereby generating EUR 134 million. In its initial

forecasts, the OVK is expecting an increase in sales of +6.5 percent to EUR 1.684 billion for the entire digital area. The mobile segment is expected to grow by +50 percent to EUR 201 million.

Source: Circle of Online Marketers (OVK) and Unit Mobile Advertising (MAC) in BVDW e.V., press release, March 2, 2015

The demand for high definition technologies will also continue to affect the production market. Ultra high definition (4K) is gradually also being implemented on television shows, documentaries, sports events, live concerts and further applications, which will also have a positive impact on the demand for format productions in 4K. In addition, new innovative production techniques such as new image sensors or live production mixers will extend the possibilities for productions in 4K. Besides increasing high definition production techniques, the use of HDR (High Dynamic Range) is also an issue that will concern the industry this year. Furthermore, the increasing expansion of mobile data networks to LTE high speed will allow consumers to download more content with a high data volume outside of their home network in future. The digitization and growing convergence of the various forms of media is shaping not only media usage behavior, but also the production sector.

Sources: cnet.de, "Amazon: streaming of HDR files announced", April 2015; digitalfernsehen.de, "Experts: Streaming set to overtake traditional TV by 2020", March 2015

#### **Priorities for the 2015 financial year**

In the 2015 financial year, SPORT1 continues to focus on a consistent multimedia use and distribution of content. After exploiting established programs such as the Football Bundesliga and the 2<sup>nd</sup> Bundesliga, handball as well as basketball, the focus will now be on the cross-platform presentation of new top rights, such as for the European Games in Baku, and in motor sports the ADAC GT Masters, and especially the newly acquired premium right, the UEFA Europa League. Against the background of the still increasing digital and cross-platform use of media offers, in the 2015 financial year, Sport1 GmbH will further drive the digital diversification of the SPORT1 brand and at the same time create new marketing environments. As part of the relaunch of SPORT1.de and the SPORT1 applications, which started in 2014, e.g. the entire technical infrastructure was redesigned and a user interface aimed at a convergent media use was implemented. This created the basis for developing new mobile offers in the current financial year in the context of the rapid increase in the distribution of smart-

phones and tablets, as well as for further intensifying social media activities and especially for expanding the video area using own apps, video-brand channels and/or additional sub-brand worlds.

In the 2015 financial year, PLAZAMEDIA continues to focus on securing and expanding existing customer relations in Germany and abroad. In addition, it is the aim to develop existing business models further and to add new business areas. This will be based on the competences and resources of PLAZAMEDIA in developing and implementing software solutions for the production technology management of media and distribution platforms. In addition, the continuous development of technological production innovations shall be strengthened further. The new business area Sales & Marketing was launched in December 2014 with the aim of intensifying sales activities. In 2015, the focus will further be on being able to transfer the recognized know-how of the production group to completely new customer groups. As a result, PLAZAMEDIA also installed the new business area Content & Creations in December 2014, thereby adding the creation and production of corporate media and branded entertainment content to its portfolio.

#### **6.2.2 Segment Film**

##### **Sector-specific general conditions**

In theatrical distribution, the next three quarters offer promising prospects for 2015. Strategically scheduled such as "Fast & Furious 7", "Avengers: Age of Ultron", "Mad Max: Fury Road", "Jurassic World", "Ted 2", "Minions", "Fack Ju Göhte 2", "Inside Out", "Er ist wieder da", "James Bond: Spectre", "The Hunger Games: Mockingjay, Part 2", "The Good Dinosaur" and "Star Wars: The Force Awakes" give cause for optimism. Familiar brands, attractive films, good stories and popular stars will remain the main reasons to go to the movies. In addition, there are no major sporting events in 2015 that could have a negative impact on the audience figures.

In the area of TV service production, video-on-demand offers and the associated hardware (smartphones, tablets, smart TVs and networked devices) are playing an increasingly important role today. Furthermore, 40 million Germans already use streaming services each day.

Source: Media bulletin 2/2015

##### **Priorities for the 2015 financial year**

In theatrical production/rights acquisition, Constantin Film

AG's priority continues to be on the continuous optimization of the persistent high quality of its national and international in-house productions. The aim is to primarily produce titles that are emotionally-triggered to the requirements of the audience and that are ideally based on well-known brands and/or have event character. But also productions with smaller budgets and a correspondingly manageable audience risk are of interest if they have convincing concepts. Each project must be measured against high artistic and commercial standards.

Since quality matters more than quantity, the production slate of the Constantin Film group might in the future consist of fewer individual titles. As before, the focus will remain on creating a portfolio of strong brands which can be successfully exploited in all the relevant theatrical markets worldwide, based on the model of the franchise "Resident Evil". For this purpose, the Constantin Film group has recently secured the adaptation rights for a wide range of attractive literary materials.

The aim is to develop more original ideas and independent brands for future film and TV productions. Overall, the level of creativity must continue to be increased, with the goal of creating an ever more extensive product range for all exploitation formats.

According to current planning, there are at least ten promising movie projects in the production pipeline for the next nine months of 2015. Several planned theatrical films are English-speaking productions and tailored to the international market. They particularly include "Resident Evil: The last Days" and "The Secret" in 2015.

Beyond the continuation of filming for "Fack Ju Göhte 2", which began in December 2014, and shooting of the Rat Pack production "Die Lochis – Bruder vor Luder", in the coming quarters, start of filming is planned for "Schweinskopf al Dente", "Ego", "Fukushima" and "Timm Thaler".

In German theatrical distribution, Constantin Film AG will continue to rely on its tried and tested strategy of combining national and international in-house and co-productions with few high-quality third-party titles, which are released in cinemas at a strategically favorable time with an appropriate press and marketing strategy. In marketing, it is focusing on cost-efficient innovative concepts, which reach movie-loving target groups. The initial marketing (theatrical exploitation) is playing

an even more significant role here, but the downstream levels of exploitation – for successful films in particular – are gaining importance in terms of commercial success.

A total of twelve new releases (including films that already have been released) are currently planned in the 2015 theatrical year. Apart from two titles these are exclusively in-house and co-productions. In the coming months, these will include national in-house and co-productions such as "Ostwind 2", "Abschussfahrt", "Fack Ju Göhte 2" and "Er ist wieder da". In addition, the licensed title "Light Between the Oceans" as well as the international co-production "Fantastic Four" are also planned.

The Home Entertainment area will not be able to meet its very good market share from 2014 in the current year, which largely resulted from the outstanding performance of "Fack Ju Göhte". In 2015, this segment will benefit particularly from the new releases of the theatrical successes "Männerhort" and "Step Up: All In". Other significant sales are expected from the co-production "Fantastic Four" and the teen movies "Fünf Freunde 4" and "Ostwind 2".

In the area of license trading/TV exploitation, free-TV exploitation in the second quarter of 2015 will be marked by revenues generated from the films "Step Up: Miami Heat" and "Resident Evil: Retribution" and "Agent Ranjid rettet die Welt". In pay-TV exploitation, "Irre sind männlich", "Fack Ju Göhte" and "Pompeii" among others will generate sales in this area.

In the TV service production area, the subsidiaries of Constantin Film AG are continually working on developing innovative TV formats and establishing contacts with the major TV channels. Creative new developments are particularly in demand. Among other shows, consecutively told TV series are developed for both national and international formats. In addition, existing brands need to be established in the TV area, whereby "The Mortal Instruments" will be produced under the series title "Shadowhunters" as early as May of this year (thirteen 60-minute episodes).

In the current year, Constantin Film AG is expecting a further improvement in the order situation in this business area, which could also be positively affected by the increasing aggressive purchasing policy of the major online portals.

The Constantin Film subsidiaries Olga Film GmbH, Moovie GmbH, Rat Pack Filmproduktion GmbH and Constantin Television GmbH are preparing a number of projects in 2015, including “Die Schweigeminute” (Moovie), “Hotel Sacher” (Moovie), “Die Hebamme 2” (Moovie), “Prenzlberg” (Olga), “Hodscha und die Piepenkötter” (Olga), “Branka Maric” (Constantin Television) and “Kombi” (Constantin Television).

Overall, the strong performance is expected to continue in this area. The Constantin Film group will again enjoy two-digit percentage rating successes with its TV service productions and the TV exploitation of its theatrical productions.

### 6.2.3 Segment Sports- and Event-Marketing

#### Sector-specific general conditions

With regard to the development of global advertising spending, in March 2015, the media agency group ZenithOptimedia forecast a growth of 4.4 percent to USD 544 billion in the current year. This value is 0.5 percentage points below the forecast of 4.9 percent published in December 2014. According to ZenithOptimedia, the primary reasons for the decline are economic problems in Russia, Ukraine and Belarus as well as the deceleration of growth dynamics in China, which has since become shaped in such a way that relatively small changes in growth are perceptible around the world.

Source: ZenithOptimedia, Advertising Expenditure Forecasts, March 2015

#### Priorities for the 2015 financial year

The primary focus of the TEAM group in the current financial year continues to be the best-possible marketing of the remaining TV and sponsorship rights for the UEFA Champions League and the UEFA Europa League (each for the match cycles 2015/16 to 2017/18). Subsequently, TEAM's focus will be on the preparations for the newly commissioned 2018/19 to 2020/21 marketing cycle.

### 6.2.4 Segment Other Business Activities

#### Priorities for the 2015 financial year

In event and entertainment business, the activities of Highlight Event AG will focus particularly on the Vienna Philharmonic Orchestra because the TV and sponsorship contracts for this project for the period from 2018 to 2022 will also have to be renewed. In this context, a very large number of agreements will also be renegotiated. Operationally, the focus will be on successfully handling of the events in Vienna (Eurovision Song

Contest and Summer Night Concert) as well as the Orchestra's special events in Helsinki, Seoul and Singapore.

Furthermore, online gaming – particularly in the globally fast-growing area of mobile games – provides for a great opportunity of interacting with users. As a result, any already implemented activities will be expanded further.

### 6.3 Financial targets

It should be noted that actual results could significantly differ from expectations of projected developments if the assumptions underlying the forward-looking statements prove to be inaccurate.

From today's perspective and based on unchanged currency conditions, the Management Board is still assuming Group sales to range between EUR 450 million and EUR 490 million for the 2015 financial year. Considering arising holding costs as well as finance expenses and taxes, the Management Board is still expecting earnings attributable to shareholders to range between EUR 0 million and EUR 2 million.

Ismaning, May 21, 2015

**Constantin Medien AG**

**Bernhard Burgener**

Chief Executive Officer

**Antonio Arrigoni**

Board Member

**Hanns Beese**

Chief Financial Officer

**Fred Kogel**

Chief Officer Production, Process Management, Integration

## Assets

### Consolidated Balance Sheet as of March 31, 2015 in EUR '000

	3/31/2015	12/31/2014
<b>Non-current assets</b>		
Film assets	129,652	133,332
Other intangible assets	32,821	32,882
Goodwill	49,352	43,969
Property, plant and equipment	11,859	11,613
Investment property	3,727	3,242
Investments in associated companies and joint ventures	451	407
Other financial assets	4,241	3,306
Receivables due from associated companies and joint ventures	2,791	2,470
Deferred tax assets	4,619	3,928
	<b>239,513</b>	235,149
<b>Current assets</b>		
Inventories	5,709	4,542
Trade accounts receivable and other receivables	120,004	106,394
Receivables due from associated companies and joint ventures	142	2,802
Other financial assets	1,392	1,350
Income tax receivables	1,055	708
Cash and cash equivalents	170,427	73,748
	<b>298,729</b>	189,544
<b>Total assets</b>	<b>538,242</b>	424,693

## Equity/Liabilities

### Consolidated Balance Sheet as of March 31, 2015 in EUR '000

	3/31/2015	12/31/2014
<b>Equity</b>		
Subscribed capital	93,600	93,600
Treasury stock	-7,422	-7,422
Capital reserve	105,295	105,384
Other reserves	16,547	13,220
Accumulated loss	-184,832	-179,988
Shareholders' interests	-1,543	-4,844
Equity attributable to the shareholders	21,645	19,950
Non-controlling interests	41,307	42,556
	<b>62,952</b>	<b>62,506</b>
<b>Non-current liabilities</b>		
Financial liabilities	100,910	97,591
Advance payments received	60,000	0
Other liabilities	112	117
Pension liabilities	11,394	8,873
Provisions	368	337
Deferred tax liabilities	12,963	13,289
	<b>185,747</b>	<b>120,207</b>
<b>Current liabilities</b>		
Financial liabilities	72,552	67,569
Advance payments received	74,049	45,015
Trade accounts payable and other liabilities	124,527	109,124
Liabilities due to associated companies and joint ventures	0	582
Provisions	14,514	12,691
Income tax liabilities	3,901	6,999
	<b>289,543</b>	<b>241,980</b>
<b>Total equity and liabilities</b>	<b>538,242</b>	<b>424,693</b>

## Consolidated Income Statement

January 1 to March 31, 2015 in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014 *
<b>Sales</b>	<b>95,264</b>	136,139
<b>Capitalized film production costs and other own work capitalized</b>	<b>7,243</b>	6,970
<b>Total output</b>	<b>102,507</b>	143,109
<b>Other operating income</b>	<b>8,878</b>	5,809
Costs for licenses, commissions and materials	-8,911	-10,614
Costs for purchased services	-32,596	-35,304
<b>Cost of materials and licenses</b>	<b>-41,507</b>	-45,918
Salaries	-28,144	-25,490
Social security and pension costs	-4,133	-3,604
<b>Personnel expenses</b>	<b>-32,277</b>	-29,094
Amortization and impairment on film assets	-10,525	-52,527
Amortization/depreciation and impairment on intangible assets and property, plant and equipment	-1,934	-1,821
Impairment on goodwill	0	0
<b>Amortization, depreciation and impairment</b>	<b>-12,459</b>	-54,348
<b>Other operating expenses</b>	<b>-20,578</b>	-22,580
<b>Profit/loss from operations</b>	<b>4,564</b>	-3,022
<b>Profit from investments in associated companies and joint ventures</b>	<b>701</b>	50
Financial income	4,488	2,047
Financial expenses	-10,375	-4,049
<b>Financial result</b>	<b>-5,887</b>	-2,002
<b>Loss before taxes</b>	<b>-622</b>	-4,974
Income taxes	-898	-5,220
Deferred taxes	695	4,690
<b>Taxes</b>	<b>-203</b>	-530
<b>Net loss</b>	<b>-825</b>	-5,504
thereof non-controlling interests	232	533
thereof shareholders' interests	-1,057	-6,037

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

**January 1 to March 31, 2015** in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014 *
<b>Earnings per share</b>		
Earnings per share attributable to shareholders, basic (in EUR)	-0.01	-0.08
Earnings per share attributable to shareholders, diluted (in EUR)	-0.01	-0.08
Average number of outstanding shares (basic)	86,177,507	77,708,287
Average number of outstanding shares (diluted)	86,177,507	77,708,287

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

**Consolidated Statement of Comprehensive Income/Loss****January 1 to March 31, 2015** in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014 *
<b>Net loss</b>	-825	-5,504
Foreign currency translation differences	3,278	81
Net gains/losses from a net investment hedge	-361	0
<b>Items that probably will be reclassified to profit or loss in subsequent periods</b>	2,917	81
Actuarial gains and losses on defined benefit plans	-909	-534
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>	-909	-534
<b>Other comprehensive income/loss, net of tax</b>	2,008	-453
<b>Total comprehensive income/loss</b>	1,183	-5,957
thereof non-controlling interests	-601	254
thereof shareholders' interests	1,784	-6,211

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

## Consolidated Statement of Cash Flows

January 1 to March 31, 2015 in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014 *
<b>Net loss</b>	<b>-825</b>	-5,504
Deferred taxes	-695	-4,690
Income taxes	898	5,220
Financial result	1,992	2,768
Profit (-) / loss (+) from investments in associated companies and joint ventures	-701	-50
Amortization, depreciation and impairment and write-ups on film assets, intangible assets and property, plant and equipment	12,459	54,348
Profit (-) / loss (+) from disposal of film assets, intangible assets and property, plant and equipment	19	26
Other non-cash items	6,543	-1,044
Increase (-) / decrease (+) in inventories, trade accounts receivable and other assets not classified to investing or financing activities	674	1,662
Decrease (-) / increase (+) in trade accounts payable and other liabilities not classified to investing or financing activities	85,864	-3,022
Dividends received from associated companies and joint ventures	0	0
Interest paid	-737	-713
Interest received	44	80
Income taxes paid	-4,795	-2,276
Income taxes received	230	8
<b>Cash flow from operating activities</b>	<b>100,970</b>	46,813
Change in cash and cash equivalents due to acquisitions of companies/shares in companies, net	71	0
Payments for intangible assets	-412	-855
Payments for film assets	-6,620	-16,123
Payments for property, plant and equipment	-1,398	-1,022
Payments for financial assets	0	-439
Proceeds/payments due to sale of companies/shares in companies, net	673	0
Proceeds from disposal of intangible assets and film assets	34	0
Proceeds from disposal of property, plant and equipment	46	0
Proceeds from disposal of financial assets	0	0
<b>Cash flow for investing activities</b>	<b>-7,606</b>	-18,439

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

**January 1 to March 31, 2015 in EUR '000**

	1/1 to 3/31/2015	1/1 to 3/31/2014*
Proceeds from capital increase and from issuance of equity instruments	0	0
Payments for purchase of treasury stock	0	0
Proceeds from sale of treasury stock	0	0
Payments for purchase of non-controlling interests	-808	0
Proceeds from sale of non-controlling interests	0	0
Repayment and buy-back of non-current financial liabilities	0	0
Repayment and buy-back of current financial liabilities	-1,198	-25,828
Proceeds from receipt of non-current financial liabilities	0	0
Proceeds from receipt of current financial liabilities	0	708
Dividend payments	0	-62
<b>Cash flow for financing activities</b>	<b>-2,006</b>	<b>-25,182</b>
<b>Cash flow from the reporting period</b>	<b>91,358</b>	<b>3,192</b>
Cash and cash equivalents at the beginning of the reporting period	73,748	82,918
Change in cash and cash equivalents due to exchange rate movements	5,321	91
Cash and cash equivalents at the end of the reporting period	170,427	86,201
<b>Change in cash and cash equivalents</b>	<b>91,358</b>	<b>3,192</b>

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

## Consolidated Statement of Changes in Equity

January 1 to March 31, 2015 in EUR '000

	Subscribed capital	Treasury stock	Capital reserve	Other reserves
<b>Balance 1/1/2015</b>	93,600	-7,422	105,384	13,220
Foreign currency translation differences				3,688
Net gains/losses from a net investment hedge				-361
<b>Items that probably will be reclassified to profit or loss in subsequent periods</b>	0	0	0	3,327
Actuarial gains and losses on defined benefit plans				
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>	0	0	0	0
<b>Other comprehensive income/loss</b>	0	0	0	3,327
Net profit/loss				
<b>Total comprehensive income/loss</b>	0	0	0	3,327
Reclassification of prior year's net result				
Capital increase				
Change in treasury stock				
Dividend payments				
Other changes			-89	
<b>Balance 3/31/2015</b>	93,600	-7,422	105,295	16,547
<b>Balance 1/1/2014</b>	85,131	-7,422	103,605	12,718
IAS 8 adjustment due to a reclassification of the disposal group*				
<b>Adjusted balance 1/1/2014</b>	85,131	-7,422	103,605	12,718
Foreign currency translation differences				106
<b>Items that probably will be reclassified to profit or loss in subsequent periods</b>	0	0	0	106
Actuarial gains and losses on defined benefit plans				
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>	0	0	0	0
<b>Other comprehensive income/loss</b>	0	0	0	106
Net profit/loss				
<b>Total comprehensive income/loss</b>	0	0	0	106
Reclassification of prior year's net result				
Capital increase				
Change in treasury stock				
Dividend payments				
Other changes				
<b>Balance 3/31/2014</b>	85,131	-7,422	103,605	12,824

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

	Accumulated loss	Shareholders' interests	Equity attributable to shareholders	Non- controlling interests	Total
	-179,988	-4,844	19,950	42,556	62,506
			3,688	-410	3,278
			-361		-361
	0	0	3,327	-410	2,917
		-486	-486	-423	-909
	0	-486	-486	-423	-909
	0	-486	2,841	-833	2,008
		-1,057	-1,057	232	-825
	0	-1,543	1,784	-601	1,183
	-4,844	4,844	0		0
			0		0
			0		0
			0		0
			-89	-648	-737
	-184,832	-1,543	21,645	41,307	62,952
	-170,054	-9,625	14,353	40,843	55,196
		-309	-309		-309
	-170,054	-9,934	14,044	40,843	54,887
			106	-25	81
	0	0	106	-25	81
		-280	-280	-254	-534
	0	-280	-280	-254	-534
	0	-280	-174	-279	-453
		-6,037	-6,037	533	-5,504
	0	-6,317	-6,211	254	-5,957
	-9,934	9,934	0		0
			0		0
			0		0
			0	-62	-62
			0		0
	-179,988	-6,317	7,833	41,035	48,868

## Notes to the Consolidated Interim Financial Statements

### 1. General information about the Group

The Group parent company, Constantin Medien AG, has its registered office in Münchener Straße 101g, Ismaning, Germany.

Constantin Medien AG's Management Board authorized the publication of the accompanying unaudited, condensed consolidated interim financial statements at its meeting on May 21, 2015.

### 2. Accounting and valuation principles

The accompanying unaudited, condensed consolidated interim financial statements for the period from January 1, 2015 to March 31, 2015 have been prepared according to International Accounting Standard Interim Financial Reporting (IAS 34). The condensed consolidated interim financial statements do not include all explanations and disclosures required for Annual Reports and should be read in conjunction with the consolidated financial statements as of December 31, 2014 published by the Company.

The accounting and valuation principles used in the condensed consolidated interim financial statements correspond with those applied in the consolidated financial statements as of December 31, 2014 (refer to the Annual Report 2014, notes to the consolidated financial statements, note 4) except for the first-time adoption of new or revised standards and interpretations explained below.

The condensed consolidated interim financial statements are presented in Euros, which represent the functional and reporting currency of the Group parent company. In principle, the amounts are stated in thousands of Euros (EUR thousand or EUR '000), unless otherwise noted. Due to the totaling of individual items, rounding differences in the amount of +/- EUR '000 may occur in the tables provided and percentage figures presented may not exactly reflect the absolute figures they relate to.

The segments Sports and Film are subject to seasonal fluctuations. Sales in the Segment Film depend on the theatrical releases and the subsequent exploitation chain. This leads to fluctuations in terms of sales and segment results in the quar-

ters of the financial year. In the summer months, sales in the Segment Sports are lower due to lower advertising income, which is dependent on broadcasting rights to sports events.

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. These estimates and assumptions represent management's best estimate based on historical experience and other factors, including estimates about future events. The estimates and assumptions are reviewed on an ongoing basis. Changes in accounting estimates are necessary if the circumstances on which the estimates were based have changed or new information or additional findings are available. Such changes are recognized in the period in which the estimate was revised. For additional information, refer to the Annual Report 2014, notes to the consolidated financial statements, note 5.

#### Changes in accounting and valuation principles

The non-conclusion of the sale of the PLAZAMEDIA companies (refer to the Annual Report 2014, notes to the consolidated financial statements, note 2.1) in May 2014 and the corresponding change in the plan of sale, meant, that the assets and liabilities of PLAZAMEDIA GmbH (formerly PLAZAMEDIA GmbH TV- und Film-Produktion), PLAZAMEDIA Austria Ges.m.b.H and PLAZAMEDIA Swiss AG from that date were no longer classified as held for sale and the not recognized amortization and depreciation in the first quarter 2014 had to be caught up. Because the disposal group represents Group subsidiaries, the financial statements for periods since the classification as held for sale shall be amended accordingly. The following table shows the impact of the decision to terminate the intention to sell on the consolidated income statement as well as on the consolidated statement of comprehensive income/loss from January 1 to March 31, 2014:

**Consolidated Income Statement January 1 to March 31, 2014 in EUR '000**

	Before amendment	Amendment	After amendment
Amortization/depreciation and impairment on intangible assets and property, plant and equipment	-1,074	-747	-1,821
Deferred taxes	4,485	205	4,690
<b>Net loss</b>	<b>-4,962</b>	<b>-542</b>	<b>-5,504</b>
thereof shareholders' interests	-5,495	-542	-6,037
<b>Earnings per share</b>			
Earning per share attributable to shareholders, basic in EUR	-0.07	-0.01	-0.08
Earning per share attributable to shareholders, diluted in EUR	-0.07	-0.01	-0.08

**Consolidated Statement of Comprehensive Income/Loss January 1 to March 31, 2014 in EUR '000**

	Before amendment	Amendment	After amendment
<b>Net loss</b>	<b>-4,962</b>	<b>-542</b>	<b>-5,504</b>
<b>Other comprehensive loss, net of tax</b>	<b>-453</b>	<b>0</b>	<b>-453</b>
<b>Total comprehensive loss</b>	<b>-5,415</b>	<b>-542</b>	<b>-5,957</b>
thereof shareholders' interests	-5,669	-542	-6,211

In the consolidated statement of cash flows this retrospective adjustment resulted only in shifts within the cash flow from operating activities.

**3. Changes in accounting principles**

The mandatory first-time adoption of the following accounting standards and interpretations did not materially impact these condensed consolidated interim financial statements and no significant changes for the consolidated financial statements are expected.

**Standards/Amendments/Interpretations**

	Mandatory application for annual periods beginning on or after:
IFRIC 21, Levies	6/17/2014*
Annual Improvements to IFRSs 2011-2013 Cycle**	12/22/2014*

\* Endorsed by the EU as well as adopted in Germany

\*\* Thereof, the following standards and interpretations are affected IFRS 1, IFRS 3, IFRS 13, IAS 40

In addition to the accounting standards mandatory applicable since January 1, 2015, the Constantin Medien Group opted for

voluntary early application of the following accounting standards adopted by the EU:

### Standards/Amendments/Interpretations

	Mandatory application for annual periods beginning on or after:
IAS 19, Employee Benefits – Defined Benefit Plans: Employee Contributions (Amendment)	1/12/2015*
Annual Improvements to IFRSs 2010-2012 Cycle**	1/12/2015*

\* Endorsed by the EU as well as adopted in Germany

\*\* Thereof, the following standards and interpretations are affected IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38

The voluntary early application is done, because these changes are already mandatory since January 1, 2015 for the fully consolidated Highlight Communications group located in Switzerland. The aim of the early application is to have group-wide uniform accounting standards. The voluntary early application of these accounting standards did not materially impact these condensed consolidated interim financial statements and no significant changes for the consolidated financial statements are expected.

Further, the Constantin Medien AG waived the early application of new or revised standards and interpretations, whose application is not yet mandatory. For additional information, refer to the Annual Report 2014, notes to the consolidated financial statements, note 2.3.

## 4. Changes in the scope of consolidation

### Acquisitions, new formations and first-time consolidation

On January 23 and 30, 2015 Highlight Communications AG has increased its interest in the already fully consolidated Highlight Event & Entertainment AG, Lucerne gradually from 68.986 percent to 71.93 percent. The purchase price for the new shares amounted to EUR 808 thousand.

On March 31, 2015 Comosa AG, Zurich was founded. 50.67 percent of the shares are held by Rainbow Home Entertainment AG. Comosa AG is fully consolidated. The impact on these condensed consolidated interim financial statements is insignificant.

### Other changes

On January 17, 2015 Kuuluu Playground GmbH, Hamburg, a 51-percent investment of the associate company Kuuluu Interactive AG, Pratteln was sold. The impact on these condensed consolidated interim financial statements is insignificant.

On February 13, 2015 Constantin Film AG sold 90 percent of the previously held shares in the as of December 31, 2014 at-equity accounted joint venture Mister Smith Entertainment Ltd., London. The buyer also acquires pro rata the assets and liabilities of this company. It remains a participation of 5 percent of the company. Since then, the investment is recognized under other non-current financial assets.

## 5. Explanatory notes to selected line items in the balance sheet and income statement

### Film assets

The film assets consist of third-party productions in the amount of EUR 33,750 thousand (December 31, 2014: EUR 34,157 thousand) and in-house productions in the amount of EUR 95,902 thousand (December 31, 2014: EUR 99,175 thousand). In the first three months of the financial year 2015 EUR 6,620 thousand (3M 2014: EUR 15,826 thousand) were invested in film assets. Amortization and impairment are explained in the section amortization, depreciation and impairment.

#### Other non-current financial assets

Other non-current financial assets mainly include shares in Pulse Evolution Corporation, Port St. Lucie, USA in the amount of EUR 1,594 thousand (December 31, 2014: EUR 1,423 thousand), non-current receivables of EUR 2,539 thousand (December 31, 2014: EUR 1,799 thousand) and investment securities in the amount of EUR 98 thousand (December 31, 2014: EUR 75 thousand).

The remaining 5 percent interest in Mister Smith Entertainment Ltd., London (refer to note 4) is recognized in this item within the category "financial assets available for sale" at a carrying value of EUR 0 thousand. In the absence of an active market for those shares, a fair value cannot be determined reliably and so this investment is recognized at acquisition cost, which is the carrying amount at the date of the reclassification.

#### Trade accounts receivable and other receivables

Trade accounts receivable and other receivables are as follows:

#### Trade accounts receivable and other receivables in EUR '000

	3/31/2015	12/31/2014
Trade accounts receivable	47,259	53,000
Other receivables	72,745	53,394
<b>Total</b>	<b>120,004</b>	106,394

Other receivables also include loans to co-producers for film projects of EUR 19,071 thousand (December 31, 2014: EUR 16,600 thousand).

#### Cash and cash equivalents

Cash and cash equivalents include EUR 90,000 thousand from customer advance payments received.

As of March 31, 2015 Constantin Medien AG has pledged a total of cash and cash equivalents in the amount of EUR 2,867 thousand (December 31, 2014: EUR 6,318 thousand) for guarantees in variable amounts. PLAZAMEDIA GmbH has also pledged cash and cash equivalents in the amount of EUR 1,200 thousand (December 31, 2014: EUR 1,200 thousand) for guarantees.

#### Cash and cash equivalents in EUR '000

	3/31/2015	12/31/2014
Cash on hand and balance at banks	169,427	67,748
Short-term deposits	1,000	6,000
<b>Total</b>	<b>170,427</b>	73,748

#### Equity

The subscribed capital of the ultimate Group holding company, Constantin Medien AG, amounted in total to EUR 93,600,000 as of March 31, 2015 (December 31, 2014: EUR 93,600,000) and is divided into 93,600,000 (December 31, 2014: 93,600,000) no-par-value bearer shares with a proportionate amount of the share capital of EUR 1.00 per share.

As of March 31, 2015 the number of directly and indirectly held non-voting treasury shares stood at 7,422,493 Constantin Medien AG shares taking into account shares held by Highlight Communications AG (December 31, 2014: 7,422,493 shares).

#### Share-based payment

In the reporting period, EUR 38 thousand (3M 2014: EUR 0 thousand) share-based compensation expense was recorded for share-based payment with cash-settlement (stock appreciation rights). The carrying amount of debts from share-based payments as of March 31, 2015 is EUR 50 thousand (December 31, 2014: EUR 12 thousand). In the first three months 2015 no further stock appreciation rights have been issued, exercised, expired or forfeited. The fair value of stock appreciation rights granted as of March 31, 2015 was determined using the following factors (for further information refer to the Annual Report 2014, notes to the consolidated financial statements, note 6.15):

### Disclosures about the valuation of the stock appreciation rights as of March 31, 2015

	3/31/2015		12/31/2014	
	Constantin Medien AG stock appreciation rights	Highlight Communications AG stock appreciation rights	Constantin Medien AG stock appreciation rights	Highlight Communications AG stock appreciation rights
Option pricing model	Binomial model	Binomial model	Binomial model	Binomial model
Expected volatility	30.58%	25.81%	31.56%	25.58%
Expected dividend yield	0.00%	3.99%	0.00%	4.24%
Expected life	3 years	3 years	3 years	3 years
Risk-free interest rate	-0.23%	-0.23%	-0.10%	-0.10%
Exercise price in EUR	1.80/2.10/2.50	5.00	1.80/2.10/2.50	5.00
Weighted average exercise price in EUR	2.13	5.00	2.13	5.00

#### Non-current financial liabilities

The following table shows the composition of non-current financial liabilities:

#### Non-current financial liabilities in EUR '000

	3/31/2015	12/31/2014
Corporate bond 2013/2018	63,811	63,727
Loan private investor	37,099	33,864
<b>Total</b>	<b>100,910</b>	97,591

The corporate bond 2013/2018 with a nominal value of EUR 65.0 million, an interest rate of 7.0 percent per annum and a maturity of five years was successfully placed in April 2013 with private investors and institutional investors. The trading of the bond opened on April 17, 2013 in the Open Market of Deutsche Börse AG (Regulated unofficial market of the Frankfurt Stock Exchange) in the segment Entry Standard for Bonds. The issuance and value date was April 23, 2013.

As of March 31, 2015 loans from a private investor exist in the amount of EUR 12,250 thousand and CHF 26,000 thousand (December 31, 2014: EUR 12,250 thousand and CHF 26,000 thousand). The loans have a term until June 30, 2016 and an interest rate of 5.0 percent per annum. As of March 31, 2015 a total of 24,752,780 bearer shares (December 31,

2014: 24,752,780 bearer shares) of Highlight Communications AG are pledged as collateral for the individual loan tranches.

#### Current financial liabilities

Current financial liabilities include EUR 72,552 thousand (December 31, 2014: EUR 67,569 thousand) of current liabilities due to banks, whereof EUR 24,764 thousand (December 31, 2014: EUR 26,003 thousand) fall upon film financing.

#### Trade accounts payable and other liabilities

Trade accounts payable and other liabilities are as follows:

#### Trade accounts payable and other liabilities in EUR '000

	3/31/2015	12/31/2014
Trade accounts payable	43,578	41,896
Other liabilities	80,949	67,228
<b>Total</b>	<b>124,527</b>	109,124

Other liabilities include amongst other things liabilities for contingently repayable loans (subsidiaries) of EUR 11,253 thousand (December 31, 2014: EUR 10.458 thousand) and personnel-related liabilities primarily for obligations arising for bonuses, overtime, vacation not taken and bonuses for the Management Board of EUR 7,863 thousand (December 31, 2014: EUR 13,255 thousand).

## Sales

For details about the sales development refer to note 7 of these notes (segment reporting) and to chapter 2.3.2 of the interim group management report (segment performance). In the Segment Sports sales from barter transactions involving dissimilar advertising services in the reporting period amount to EUR 960 thousand (3M 2014: EUR 1,031 thousand).

## Personnel expenses

In the first quarter 2015 a provision according to the rules set out in the employment contract on the so-called severance payment cap was recognized in personnel expenses for the Board

Member Antonio Arrigoni due to the press release from March 23, 2015, that Antonio Arrigoni will resign with effect from the Annual General Meeting on June 10, 2015 from the Management Board of Constantin Medien AG. The severance payment cap is calculated as the total remuneration of the last completed financial year prior to termination of this agreement without considering the bonus and is limited to remuneration for two years including fringe benefits.

## Amortization, depreciation and impairment

Amortization, depreciation and impairment for the first three months 2015 are as follows:

### Amortization, depreciation and impairment in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014*
Scheduled amortization of film assets	8,631	45,239
Scheduled amortization of intangible assets	550	562
Scheduled depreciation of property, plant and equipment	1,382	1,259
Impairment on film assets	1,894	7,288
Impairment on property, plant and equipment	2	0
<b>Total</b>	<b>12,459</b>	<b>54,348</b>

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

## Financial result

Financial income and financial expenses for the first three months 2015 are as follows:

### Financial income in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014
Foreign currency exchange gains	4,312	1,605
Gains from changes in the fair value of financial instruments	109	155
Other interests and similar income	67	287
<b>Total</b>	<b>4,488</b>	<b>2,047</b>

### Financial expenses in EUR '000

	1/1 to 3/31/2015	1/1 to 3/31/2014
Interest expenses on corporate bonds	1,206	1,882
Foreign currency exchange losses	8,278	838
Loss from changes in the fair value of financial instruments	0	243
Other interests and similar expenses	891	1,086
<b>Total</b>	<b>10,375</b>	<b>4,049</b>

#### Unrecognized allocable loss from entities accounted for at equity

In the reporting period the unrecognized share of losses from entities accounted for at equity amounts to EUR 129 thousand (3M 2014: EUR 323 thousand). The cumulative unrecognized share of losses totals EUR 1,878 thousand (December 31, 2014: EUR 2,704 thousand). The unrecognized losses are losses that exceed the value of the equity interest of the Group in an associated company or joint venture.

#### Foreign currency exchange effects

In the first three months 2015 foreign currency translation differences of EUR -873 thousand (3M 2014: EUR +112 thousand) have been recognized in the operating and financial result of the income statement. In return, foreign exchange differences in the amount of EUR +2,917 thousand (3M 2014: EUR +81 thousand) from the translation of foreign subsidiaries were recorded directly in equity.

## 6. Financial risk management

The Group is exposed to various financial risks arising from operating business activities and financing activities of the Group. Financial risks of relevance to the Group arise from changes in foreign exchange rates, market risks for financial assets as well as changes in interest rates, liquidity, credit-worthiness and the solvency of the Group's business partners. There have been no changes relating to the classification of

the financial assets and liabilities compared to the latest consolidated financial statements. For additional information refer to the Annual Report 2014, notes to the consolidated financial statements, note 8.

#### Fair value hierarchy

Financial assets and liabilities that are measured at fair value or fair values to be disclosed in the notes are allocated to the following levels of the fair value hierarchy, based on the lowest level input that is significant for the fair value measurement as a whole:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs that are not observable for the asset or liability

In the first three months until March 31, 2015, there were no changes in the valuation techniques (refer to the Annual Report 2014, notes to the consolidated financial statements, note 4.3).

The following table presents the allocation of financial assets and liabilities measured at fair value or fair values to be disclosed in the notes according to the three-level fair value hierarchy:

#### Fair value hierarchy as of March 31, 2015 in EUR '000

	Net carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Derivative financial instruments	6,968		6,968		<b>6,968</b>
Cash and cash equivalents with hedging transaction	47		47		<b>47</b>
Financial assets at fair value through profit or loss	98	98			<b>98</b>
Non-current receivables	346		346		<b>346</b>
<b>Financial liabilities</b>					
Non-current financial liabilities	100,910	67,633	39,379		<b>107,012</b>
Derivative financial instruments	710		710		<b>710</b>

#### Fair value hierarchy as of December 31, 2014 in EUR '000

	Net carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Derivative financial instruments	3,022		3,022		<b>3,022</b>
Cash and cash equivalents with hedging transaction	68		68		<b>68</b>
Financial assets at fair value through profit or loss	75	75			<b>75</b>
Non-current receivables	414		414		<b>414</b>
<b>Financial liabilities</b>					
Non-current financial liabilities	97,591	66,625	36,275		<b>102,900</b>
Derivative financial instruments	208		208		<b>208</b>

For the determination of fair value the own credit risk and the default risk of the counterparty have been taken into account according to the Group's accounting principles (refer to the Annual Report 2014, notes to the consolidated financial statements, note 4.3).

There have been no reclassifications between the individual categories of the fair value hierarchy.

#### Fair value of financial assets and liabilities

Financial assets measured at fair value through profit or loss, which are included in level 1, are determined by means of stock prices. Derivative financial instruments included in level 2 are measured at current market values. To determine the fair value of financial instruments in level 2, a discounted cash flow method has been applied.

#### Financial assets and liabilities measured at amortized cost

The carrying amounts of current financial assets and liabilities at the reporting date almost correspond to their fair value due to the short-term maturity of these instruments. A difference between the amortized costs and fair value exist for one non-current financial receivable as well as for non-current financial liabilities.

The fair value of the non-current corporate bond 2013/2018 accounted for at amortized cost is equivalent to the XETRA closing rate at the balance sheet date, and is thus included in level 1.

The fair value of the loans from a private investor accounted for at amortized cost was determined using the discounted cash flow method. The discount rates adopted correspond to the market yield curve of a German government bond at the balance sheet date. As the market interest rate is the most significant input factor and deemed to be observable, the fair value of the loans is classified in level 2.

The fair value of a non-current receivable due from a third party accounted for at amortized cost was determined using the discounted cash flow method. The discount rates adopted correspond to the market yield curve of a German government bond at the balance sheet date. As the market interest rate is the most significant input factor and deemed to be observable, the fair value is classified in level 2. The remaining non-current receivables are discounted according to their maturity.

#### Fair value of non-financial assets and liabilities

As of March 31, 2015, with the exception of the investment property measured at fair value since June 30, 2014, no non-financial assets and non-financial liabilities have been measured at fair value. The investment property which is measured at fair value is classified in level 3 of the fair value hierarchy. The valuation parameters have not changed since December 31, 2014 (refer to the Annual Report 2014, notes to consolidated financial statements, note 8).

#### Investment property in EUR '000

	<b>2015</b>
<b>Balance at January 1</b>	<b>3,242</b>
Foreign currency exchange differences recognized directly in equity	<b>485</b>
<b>Balance at March 31</b>	<b>3,727</b>

#### Hedging net investment

As of March 31, 2015 a loan of CHF 26 million existed, of which CHF 4 million have been designated as a hedge of the net investment in the subsidiary Highlight Communications AG, which has the functional currency Swiss franc, and which is determined to hedge the currency risk of the Group from this investment. In the first three months 2015, a loss of EUR 498 thousand before taxes (after deduction of deferred taxes EUR 361 thousand) resulting from the translation of the hedging portion of this loan has been recognized directly in equity. As of March 31, 2015 there was no ineffectiveness.

## 7. Segment reporting

The segment information is based on the so-called management approach.

The Company's Management Board (chief operating decision maker) decides on the allocation of resources to the segments and assesses their performance using key indicators for sales and segment result. The Management Board does not assess the segments on the basis of assets and liabilities.

Based on the internal management reporting system and the underlying organizational structure to the internal reporting, the Group is still classified into the four operative segments Sports, Film, Sports- and Event-Marketing as well as Other Business Activities. Others include the administrative functions of the holding company Constantin Medien AG.

The Segment Sports primarily comprises activities in the areas TV, online/mobile and digital sports radio under the umbrella brand SPORT1 and the activities of the PLAZAMEDIA group in the production area. Marketing is conducted by Sport1 Media GmbH.

In the Segment Film the activities of Constantin Film AG and its subsidiaries as well as the Highlight Communication's subsidiaries Rainbow Home Entertainment (without Pokermania GmbH) are summarized, since they have similar economic characteristics and are comparable with regard to the nature of products, services, processes, customers and the methods of distribution. The business activities include the production of films, the exploitation of in-house productions and acquired film rights as well as the distribution of theatrical, DVD-/Blu-ray- and television films.

The Segment Sports- and Event-Marketing consists of the activities of Team Holding AG, which markets, through its subsidiaries, as its main project the UEFA Champions League. Further marketing projects are the UEFA Europa League and the UEFA Super Cup.

In the Segment Other Business Activities the activities of Highlight Event & Entertainment AG and Pokermania GmbH are currently reported. The field of activities essentially comprises the event marketing for the Eurovision Song Contest and the Vienna Philharmonic Orchestra as well as the provision of services within the area of online/social gaming. At the level of Constantin Medien AG the companies Highlight Event & Entertainment AG and Pokermania GmbH do not represent an independent reportable segment as the financial information of the two companies are not reviewed by the chief operating decision maker and are not assessed with respect to its business performance. Therefore, the activities of Highlight Event & Entertainment AG and Pokermania GmbH are reported as Other Business Activities.

The segment result is defined as earnings before earnings from investments in associated companies and joint ventures, before financial result and before taxes.

Sales and services transacted between business segments are generally provided at prices that would be agreed with third parties.

### Segment reporting January 1 to March 31, 2015 in EUR '000

	Sports	Film	Sports- and Event- Marketing	Other Business Activities	Others	Recon- ciliation	Group
External sales	35,516	48,380	10,475	893	0	0	95,264
Intercompany sales	42	0	0	0	0	-42	0
Total sales	35,558	48,380	10,475	893	0	-42	95,264
Other segment income	692	11,849	2,651	36	1,778	-885	16,121
Segment expenses	-34,138	-61,123	-7,276	-1,277	-3,934	927	-106,821
thereof scheduled amortization and depreciation	-1,212	-9,024	-192	-114	-21	0	-10,563
thereof impairments	-2	-1,894	0	0	0	0	-1,896
<b>Segment result</b>	2,112	-894	5,850	-348	-2,156	0	4,564
<b>Non-allocated items</b>							
Earnings from investments in associated companies and joint ventures							701
Financial income							4,488
Financial expenses							-10,375
<b>Loss before taxes</b>							-622

### Segment reporting January 1 to March 31, 2014 in EUR '000

	Sports*	Film	Sports- and Event- Marketing	Other Business Activities	Others	Recon- ciliation	Group*
External sales	33,417	92,087	10,140	495	0	0	136,139
Intercompany sales	85	0	0	36	0	-121	0
Total sales	33,502	92,087	10,140	531	0	-121	136,139
Other segment income	2,707	10,025	111	201	781	-1,046	12,779
Segment expenses	-35,752	-104,720	-6,345	-1,264	-5,026	1,167	-151,940
thereof scheduled amortization and depreciation	-965	-45,591	-177	-270	-57	0	-47,060
thereof impairments	0	-7,288	0	0	0	0	-7,288
<b>Segment result</b>	457	-2,608	3,906	-532	-4,245	0	-3,022
<b>Non-allocated items</b>							
Earnings from investments in associated companies and joint ventures							50
Financial income							2,047
Financial expenses							-4,049
<b>Loss before taxes</b>							-4,974

\* The prior year figures have been adjusted (see details in note 2, accounting and valuation principles)

## 8. Financial commitments, contingent liabilities and other financial commitments

Financial commitments, contingent liabilities and other financial commitments increased by EUR 13,452 thousand to EUR 154,035 thousand as of March 31, 2015 compared to the consolidated financial statements as of December 31, 2014.

## 9. Relationships with related companies and persons

The Company maintains relationships in the course of the ordinary business activities with associated companies and joint ventures as well as companies that are controlled by Members of the Supervisory Board. Receivables due from associated companies and joint ventures include in some cases loans, which have arisen from non-binding financing activities of operational projects. The volume of transactions made in the reporting period can be seen in the following table:

### Relationships with related companies and persons in EUR '000

	3/31/2015	12/31/2014
<b>Joint Ventures</b>		
Receivables	142	2,802
Liabilities	0	582
	1/1 to 3/31/2015	1/1 to 3/31/2014
Sales and other income	1,291	1,060
Cost of materials and licenses and other expenses	1,176	945
<b>Associated companies</b>		
Receivables	2,791	2,470
Liabilities	0	0
	1/1 to 3/31/2015	1/1 to 3/31/2014
Sales and other income	0	1
Cost of materials and licenses and other expenses	0	37
<b>Other related companies and persons</b>		
Receivables	0	0
Liabilities	0	0
Provisions	100	25
	1/1 to 3/31/2015	1/1 to 3/31/2014
Sales and other income	0	0
Legal and consulting expenses	75	115

There were no business relationships between Constantin Medien AG and associated companies and joint ventures in the reporting period and in the previous year. Transactions with associated companies and joint ventures were made by the Highlight Communications group.

Transactions with other related companies and persons include mainly the following relationships:

There exists a legal consultancy agreement between Constantin Medien AG and the law firm KUHN RECHTSANWÄLTE (refer to the Annual Report 2014, notes to the consolidated financial statements, note 11). In the first three months 2015, expenses are incurred in the amount of EUR 75 thousand (3M 2014: EUR 40 thousand) from this agreement. The liabilities amounted to EUR 0 thousand as of March 31, 2015 (December 31, 2014: EUR 0 thousand). A provision in the amount of EUR 100 thousand (December 31, 2014: EUR 25 thousand) has been recognized for services not yet invoiced.

In the previous year's period expenses of EUR 75 thousand were incurred from the consultancy agreement between the Constantin Film group and the Fred Kogel GmbH. With effect from September 30, 2014 this consultancy agreement covering license trading, TV service productions and film distribution was cancelled.

Constantin Medien AG is asserting, out of court and/or in court, the rights granted in a debtor warrant in the context of an agreement dated February 17, 2003 for the sale and transfer of the holding in Speed Investments Ltd. to BayernLB Motorsport Ltd., with the help of a rights association of former Formula One shareholders – Civil rights Association. The shareholders of the rights association have made an agreement regarding the distribution of proceeds after deducting the costs of asserting the rights if the claims are recovered successfully. The legal proceedings in the United Kingdom were terminated in 2014. Constantin Medien AG will continue to pursue its rights and considers the necessary steps. In the reporting period from the aforementioned agreement no income and expenses (3M 2014: none) were incurred.

Related persons comprise of the Management and Supervisory Board Members and their relatives. In the first three months 2015 there were no significant transactions between Constantin Medien AG and Members of the Management Board and the Supervisory Board as well as their relatives.

All transactions with related companies and persons are carried out on an arm's length basis.

## 10. Events after the reporting period

On April 28, 2015 Highlight Communications AG has increased its interest in the already fully consolidated Highlight Event & Entertainment AG, Lucerne from 71.93 percent to 74.99 percent.

Ismaning, May 21, 2015

**Constantin Medien AG**

**Bernhard Burgener**

Chief Executive Officer

**Antonio Arrigoni**

Board Member

**Hanns Beese**

Chief Financial Officer

**Fred Kogel**

Chief Officer Production, Process Management, Integration

## Finance Calendar 2015

### May 21, 2015

Report for the first quarter of 2015

### June 10, 2015

Annual General Meeting (AGM) for the financial year 2014

### August 2015

Interim Financial Report 2015

### November 2015

Report for the third quarter of 2015

## Imprint

### Published by

Constantin Medien AG  
Münchener Straße 101g, 85737 Ismaning, Germany  
Phone +49 (0) 89 99 500-0, Fax +49 (0) 89 99 500-111  
E-Mail [info@constantin-medien.de](mailto:info@constantin-medien.de)  
[www.constantin-medien.de](http://www.constantin-medien.de)  
HRB 148 760 AG Munich

### Edited by

Constantin Medien AG  
Communication/Accounting/Investor Relations  
Frank Elsner  
Kommunikation für Unternehmen GmbH, Westerkappeln

# CONSTANTIN MEDIEN AG

CONSTANTIN MEDIEN AG  
Münchener Straße 101g  
85737 Ismaning, Germany  
[constantin-medien.de](http://constantin-medien.de)