



DEAG Deutsche Entertainment Aktiengesellschaft

Group Interim Report as at June 30, 2013



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Imprint

## 1. Foreword by the CEO

Dear Madam or Sir,  
Esteemed Shareholders,

DEAG has completed a very positive first half-year 2013 with increasing results. Owing to its excellent positioning, the Group has been able to achieve with its business units and country companies on the core markets Germany, Switzerland and the United Kingdom consolidated earnings after taxes and deduction of profit shares accounted for by other shareholders from continuing operations of EUR 2.7 million. This corresponds to a 45.6% increase versus the prior year period and results in earnings per share from continuing operations of now €cents 22 per share. Against the backdrop of this interim result we are confident that we can continue the adopted policy of a rising dividend in fiscal 2013, too.

During the first half-year DEAG increased its sales revenues by 45.3% to EUR 95.6 million. DEAG was able to lay important foundation stones for additional external growth during the first half-year. After a 51% stake was already acquired at the beginning of the year in handwerker promotion e. gmbh, DEAG acquired 75.1% of Wizard Promotions Konzertagentur GmbH in June of this year. The two companies are leaders on their respective markets, generate sustainable profitable sales revenues and will strengthen the earnings basis of DEAG already during the second half-year 2013 and beyond by tapping doubtlessly existing synergy potentials.

The highlights of the first event half-year were Open Air Shows as well as top concerts, including with Depeche Mode, Bon Jovi, PINK and Rihanna in Switzerland and the tours in Germany with David Garrett, Peter Maffay, Meat Loaf and Chris de Burgh as well as the dance show Anton & Erin and the Siberian Ballet Tour in the United Kingdom. In the Family Entertainment business unit the show EXXTREM secured fully booked venues and storms of enthusiasm by the audiences.

Apart from the positive development of all Group units, DEAG benefits increasingly from the digitization of ticket sales in co-operation with Ticketmaster Deutschland. These positive effects are continuing at present.

As far as the further course of business is concerned, DEAG is very optimistic against the backdrop of the existing concert pipeline. With the sold out Black Sabbath concerts in Germany, concerts by Neil Young, Nickelback, Iron Maiden and Fleetwood Mac, the successful show EXXTREM and Circus FlicFlac, open air concerts by Bruce Springsteen and the tour by Andreas Gabalier and many other productions DEAG has had a successful start into the second half-year.

With our continuing clear focusing on high-yield business units and our 360 degree strategy, the further development of the market leadership in the classical area as well as the positioning as an Integrated Entertainment Content Company, we are intimately convinced that we will continue our on-going good development in terms of sales revenues and result.

Sincerely yours

Prof. Peter L.H. Schwenkow

## 2. DEAG on the capital market

The share of DEAG Deutsche Entertainment AG continued its uptrend and closed the first half-year on June 28, 2013 with a Xetra closing price of EUR 3.21 per share. Compared to the end-of-year price 2012, this corresponds to a growth of 5.2%. The leading German index, DAX, which reflects the price development of the 30 largest listed companies in Germany, rose during this period by 4.6%, whilst the SDAX index improved by 10.4%.

On May 14, 2013 the DEAG share reached a low of EUR 3.05 (Xetra closing price) and on March 28, 2013 it recorded its peak for the first half-year 2013 with EUR 3.74 (Xetra closing price). The average daily trading volume at all German stock exchanges amounted to a total of 12,745 shares. This is a clear increase in volume versus 9,181 shares during the previous year. Around 75% of the shares were traded via Xetra during the first half-year 2013. VEM Aktienbank AG continues to act as Designated Sponsor.

The share capital of DEAG rose as a result of the capital increase of June 28, 2013, to the exclusion of the subscription rights of existing shareholders, from EUR 12,388,983.00 to EUR 13,627,881.00. 1,238,898 new shares were issued at a price of EUR 3.25. The capital increase was designed as a combined capital increase through cash and contributions in kind and resulted in gross issuing proceeds of EUR 2.34 million, which are used to strengthen the capital basis and free liquidity. The placement was made exclusively amongst existing shareholders. Against the issuing of the remaining new shares for the lowest issuing price of EUR 1.00 per share, 55.9% of the shares in Wizard Promotions Konzertagentur GmbH, Frankfurt am Main, were contributed to DEAG.

Prof. Peter Schwenkow, CEO of DEAG, acquired a total of 1,954 DEAG shares during the first half-year 2013.

The analysts of Hauck & Aufhäuser covered the DEAG share on a regular basis and issued a total of four buy recommendations during the reporting period. The analysts referred during their latest research of August 27, 2013 to a target price of EUR 5.30. DZ Bank AG, too, analyzed the DEAG share on an on-going basis and likewise published four analyses with a buy recommendation (target price: EUR 4.92).

This year's Ordinary General Meeting of DEAG Deutsche Entertainment AG took place in Berlin on June 24, 2013. With more than 99.9% of the votes, all agenda items were adopted. More particularly, the dividend per DEAG share was doubled to EUR 0.08.

DEAG Deutsche Entertainment AG, which is listed in the Prime Standard of the German stock exchange, Deutsche Börse AG, continued an active and transparent financial market communication. It conducted one-on-one talks with investors during roadshows and presented itself to financial and business media. Moreover, DEAG had an active communication with analysts, private investors and banks. In the course of the year the company will present itself at various financial market conferences which are listed in the financial calendar of the company.

DEAG informs on a regular basis about corporate developments and relevant corporate events by means of ad-hoc disclosures and press releases and publishes all documents such as annual reports and interim and quarterly reports on the Homepage of the company in the Investor Relations section on [www.deag.de/ir](http://www.deag.de/ir). Contacts are available at any time to interested shareholders on the phone number 069-905505-52 or electronically via [deag@edicto.de](mailto:deag@edicto.de).

### **3. Interim Group management report**

#### **3.1. Earnings position**

DEAG Deutsche Entertainment AG was able to increase its sales revenues during the first half-year compared to the prior year period by 45.3% to EUR 95.6 million (prior year: EUR 65.8 million). EUR 28.5 million or 73.8% of the growth in sales revenues were recorded during the second quarter of the reporting period. As expected, acquisitions made only a marginal contribution to the improvement in sales revenues for the time being, so that this growth has primarily an organic basis.

The EBIT rose by 25.1% to EUR 5.2 million (prior year: EUR 4.2 million).

The financial result has significantly improved in addition to continuing lower interest expenses (EUR + 0.1 million), in particular due to the earnings from associated companies (EUR + 0.4 million). It amounts to EUR - 0.2 million (prior year: EUR - 0.7 million).

The higher tax expenses of EUR - 1.1 million (prior year: EUR - 0.6 million) due to the significantly higher operating earning strength, the normalized consolidated net income after taxes (earnings after taxes from continuing operations) significantly exceeds the result of the prior year period with an excellent amount of EUR 3.9 million.

The normalized Group result after deduction of the profit shares accounted for by other shareholders amounts to EUR 2.7 million; compared to prior year, this corresponds to an increase of EUR 0.8 million or €cents 7 per share. Consequently, the earnings per share from continuing operations amount to €cents 22 per share.

For the time being DEAG will take the expenditure in connection with the judgment of the Berlin Court of Appeal of May 24, 2013 in re "Qivive" (cf. ad hoc communication of May 24, 2013) in the amount of EUR 2.47 million fully into account as discontinued operations in the discontinued business unit by application of IFRS 5.

The consolidated net income after taxes amounts to EUR 1.5 million after taking into account this non-recurring expenditure. After deduction of all profit shares accounted for by other shareholders, the Group result amounts to EUR 0.2 million.

#### **3.2. Assets position**

The balance sheet total increased versus December 31, 2012 by EUR 8.1 million to EUR 107.1 million.

The rise results on the assets side essentially from the acquired goodwills (EUR + 1.3 million) and other intangible assets (EUR + 4.1 million) in connection with the acquisitions of majority stakes during the reporting period as well as significantly higher other current assets (EUR + 3.3 million).

On the liabilities side, liabilities to banks (EUR + 2.6 million) as well as the equity capital (EUR + 3.5 million) increased. This was attributable to the acquisitions partly financed by loans and equity.

Equity after the shares of other shareholders amounted at the end of the reporting period to EUR 35.3 million (December 31, 2012: EUR 31.8 million). Both as a result of the capital increase and the positive consolidated result the equity ratio has increased to 33% (December 31, 2012: 32%).

#### **3.3. Financial position**

The cash flow before the changes in net current assets of the first half-year 2013 amounted to EUR 8.4 million (prior year: EUR 1.1 million) whereby the Other provisions of EUR 2.9 million increased due to the cut-off date.

After a change in the working capital of EUR - 11.7 million (prior year EUR - 11.0 million), the outflow of funds from continuing operations amounts to EUR 3.2 million (prior year: outflow of funds of EUR 9.7 million).

The inflow of funds from investment activities in the amount of EUR 1.5 million (prior year: outflow of funds of EUR 0.2 million) includes essentially the balance of the disbursements made during the reporting period for investments and the acquired cash and cash equivalents. The positive balance from the investment activity resulted from partly non-cash transactions so that the takeover of the cash and cash equivalents resulted in a net inflow of cash and cash equivalents.

The inflow of funds from financing activities in the amount of EUR 2.2 million (prior year: outflow of funds of EUR 0.1 million) includes apart from disbursements for the dividend paid to DEAG shareholders (EUR 0.9 million) more particularly contributions from the raising of loans for the company acquisitions financed partly by third party funds.

Overall, these major changes resulted in an increase of liquid assets by EUR 0.4 million to EUR 29.3 million.

Payment outflows in connection with the judgment to the administrator of Qivive GmbH i.L. during the reporting period did not have an impact on the financial position since the financial resources had already been separated and deposited by way of precaution during the previous years.

### **3.4. Development of the segments**

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

In the segment Live Touring ("travelling business") the tour business is reported. This includes the activities of the companies DEAG Classics (Berlin), DEAG Concerts (Berlin), KBK Konzert- u. Künstleragentur (Berlin), Manfred Hertlein Veranstaltungen GmbH (Würzburg), Wizard Promotions Konzertagentur (Frankfurt am Main), Raymond Gubbay Ltd. (London, UK) as well as The Classical Company (Zurich, Switzerland).

In the Segment Entertainment Services ("stationary business") the regional business as well as the entire services business are reported. This includes the activities of the AIO Group (Glattpark, Switzerland), Global Concerts (Munich), Jahrhunderthalle Kultur (Frankfurt am Main), Concert Concept (Berlin), Friedrichsbau Varieté (Stuttgart), Grandezza Entertainment (Berlin), River Concerts and Elbklassik (both Hamburg), handwerker promotion e. gmbh, (Unna) as well as DEAG Music (Berlin) as music publishing house/label.

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

### Live Touring:

With an increase in sales revenues of 21.5% to EUR 39.5 million, an EBIT in the amount of EUR 2.7 million was generated. This corresponds to an 80% rise. The EBIT includes already non-deferrable distribution and marketing expenses for tours and shows which will be carried out or staged in the following quarters until the end of the fiscal year. These concern, for instance, the already sold out shows with Black Sabbath as well as tours, inter alia, with Neil Young, Nickelback or Fleetwood Mac in the field of Rock/Pop as well as with Echo award winner Andreas Gabalier and the Musikantenstadl in the field of middle-of-the-road music/German hit songs.

### Entertainment Services:

With sales revenues of EUR 61.3 million, which were significantly above the prior year level, the EBIT was increased versus the prior year period by 4.9% to EUR 4.3 million.

The main revenue and result drivers were our activities in Switzerland, including shows with Depeche Mode, Bon Jovi, P!NK and Rihanna. Furthermore the sales revenues of handwerker promotion e. gmbh, Unna, which were integrated into the consolidated financial statements for the first time as at January 1, 2013, contributed to this development. The increase in EBIT also reflects the very good positioning of the Jahrhunderthalle arena in Frankfurt as well as the domestic local business in Germany (Berlin, Munich, Hamburg).

In EUR million	01.01.2013 to 06.30.2013	01.01.2012 to 06.30.2012	Variation in absolute terms
<b>Live Touring</b>			
Sales revenues	39.5	32.5	7.0
EBIT	2.7	1.5	1.2
<b>Entertainment Services</b>			
Sales revenues	61.3	35.9	25.4
EBIT	4.3	4.1	0.2

### 3.5. Human Resources

The Group headcount amounted on a semi-annual average to 275 employees versus 206 on December 31, 2012. DEAG employed 24 people (December 31, 2012: 26) on a semi-annual average.

### 3.6. Declaration of conformity

The Executive Board and the Supervisory Board of DEAG made the declaration of conformity concerning the recommendations of the Government Commission German Corporate Governance Code on December 12, 2012. The full wording is published on the website of the company ([www.deag.de/ir](http://www.deag.de/ir)), where it is made permanently accessible for shareholders.

### 3.7. Supplementary report

Based on a motion by the Executive Board of August 16, 2013, Martina Bruder was appointed as member of the Supervisory Board of DEAG to replace the resigning member Christine Novakovic. The entry in the commercial register was made on August 21, 2013.

### **3.8. Report on opportunities and risks**

The Berlin Court of Appeal set aside on May 24, 2013 the appeal of DEAG Deutsche Entertainment AG against the first-instance judgment of the Berlin Regional Court in legal proceedings which had been pending since 2006.

Within the framework of a contribution in kind, DEAG contributed in 2001 the software Ticketplus with a value of EUR 5.0 million to the holding company Qivive GmbH. The valuation of the software was based on an expert report concerning the contribution in kind prepared by the German firm of auditors Deloitte & Touche in December 2000. The expert appointed by the Berlin Regional Court determined in the course of the proceedings an amount of EUR 2.3 million as proper value of the software contributed at that time.

According to the judgment pronounced during the reporting period DEAG had to pay the difference of EUR 4.5 million (including interest and proportionate costs in connection with the legal proceedings) to the administrator of Qivive GmbH i.L. The original claim of the opposite party amounted to around EUR 8.1 million including interest.

A settlement entered into with the opposite party and the recourse claim against the firm of auditors already transferred to DEAG have meanwhile reduced this amount to EUR 2.47 million. This amount is reported as result after taxes from discontinued operations.

Further damages have been asserted and DEAG is confident that it will continue to reduce the amount in a noteworthy manner. Nonetheless these recourse claims are not taken into account in the interim financial statements in accordance with IAS 37.53 as at June 30, 2013.

As for the rest, we refer to the statements in the risk report of the management report and Group management report 2012 (pages 15-20).

### **3.9. Outlook report**

In the further course of 2013 we anticipate on the level of our subsidiaries a continuation of the positive business development of the first half-year. The drivers are the excellent product pipeline and an above-average good booking of the forthcoming tours and shows, more particularly during the fourth quarter.

### **3.10. Forward-looking statements**

In addition to past results, this interim Group management report also includes forward looking statements. These statements possibly deviate from the actual developments occurring.

Berlin, August 30, 2013

DEAG Deutsche Entertainment AG

The Executive Board



Prof. Peter L. H. Schwenkow

Christian Diekmann



**CONSOLIDATED BALANCE SHEET (IFRS)**

	Interim Report	Annual Report	Interim Report
	2013	2012	2012
	as at	as at	as at
<b>Total Assets</b>	<b>30.06.2013</b>	<b>31.12.2012</b>	<b>30.06.2012</b>
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
<b>Current assets</b>			
Liquid funds	29.329	31.597	25.270
Trade receivables	11.558	9.968	6.610
Down payments	13.638	13.483	13.933
Inventories	92	100	84
Other current assets	9.350	6.030	6.071
<b>Current assets</b>	<b>63.967</b>	<b>61.178</b>	<b>51.968</b>
Goodwill	20.395	19.125	19.132
Other intangible assets	9.702	5.563	6.123
Tangible fixed assets	1.505	1.265	946
Investment properties	9.450	9.450	8.200
Investments	759	752	750
Investments in associates	49	50	122
Loans to associated companies	270	227	-
Down payments	243	243	2.130
Other long-term assets	534	654	829
Deferred tax assets	262	489	-
<b>Long-term assets</b>	<b>43.169</b>	<b>37.818</b>	<b>38.232</b>
<b>Total assets</b>	<b>107.136</b>	<b>98.996</b>	<b>90.200</b>
	Interim Report	Annual Report	Interim Report
	2013	2012	2012
	as at	as at	as at
<b>Liabilities and equity</b>	<b>30.06.2013</b>	<b>31.12.2012</b>	<b>30.06.2012</b>
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Bank loans payable	4.924	3.610	4.428
Trade accounts payable	10.845	11.326	5.392
Accruals	12.553	8.293	4.054
Sales accruals and deferrals	25.594	31.037	33.619
Income tax liabilities	1.543	1.017	1.095
Other current liabilities	7.559	4.874	3.772
<b>Current liabilities</b>	<b>63.018</b>	<b>60.157</b>	<b>52.360</b>
Accruals	927	939	495
Bank loans payable	4.754	3.500	-
Other long-term liabilities	-	629	4.018
Deferred taxes	3.116	1.959	2.161
<b>Long-term liabilities</b>	<b>8.797</b>	<b>7.027</b>	<b>6.674</b>
Share capital	13.627	12.388	12.388
Capital reserve	29.799	27.337	27.337
Accumulated deficit	-14.057	-13.285	-14.078
Accumulated other income / loss	-286	-63	152
<b>Equity attributable to DEAG shareholders</b>	<b>29.083</b>	<b>26.377</b>	<b>25.799</b>
Equity attributable to non-controlling interest	6.238	5.435	5.367
<b>Equity</b>	<b>35.321</b>	<b>31.812</b>	<b>31.166</b>
<b>Total liabilities and equity</b>	<b>107.136</b>	<b>98.996</b>	<b>90.200</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Consolidated Income Statement	Interim Report	Interim Report	6 Month Report	6 Month Report
	II/2013	II/2012		
	01.04.2013	01.04.2012	01.01.2013	01.01.2012
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Sales	67.085	38.601	95.623	65.824
Cost of sales	-55.482	-30.159	-76.896	-50.434
<b>Gross profit</b>	<b>11.603</b>	<b>8.442</b>	<b>18.727</b>	<b>15.390</b>
Distribution costs	-4.895	-3.455	-8.027	-6.479
Administration costs	-3.596	-2.583	-6.482	-5.506
Other operating income / expenses	774	521 *	1.007	771 *
<b>Operating result (EBIT)</b>	<b>3.886</b>	<b>2.925</b>	<b>5.225</b>	<b>4.176</b>
Interest income and expenses	-70	-101	-142	-206
Earnings from associated companies	-19	-422	-60	-455
Foreign currency exchange gains / losses	-	- *	-	- *
<b>Financial result</b>	<b>-89</b>	<b>-523</b>	<b>-202</b>	<b>-661</b>
<b>Result before taxes</b>	<b>3.797</b>	<b>2.402</b>	<b>5.023</b>	<b>3.515</b>
Income taxes	-731	-383	-1.080	-592
<b>Result after taxes from continued operations</b>	<b>3.066</b>	<b>2.019</b>	<b>3.943</b>	<b>2.923</b>
<b>Result after taxes from discontinued operations</b>	<b>-2.465</b>	<b>-</b>	<b>-2.465</b>	<b>-</b>
<b>Group result after taxes</b>	<b>601</b>	<b>2.019</b>	<b>1.478</b>	<b>2.923</b>
thereof attributable to non-controlling interest	1.061	629	1.259	1.079
<b>thereof attributable to DEAG shareholders (Group result)</b>	<b>-460</b>	<b>1.390</b>	<b>219</b>	<b>1.844</b>
Earnings per share in EUR (undiluted / diluted)				
from continued operations	0,16	0,11	0,22	0,15
from continued and discontinued operations	-0,04	0,11	0,02	0,15
Average no. of shares outstanding (undiluted / diluted)	12.388.368	12.388.368	12.388.368	12.388.368

Consolidated Statement of Comprehensive Income	II/2013	II/2012	01.01.-30.06.13	01.01.-30.06.12
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Group result after taxes	601	2.019	1.478	2.923
<b>Other result</b>				
(+/-) Differences from exchange rates (independent foreign units)	-125	-89	-364	-21
(+/-) Income tax on other result total	-	-	-	-
Other result after tax	-125	-89	-364	-21
<b>Total result</b>	<b>476</b>	<b>1.930</b>	<b>1.114</b>	<b>2.902</b>
Thereof attributable to				
Non-controlling interest	999	591	1.081	1.072
DEAG shareholders	-523	1.339	33	1.830

\* Reclassification currency result in the Operating income with adjustment of prior year

## SHORTENED CONSOLIDATED CASH FLOW STATEMENT

	Interim Report	Interim Report
	01.01.2013 -30.06.2013	01.01.2012 -30.06.2012
	<u>in EUR '000</u>	<u>in EUR '000</u>
<b>Result from continued operations</b>	<b>3.943</b>	<b>2.923</b>
Depreciation and amortisation	1.196	538
Change in accruals	2.923	-2.414
Changes not affecting payments	198	-571
Deferred taxes (net)	103	178
Result from valuation of affiliated companies	60	455
<b>Cash flow</b>	<b>8.423</b>	<b>1.109</b>
Net interest income	142	191 *
Change in working capital	-11.747	-10.983
<b>Net cash from operating activities (total)</b>	<b>-3.182</b>	<b>-9.683</b>
<b>Net cash from investment activities from continued operations</b>	<b>1.494</b>	<b>-153</b>
<b>Net cash from financial activities (total)</b>	<b>2.242</b>	<b>-103</b>
<b>equivalents</b>	<b>554</b>	<b>-9.939</b>
Effects of exchange rates	-88	-521
<b>Cash and cash equivalents at beginning of Period</b>	<b>28.863</b>	<b>32.994 *</b>
<b>Cash and cash equivalents at end of period</b>	<b>29.329</b>	<b>22.534</b>

\* Adjustment of previous year by cash and cash equivalents with restrictions on disposal (note 42 Annual Report 2012)

### Concolidated Statement of Changes in Equity

	Balance as at	Changes	Balance as at
	31.12.2011	01.01.2012- 30.06.2012	30.06.2012
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Share capital	12.388	-	12.388
Capital reserve	27.337	-	27.337
Accumulated deficit	- 15.426	1.348	- 14.078
Accumulated other income / loss	159	- 7	152
<b>Equity attributable to DEAG shareholders</b>	<b>24.458</b>	<b>1.341</b>	<b>25.799</b>
Equity attributable to non-Controlling interest	5.552	- 185	5.367
<b>Equity</b>	<b><u>30.010</u></b>	<b><u>1.156</u></b>	<b><u>31.166</u></b>

### Concolidated Statement of Changes in Equity

	Balance as at	Changes	Balance as at
	31.12.2012	01.01.2013- 30.06.2013	30.06.2013
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Share capital	12.388	1.239	13.627
Capital reserve	27.337	2.462	29.799
Accumulated deficit	- 13.285	- 772	- 14.057
Accumulated other income / loss	- 63	- 223	- 286
<b>Equity attributable to DEAG shareholders</b>	<b>26.377</b>	<b>2.706</b>	<b>29.083</b>
Equity attributable to non-Controlling interest	5.435	803	6.238
<b>Equity</b>	<b><u>31.812</u></b>	<b><u>3.509</u></b>	<b><u>35.321</u></b>

## **Selected explanatory information**

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

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

The interim consolidated financial statements as at June 30, 2013 do not contain all data and information as presented in the complete annual financial statements. It is recommended to read the interim financial statements together with the consolidated financial statements as at December 31, 2012.

The generally accepted accounting principles, consolidation, currency exchange and accounting and valuation applied in the consolidated financial statements as at December 31, 2012 were maintained without any changes. We refer to the consolidated notes in the annual report 2012 (pages 26-33).

The report is not audited.

### **Equity**

On June 17, 2013 the Executive Board decided, with the consent of the Supervisory Board of June 18, 2013, based on a partial utilization of the authorized capital created on June 28, 2011 to increase the share capital of DEAG from EUR 12,388,983.00 by EUR 1,238,898.00 to EUR 13,627,881.00 by issuing 1,238,898 no par value bearer shares with a proportionate amount of EUR 1.00 per share. The capital increase was carried out to the exclusion of the subscription rights at the price of EUR 3.25.

The capital increase was designed as a combined capital increase through cash and contributions in kind and resulted in gross issuing proceeds of EUR 2.34 million. Against the issuing of the remaining new shares at the lowest issuing amount of EUR 1.00 per share, 55.9% of the shares in Wizard Promotions Konzertagentur GmbH, Frankfurt am Main, were contributed to DEAG.

The capital increase was entered into the commercial register on June 28, 2013. The share capital then amounted to EUR 13,627,881.00.

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

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

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

During the first quarter of fiscal 2013 DEAG acquired a direct stake of 51% in handwerker e. promotion gmbh, Unna, as well as an indirect stake of 51% in Pro Media GmbH.

During the second quarter of fiscal 2013 DEAG acquired a stake of 75.1% in Wizard Promotions Konzertagentur GmbH, Frankfurt am Main.

On June 30, 2013 the purchase price allocations have not yet been completed, since there are still pending reviews in respect of the final balance sheets and the acquired intangible assets. For that reason the mergers cannot yet be finally represented.

## Other information

The Annual Meeting adopted the following resolutions on June 24, 2013:

The balance sheet profit of DEAG Deutsche Entertainment Aktiengesellschaft in the amount of EUR 5,592,756.17 is used for the payment of a dividend of EUR 0.08 per no par value dividend-bearing share (12,388,368) in the amount of EUR 991,069.44, and the amount of EUR 4,601,686.73 is carried forward onto new account.

The members of the Executive Board and of the Supervisory Board are granted discharge for fiscal 2012.

BDO AG, Wirtschaftsprüfungsgesellschaft, Berlin, was appointed as auditor and Group auditor for fiscal 2013.

Other explanatory notes required by IAS 34.15ff are not relevant, of subordinate significance or there have not been any material changes since December 31, 2012.

## Declaration by the Executive Board

We hereby state that, to the best of our knowledge and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, financial and earnings position of the Group and that the interim Group management report includes a fair review of the development, performance and position of the Group, together with a description of the main opportunities and risks associated with the expected development of the Group during the remaining fiscal year.


## Timing and release for publication

The Executive Board of DEAG (registered office: Potsdamer Strasse 58 in 10785 Berlin) has approved these interim consolidated financial statements and the interim Group management report on August 30, 2013.

Berlin, August 30, 2013

DEAG Deutsche Entertainment AG

The Executive Board



Prof. Peter L. H. Schwenkow



Christian Diekmann

## IMPRINT

### **Editing and Coordination**

DEAG Deutsche Entertainment Aktiengesellschaft  
edicto GmbH

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