



DEAG Deutsche Entertainment Aktiengesellschaft
Berlin

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We hereby invite our shareholders
to the Ordinary General Meeting 2014
of DEAG Deutsche Entertainment Aktiengesellschaft (“**Company**”)

at Palisa.de, Palisadenstr. 48, 10243 Berlin,
on Thursday, June 26, 2014, 10.00am.

Agenda

- 1. Submission of the adopted financial statements of the Company and the consolidated financial statements, the combined management report and consolidated management report approved by the Supervisory Board for the Company and the Group, the report of the Supervisory Board and the explanatory report of the Executive Board concerning information in accordance with §§ 289 paras 4 and 5, 315 para 4 German Commercial Code (HGB) for fiscal 2013 in each case.**

The documents submitted in respect of Agenda item 1 can be inspected from the date of the invitation to the General Meeting onwards on the website of the Company under www.deag.de -> Investor Relations -> General Meeting -> 2014. The same applies to the proposal of the Executive Board for the appropriation of the balance sheet profit. The documents will also be available during the General Meeting on June 26, 2014 and will be explained orally. A resolution will not be adopted on this agenda item in accordance with the legal provisions, since the Supervisory Board has already approved the financial statements and consolidated financial statements prepared by the Executive Board in accordance with § 172 German Stock Corporation Act (AktG) so that the financial statements are adopted.

2. Resolution on the appropriation of the company’s 2013 balance sheet profit

The Executive Board and the Supervisory Board propose the following appropriation of the balance sheet profit for fiscal 2013 of EUR 3,792,093.00 as follows:

Payment of a dividend of EUR 0.12 per no par value share entitled to dividends (for 13,627,266 shares entitled to dividends)	EUR 1,635,271.92
<u>Amount carried forward</u>	<u>EUR 2,156,821.08</u>
Balance sheet profit	EUR 3,792,093.00

Until the General Meeting the number of treasury shares held may change. In this case the Executive Board and the Supervisory Board will submit an accordingly adjusted profit proposal to the General Meeting, whereby the amount of the dividend per no par value share will remain unchanged. The

dividend will be due for payment by June 27, 2014. Since the dividend for fiscal 2013 is paid from the tax deposit account within the meaning of § 27 Corporation Tax Act (deposits not contributed to the nominal capital), the payment is made without deduction of capital gains tax and solidarity surcharge. The shareholders are advised to seek advice on the tax treatment of the dividend.

3. Resolution on the formal approval of the activities of the Executive Board for fiscal 2013

The Executive Board and the Supervisory Board propose to formally approve the activities of the members of the Executive Board for fiscal 2013.

4. Resolution on the formal approval of the activities of the Supervisory Board for fiscal 2013

The Executive Board and the Supervisory Board propose to formally approve the activities of the members of the Supervisory Board for fiscal 2013.

5. Resolution on the election of a member of the Supervisory Board

The composition of the Supervisory Board has changed due to the resignation of Mrs Christine Novakovic from the Supervisory Board on August 15, 2013. By resolution dated August 21, 2013, Mrs Martina Bruder was appointed as a member of the Supervisory Board of the company by the Local Court Charlottenburg at the request of the company instead of Mrs Christine Novakovic. The term of the existing members of the Supervisory Board ends at the end of the General Meeting which decides about the formal approval of the activities of the Supervisory Board for fiscal 2016. The Supervisory Board, therefore, proposes to the General Meeting,

to elect Mrs Martina Bruder, resident in Munich and Managing Director of FriendScout 24 GmbH to the Supervisory Board from the end of this General Meeting and for the period until the end of the General Meeting which decides about the formal approval of the activities of the Supervisory Board for fiscal 2016.

Mrs Martina Bruder is a member of the following Supervisory Boards to be set up in accordance with German law as well as comparable domestic and foreign control bodies of companies:

- Member of the Supervisory Board of Interactive Media CCSP GmbH

A short bio of Mrs Martina Bruder is available on www.deag.de -> Investor Relations -> General Meeting -> 2014.

The General Meeting is not bound by election proposals. In accordance with § 96 para 1 AktG (German Stock Corporation Act) in conjunction with § 8 para 1 of the By-laws of the company the Supervisory Board is composed of three members.

6. Resolution on the election of the auditor and the group auditor for the financial statements for fiscal 2014

The Supervisory Board proposes to elect BDO AG, Wirtschaftsprüfungsgesellschaft, Berlin, as external auditor and external group auditor for fiscal 2014.

7. Resolution on the cancellation and re-authorization to issue convertible bonds and/or bonds with warrants and on the creation of Contingent Capital with the possibility of excluding shareholder subscription rights and corresponding amendment to the By-laws

The authorization issued to the Executive Board by resolution of the General Meeting of July 8, 2009 to issue conversion and/or option rights in respect of shares of DEAG Deutsche Entertainment Aktiengesellschaft (hereinafter also referred to as "DEAG") is restricted to five years and expires on July 7, 2014. In order to provide flexibility for the Executive Board in respect of the further corporate development, a new authorization to issue conversion and/or option rights in respect of shares of the company is to be granted and a corresponding Contingent Capital is to be created.

The Executive Board and the Supervisory Board, therefore, propose to adopt the following resolution:

1. Cancellation of the authorization of July 8, 2009

The existing authorization to issue conversion and/or option rights of July 8, 2009 is cancelled with effect from the entry of the Contingent Capital 2014/I insofar as it has not yet been used at the time of this cancellation.

2. Authorization

a. Authorization period, nominal amount, term, authorization period, number of shares

The Executive Board is authorized to issue, with the approval of the Supervisory Board, by June 25, 2019 once or several times convertible bonds and/or bonds with warrants with a total nominal amount of up to EUR 13,600,000.00 (hereinafter jointly referred to as "Bonds") with or without restriction of term. The holders of Bonds may be granted conversion or option rights in respect of up to 6,800,000 no par value bearer shares of DEAG, in accordance with a proportionate share in the share capital of EUR 6,800,000.00 subject to the detailed provisions of the terms and conditions governing the convertible bond or options. The authorization may be used in partial amounts.

The Bonds may exclusively be issued in Euro. The issuing of the Bonds is sub-divided into bearer Bonds enjoying equal rights.

b. Conversion right, conversion obligation

If convertible Bonds are issued, the holders of the Bonds will be granted the right to convert their Bonds subject to the terms and conditions of the convertible Bonds to be fixed to no par value bearer shares of DEAG. The proportionate amount in the share capital of the shares to be issued upon the conversion may not exceed the nominal amount of the convertible Bond. The conversion ratio results from the division of the nominal amount of a Bond by the fixed conversion price for a new no par value bearer share of DEAG. The conversion ratio may also result from the division of the issuing amount of a bond under the nominal amount by the fixed conversion price for a new no par value bearer share of DEAG. It may be rounded off to a conversion ratio with a full number or, if necessary, an additional payment to be made in cash may be fixed. Furthermore, it can be stipulated that fractions are combined or compensated by cash. Moreover, the terms and conditions of the convertible Bonds may establish an obligation of the holder to convert at the end of the term or, if necessary, also at an earlier stage.

c. Option right

If Bonds with warrants are issued, one or more warrants are added to every Bond, entitling the holder to subscribe to no par value bearer shares of DEAG subject to the terms and conditions of the option. The proportionate amount in the share capital of the shares to be subscribed to per Bond may not exceed the nominal amount of the Bond with warrants.

d. Conversion/option price, dilution protection

The conversion and/or option price for a no par value bearer share of DEAG is fixed in Euro. It has to correspond either to at least 80% of the unweighted average price of the closing prices of the shares of DEAG on the 20 calendar days before the day of the resolution about the issue or to at least 80% of the unweighted average price of the shares of DEAG during the subscription period, except for the last four calendar days before the expiration of the subscription period. For the calculation of the unweighted average price, the XETRA closing price of the DEAG shares at the Frankfurt stock exchange is relevant (or the final price determined by a functionally comparable successor system replacing the XETRA system). § 9.1 AktG is not affected.

The conversion or option price may be reduced notwithstanding § 9.1 of the German Stock Corporation Act due to a dilution protection clause, as determined in more detail by the terms and conditions of the convertible Bond or option in a way preserving the value, if the company increases the share capital during the conversion or option period by granting an exclusive subscription right to its shareholders or issues other Bonds and does not grant the holders of existing conversion or option rights a subscription right as they would be entitled to after the exercise of the conversion or option right or the fulfilment of the duty of conversion.

The terms and conditions governing the convertible Bonds or options can also provide for an adjustment of the conversion or option price preserving the value in respect of other measures of the company which can result in a dilution of the value of the conversion or option rights.

The reduction of the conversion or option price may also be brought about by a cash payment of the company as well as an increase in the number of new shares to be granted upon conversion or exercise of the option.

e. Granting of subscription rights, exclusion of subscription rights

Upon the issuing of Bonds, the shareholders have, as a matter of principle, to be granted a right of subscription in respect of the new Bonds. The Bonds are then to be taken over, as a matter of principle, by at least one bank or at least one company operating within the meaning of § 53 para 1 sentence 1 or § 53b para 1 sentence 1 or para 7 of the German Banking Act with the obligation to offer them for subscription to the shareholders.

The Executive Board is, however, empowered, subject to the approval of the Supervisory Board, to exclude the right of the shareholders to subscription at the issuing of Bonds,;

- (1) in order to realize any fractions;
- (2) insofar as it is necessary for the purpose of dilution protection in order to grant the holders of conversion or option rights, which were or are issued by DEAG, a subscription right in respect of new Bonds to the extent they would be entitled to after the exercise of the conversion or option rights or after the fulfilment of the duty of conversion, or

(3) insofar as new shares to be issued by virtue of the conversion or option rights do not exceed a total of 10% of the share capital, neither at the time of effectiveness nor at the time of exercise of this authorization. The following have to be counted towards this restriction to 10% of the share capital:

- shares which are issued during the term of this authorization in accordance with or by analogy to the application of § 186 para 3 sentence 4 German Stock Corporation Act to the exclusion of the subscription right of the shareholders, and
- shares which are issued or have to be issued to service Bonds with conversion or option rights by virtue of other authorizations, if and to the extent that the Bonds are issued during the term of this authorization by corresponding application of § 186 para 3 sentence 4 German Stock Corporation Act to the exclusion of the subscription right of the shareholders.

The exclusion of the subscription right of shareholders in accordance with this No. (3) is only admissible if the issue price of the Bonds does not remain essentially below the latter's theoretical market value determined by application of recognized financial calculations.

f. Authorization to lay down additional terms and conditions for the Bonds

The Executive Board is hereby empowered to lay down, with the approval of the Supervisory Board, the additional detailed terms and conditions for the issuing and features of the Bonds, more particularly the interest rate, the issue price, the conversion and option price, the conversion and option period, the denomination and the term.

3. Contingent Capital 2014/I

The share capital of the company is contingently increased by up to EUR 6,800,000.00 by issuing up to 6,800,000 new shares with entitlement to profits from the commencement of the fiscal year during which the issue is made (Contingent Capital 2014/I). The contingent capital increase serves to secure conversion or option rights (and/or conversion obligations) in respect of conversion bonds and/or Bonds with warrants of DEAG to be issued by June 25, 2019. The contingent capital increase may only be carried out in the event of the issuing of Bonds with conversion or option rights and only to the extent that the holders of the convertible Bonds or the holders of the Bonds with warrants exercise their conversion or option right and/or fulfil their conversion obligation.

The Executive Board is empowered to determine, with the approval of the Supervisory Board, the further details for the implementation of the contingent capital increase.

4. Amendment to the By-laws

Against the backdrop of the foregoing resolutions, § 4.3 of the By-laws is rescinded and amended as follows:

“(3) The share capital is contingently increased by up to EUR 6,800,000.00 (Contingent Capital 2014/I). The contingent capital increase shall only be carried out insofar as the holders of option or conversion rights, which are added pursuant to the authorization of the Executive Board of June 26, 2014 to the convertible Bonds and/or Bonds with warrants to be issued by June 25, 2019, use their right of conversion or option or the holders obliged to convert the convertible bonds to be issued by the company pursuant to the authorization of the General Meeting of June 26, 2014 by June 25, 2019 fulfil their conversion obligation. The new shares shall participate in the profits from the beginning of

the fiscal year in which they are created by exercise of conversion or option rights or fulfilment of conversion obligations. The Executive Board shall be empowered, subject to the approval of the Supervisory Board, to lay down the further details for the implementation of the contingent capital increase.

The Supervisory Board is empowered to amend the version of § 4 of the By-laws depending on the respective use of the Contingent Capital.”

5. Entry in the Commercial Register

The Executive Board is instructed to apply for the entry of this resolution in the Commercial Register in order to ensure that the cancellation of the existing Contingent Capital in accordance with § 4.3 of the By-laws does not become effective without it being replaced by the Contingent Capital 2014/I.

8. Resolution on the cancellation of the 2009 Authorized Capital and authorization to create new Authorized Capital (Authorized Capital 2014/I) with the possibility of excluding shareholder subscription rights and a corresponding amendment to the By-laws

The authorization granted to the Executive Board by resolution of the General Meeting of June 28, 2011 in respect of an Authorized Capital in the amount of EUR 6,194,491.00 was used as a result of the capital increase in the amount of EUR 1,238,898.00 entered in the Commercial Register on June 28, 2013. A further use of the still existing authorization in respect of EUR 4,955,593.00 will probably be made until the date of the General Meeting. The Executive Board decided on May 8, 2014, with the approval of the Supervisory Board, to increase the share capital of the company by up to EUR 2,725,453.00. The determination of the final amount of the capital increase and the entry of the capital increase in the Commercial Register will probably take place at the end of May. The authorization expiring on June 27, 2016 will hence be further reduced up to the General Meeting in accordance with the amount of the capital increase. In order to provide the Executive Board with the highest possible flexibility in respect of the further corporate development, a new Authorized Capital is to be created with the maximum amount admissible according to the applicable laws, which can be used both against cash contributions or contributions in kind.

If the capital increase adopted on May 8, 2014 has been fully subscribed and implemented at the time of the General Meeting, the newly Authorized Capital is to amount to half of the then valid share capital. In this case the Executive Board and the Supervisory Board will propose to the shareholders at the General Meeting to adopt the draft resolution under **Variante A**.

If the capital increase adopted on May 8, 2014 has, however, not been fully subscribed to and implemented at the time of the General Meeting, the amount of the newly Authorized Capital is to amount to half of the share capital applicable at the time of the convening of the General Meeting. In this case the Executive Board and the Supervisory Board will propose to the shareholders at the General Meeting to adopt the draft resolution under **Variante B**.

Variante A

The Executive Board and the Supervisory Board propose to adopt the following:

(1) The existing Authorized Capital 2009 is cancelled in accordance with § 4.4 of the By-laws with effect from the entry of the Authorized Capital 2014/I insofar as it has not yet been used at the time of this cancellation.

(2) The Executive Board is empowered to increase the share capital, with the approval of the Supervisory Board, until June 25, 2019 once or several times by up to a total of EUR 8,176,667.00 by issuing new no par value shares against cash contribution and/or contribution in kind. The shareholders must, as a matter of principle, be granted a right to subscription. The right to subscription can also be granted indirectly to the shareholders in accordance with § 186 para 5 AktG. Furthermore, the Executive Board is empowered to exclude, with the approval of the Supervisory Board, the subscription right of shareholders in the following cases:

- a) for the compensation of fractions;
- b) to issue shares as employee shares to employees of the company;
- c) to obtain contributions in kind, more particularly in the form of companies and parts of companies or other assets;
- d) in the event of capital increases against contributions in cash if the issuing amount of the new shares does not remain essentially below the stock exchange price of the already listed shares at the time of the determination of the issuing amount and the shares issued to the exclusion of the subscription right in accordance with §§ 203 para 1 and 2, 186 para 3 sentence 4 AktG do not exceed a total of 10% of the share capital at the time of the effectiveness of the authorization or – if this value is lower – at the time of the utilization of the authorization. The following have to be counted towards the maximum limit: shares which have been issued or have to be issued to service Bonds with warrants or convertible Bonds if the Bonds are issued to the exclusion of the subscription right by corresponding application of § 186 para 3 sentence 4 AktG as well as treasury shares which have been acquired pursuant to an authorization in accordance with § 71 para 1 No. 8 AktG and have been disposed of to the exclusion of the subscription right of the shareholders in accordance with § 186 para 3 sentence 4 AktG;
- e) as far as necessary in order to grant holders of convertible bonds and/or bonds with warrants issued by the company a right of subscription in respect of new shares to the extent that they would be entitled to this after the exercise of their conversion and/or option right and/or after the fulfilment of conversion obligations.

The Executive Board is empowered to lay down, with the approval of the Supervisory Board, the further details of the capital increase and its implementation, more particularly the content of the share rights and the terms and conditions of the issuing of the shares. The Executive Board is empowered to regulate the profit sharing by deviation from § 60.2 AktG. The Supervisory Board is empowered to amend the By-laws depending on the use of the Authorized Capital.

(3) § 4.4 of the By-laws is reworded as follows:

“The Executive Board is empowered to increase the share capital, with the approval of the Supervisory Board, until June 25, 2019 once or several times by up to a total of EUR 8,176,667.00 by issuing new no par value shares against cash contribution and/or contribution in kind. The shareholders must, as a matter of principle, be granted a right to subscription. The right to subscription can also be granted indirectly to the shareholders in accordance with § 186 para 5 AktG. Furthermore, the Executive Board is empowered to exclude, with the approval of the Supervisory Board, the subscription right of shareholders in the following cases:

- a) for the compensation of fractions;*
- b) to issue shares as employee shares to employees of the company;*

- c) *to obtain contributions in kind, more particularly in the form of companies and parts of companies or other assets;*
- d) *in the event of capital increases against contributions in cash if the issuing amount of the new shares does not remain essentially below the stock exchange price of the already listed shares at the time of the determination of the issuing amount and the shares issued to the exclusion of the subscription right in accordance with §§ 203 para 1 and 2, 186 para 3 sentence 4 AktG do not exceed a total of 10% of the share capital at the time of the effectiveness of the authorization or – if this value is lower – at the time of the utilization of the authorization. The following have to be counted towards the maximum limit: shares which have been issued or have to be issued to service Bonds with warrants or convertible Bonds if the Bonds are issued to the exclusion of the subscription right by corresponding application of § 186 para 3 sentence 4 AktG as well as treasury shares which have been acquired pursuant to an authorization in accordance with § 71 para 1 No. 8 AktG and have been disposed of to the exclusion of the subscription right of the shareholders in accordance with § 186 para 3 sentence 4 AktG;*
- e) *as far as necessary in order to grant holders of convertible bonds and/or bonds with warrants issued by the company a right of subscription in respect of new shares to the extent that they would be entitled to this after the exercise of their conversion and/or option right and/or after the fulfilment of conversion obligations.*

The Executive Board is entitled to lay down, with the approval of the Supervisory Board, the further details of the capital increase and its implementation, more particularly the content of the share rights and the terms and conditions of the issuing of the shares. The Executive Board is empowered to regulate the profit sharing by deviation from § 60.2 AktG. The Supervisory Board is entitled to amend the By-laws depending on the use of the Authorized Capital.“

(4) The Executive Board is instructed to apply for the entry of this resolution in the Commercial Register in such a way that it is ensured that the cancellation of the existing Authorized Capital 2009 does not become effective without it being replaced by the Authorized Capital 2014/I.

Variant B

The Executive Board and the Supervisory Board propose to adopt the following:

(1) The existing Authorized Capital 2009 is cancelled in accordance with § 4.4 of the By-laws with effect from the entry of the Authorized Capital 2014/I insofar as it has not yet been used at the time of this cancellation.

(2) The Executive Board is empowered to increase the share capital, with the approval of the Supervisory Board, until June 25, 2019 once or several times by up to a total of EUR 6,813,940.00 by issuing new no par value shares against cash contribution and/or contribution in kind. The shareholders must, as a matter of principle, be granted a right to subscription. The right to subscription can also be granted indirectly to the shareholders in accordance with § 186 para 5 AktG. Furthermore, the Executive Board is empowered to exclude, with the approval of the Supervisory Board, the subscription right of shareholders in the following cases:

- a) for the compensation of fractions;
- b) to issue shares as employee shares to employees of the company;

- c) to obtain contributions in kind, more particularly in the form of companies and parts of companies or other assets;
- d) in the event of capital increases against contributions in cash if the issuing amount of the new shares does not remain essentially below the stock exchange price of the already listed shares at the time of the determination of the issuing amount and the shares issued to the exclusion of the subscription right in accordance with §§ 203 para 1 and 2, 186 para 3 sentence 4 AktG do not exceed a total of 10% of the share capital at the time of the effectiveness of the authorization or – if this value is lower – at the time of the utilization of the authorization. The following have to be counted towards the maximum limit: shares which have been issued or have to be issued to service Bonds with warrants or convertible Bonds if the Bonds are issued to the exclusion of the subscription right by corresponding application of § 186 para 3 sentence 4 AktG as well as treasury shares which have been acquired pursuant to an authorization in accordance with § 71 para 1 No. 8 AktG and have been disposed of to the exclusion of the subscription right of the shareholders in accordance with § 186 para 3 sentence 4 AktG;
- e) as far as necessary in order to grant holders of convertible bonds and/or bonds with warrants issued by the company a right of subscription in respect of new shares to the extent that they would be entitled to this after the exercise of their conversion and/or option right and/or after the fulfilment of conversion obligations.

The Executive Board is empowered to lay down, with the approval of the Supervisory Board, the further details of the capital increase and its implementation, more particularly the content of the share rights and the terms and conditions of the issuing of the shares. The Executive Board is empowered to regulate the profit sharing by deviation from § 60.2 AktG. The Supervisory Board is empowered to amend the By-laws depending on the use of the Authorized Capital.

(3) § 4.4 of the By-laws is reworded as follows:

“The Executive Board is empowered to increase the share capital, with the approval of the Supervisory Board, until June 25, 2019 once or several times by up to a total of EUR 6,813,940.00 by issuing new no par value shares against cash contribution and/or contribution in kind. The shareholders must, as a matter of principle, be granted a right to subscription. The right to subscription can also be granted indirectly to the shareholders in accordance with § 186 para 5 AktG. Furthermore, the Executive Board is empowered to exclude, with the approval of the Supervisory Board, the subscription right of shareholders in the following cases:

- f) for the compensation of fractions;*
- g) to issue shares as employee shares to employees of the company;*
- h) to obtain contributions in kind, more particularly in the form of companies and parts of companies or other assets;*
- i) in the event of capital increases against contributions in cash if the issuing amount of the new shares does not remain essentially below the stock exchange price of the already listed shares at the time of the determination of the issuing amount and the shares issued to the exclusion of the subscription right in accordance with §§ 203 para 1 and 2, 186 para 3 sentence 4 AktG do not exceed a total of 10% of the share capital at the time of the effectiveness of the authorization or – if this value is lower – at the time of the utilization of the authorization. The following have to be counted towards the maximum limit: shares which have been issued or have to be issued to service Bonds with war-*

warrants or convertible Bonds if the Bonds are issued to the exclusion of the subscription right by corresponding application of § 186 para 3 sentence 4 AktG as well as treasury shares which have been acquired pursuant to an authorization in accordance with § 71 para 1 No. 8 AktG and have been disposed of to the exclusion of the subscription right of the shareholders in accordance with § 186 para 3 sentence 4 AktG;

- j) as far as necessary in order to grant holders of convertible bonds and/or bonds with warrants issued by the company a right of subscription in respect of new shares to the extent that they would be entitled to this after the exercise of their conversion and/or option right and/or after the fulfilment of conversion obligations.*

The Executive Board is entitled to lay down, with the approval of the Supervisory Board, the further details of the capital increase and its implementation, more particularly the content of the share rights and the terms and conditions of the issuing of the shares. The Executive Board is empowered to regulate the profit sharing by deviation from § 60.2 AktG. The Supervisory Board is entitled to amend the By-laws depending on the use of the Authorized Capital.“

- (4) The Executive Board is instructed to apply for the entry of this resolution in the Commercial Register in such a way that it is ensured that the cancellation of the existing Authorized Capital 2009 does not become effective without it being replaced by the Authorized Capital 2014/I.

9. Resolution approving the entering into agreements to amend existing control and profit transfer agreements with subsidiaries

Between DEAG Deutsche Entertainment Aktiengesellschaft as controlling company and subsidiaries in the legal form of a GmbH (German private limited liability company), in which DEAG Deutsche Entertainment Aktiengesellschaft is the sole shareholder, the following control and profit transfer agreements exist:

- (1) Control and profit and loss transfer agreement of August 26, 1998 between DEAG Deutsche Entertainment Aktiengesellschaft and Concert Concept Veranstaltungs-GmbH Berlin,
- (2) Control and profit transfer agreement of November 19, 2002 between DEAG Deutsche Entertainment Aktiengesellschaft and DEAG Concerts GmbH (previously Millennium Entertainment GmbH),
- (3) Control and profit transfer agreement of May 17, 2011 between DEAG Deutsche Entertainment AG and DEAG Music GmbH.

DEAG Deutsche Entertainment Aktiengesellschaft and the subsidiaries involved as contracting party in the control and profit transfer agreements referred to under (1) to (3) (also referred to as “Controlled Companies”) intend to amend the provisions of the afore-mentioned control and profit transfer agreements as far as loss transfer is concerned. The amendments are necessary as a result of the law amending and simplifying corporate taxation and the law governing taxation of travel expenses, which became effective on February 26, 2013. According to this law profit transfer agreements with a GmbH as controlled company must in future include, as a prerequisite to the controlled company status for corporation tax purposes in view of the obligation to take over losses a so-called dynamic reference to § 302 AktG as amended. Further amendments to the control and profit transfer agreements referred to under (1) to (3) are not included in the amendment agreement.

The amendment agreements are in each case to have the following essential content:

- The provisions on loss transfer are amended to the effect that the provisions of § 302 AktG as amended apply *mutatis mutandis*.
- As for the rest, the provisions of the control and profit transfer agreement remain unchanged. The amendment to the provisions governing loss transfer are subject to the proviso of approval by the General Meeting of DEAG Deutsche Entertainment Aktiengesellschaft and the meeting of shareholders of the respectively other contracting party and become effective at the time of the entry of the amendment in the Commercial Register of the respective subsidiary.

The Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft and the Managing Directors of the subsidiaries involved as contracting parties in the agreements to amend the control and profit transfer agreements referred to under (1) to (3) have each made a joint report in accordance with §§ 293 a, 295 para 1 sentence 2 AktG in respect of the agreement to amend the respective control and profit transfer agreement. The joint reports are available together with the other documents to be published in accordance with §§ 293 f para 1, 295 para 1 sentence 2 AktG from the date of the convening of the General Meeting on the Internet under www.deag.de -> Investor Relations -> Annual Meeting -> 2014 as well as for inspection on the premises of DEAG Deutsche Entertainment Aktiengesellschaft, Potsdamer Strasse 58, 10785 Berlin. They will also be made available during the General Meeting.

The Executive Board and the Supervisory Board propose to enter into amendment agreements concerning the control and profit transfer agreements with

- (1) Concert Concept Veranstaltungs-GmbH Berlin,
- (2) DEAG Concerts GmbH (previously Millennium Entertainment GmbH),
- (3) DEAG Music GmbH,

Report of the Executive Board to the General Meeting in accordance with §§ 221 para 4 sentence 2, 186 para 4 sentence 2 AktG on agenda item 7:

The written report of the Executive Board in accordance with § 221 para 4 sentence 2 AktG in conjunction with § 186 para 4 sentence 2 AktG about the exclusion of the subscription right of the shareholders in connection with the adoption of the resolution under agenda item 7 has been fully printed in this invitation and is available on the website of the company from the date of convening onwards. From the date of convening of the General Meeting onwards it is also available on the premises of the company in Potsdamer Strasse 58, 10785 Berlin and during the entire General Meeting for inspection by the shareholders. On request, every shareholder will be sent a copy of the reports free-of-charge.

The draft resolution provides for an authorization to exclude the subscription right which basically exists at the issuing of Bonds for certain purposes referred to in detail in the draft resolution in accordance with the accordingly applicable statutory provisions. From the viewpoint of the Executive Board and the Supervisory Board, this authorization to exclude the subscription right of the shareholders taking into account all circumstances is justified objectively for the following reasons and is appropriate vis a vis the shareholders.

The intended authorization to exclude the subscription right for the realization of fractions allows the presentation of a practicable subscription ratio. Otherwise the handling of the capital measure would be rendered more difficult at the issuing of Bonds with round amounts. Fractions arise if due to the subscription ratio and the amount of an issuing not all new bonds can be issued equally to the shareholders. The costs of a subscription right trade for fractions is in no relation to the benefits for the shareholders. The Bonds without subscription right resulting from the exclusion of subscription rights for free fractions are realized by disposal through the stock exchange (if possible) or otherwise in the best possible manner for the company. The possible dilution effect is low due to the restriction to fractions.

The authorization to exclude subscription rights for the benefit of the holders of convertible Bonds or Bonds with warrants serves the purpose of not reducing the option or conversion price for the already issued option or conversion rights or to avoid an incremental cash payment. The holders of such rights are to be granted a subscription right in respect of the new Bonds to the extent that they would be entitled to after the exercise of their rights, in order to secure dilution protection.

Furthermore, the Executive Board and the Supervisory Board are to be authorized to issue Bonds to the exclusion of the subscription rights for shareholders insofar as the new shares to be issued by virtue of the conversion or option rights do not exceed a total of 10% of the share capital of the company, neither at the time of the effectiveness nor at the time of the exercise of this authorization. In this way the company can utilize favorable stock exchange situations at short notice and achieve the best possible terms and conditions for the features of the Bonds through a determination of the terms and conditions close to the market.

If the subscription right is upheld, this is not possible, because the period of the subscription deadline restricts the possibility to respond to market circumstances at short notice. The uncertainty about the exercise of the subscription rights can, moreover, impair the successful placement of the Bonds with third parties. In addition, the exclusion of the subscription rights offers the company the opportunity to broaden its shareholder basis further by including international investors.

The statutory basis for the exclusion of the subscription right includes §§ 221 para 4 sentence 2, 186 para 3 sentence 4 of the German Stock Corporation Act. These norms are to take into account dilution protection of the shareholder in view of his share ownership. It can be calculated whether such a dilution effect occurs. Based on the Black/Scholes model or other recognized financial calculation methods the hypothetical stock exchange price of the bond can be determined so that a comparison with the issuing price or any dilution effect is established. The issuing price may not remain essentially below the theoretical market value determined by recognized financial calculation methods after the authorization. These provisions are hence the same that apply for a capital increase to the exclusion of the subscription right in accordance with § 186 para 3 sentence 4 German Stock Corporation Act.

The Executive Board and the Supervisory Board will check in each case whether dilution protection is ensured. This can be done by getting an expert report from an investment bank or auditors on the issue of the dilution effect.

The following have to be counted towards this restriction to 10% of the share capital referred to in the authorization by the Executive Board and the Supervisory Board:

- Shares issued during the term of this authorization in accordance with or by corresponding application of § 186 para 3 sentence 4 German Stock Corporation Act to the exclusion of the subscription right of the shareholders and

- Shares which are issued or have to be issued to service Bonds with conversion or option rights pursuant to other authorizations if and to the extent that the Bonds are issued during the term of these authorizations by corresponding application of § 186 para 3 sentence 4 German Stock Corporation Act to the exclusion of the subscription right of the shareholders.

The Contingent Capital is needed in order to service the conversion and option rights in connection with the Bonds.

The conversion or option price for a new share is determined by the Executive Board with the approval of the Supervisory Board taking into account the market conditions at the issuing of Bonds and may not remain below 80% of the unweighted average price stated in the authorization.

Report by the Executive Board to the General Meeting in accordance with §§ 203 para 2 sentence 2, 186 para 4 sentence 2 AktG on item 8 of the agenda

The creation of a new Authorized Capital proposed under agenda item 8 is to allow the Executive Board, with the approval of the Supervisory Board, to respond at short notice to any occurring financing requirements to preserve or widen the equity basis. It is in the interest of the company that it has the widest possible flexibility in terms of corporate financing. The authorization applied for replaces the existing authorization with a largely comparable structure.

The authorization requested under agenda item 8 is to create an Authorized Capital in the amount of EUR 6,813,940.00 for the use of which the shareholders basically have a subscription right. The proposed authorization provides, however, also for the possibility of exclusion of the statutory subscription right of the shareholders.

The exclusion of the subscription right for the compensation of fractions (lit. a)) is required for technical reasons because otherwise a smooth shareholding ratio cannot be brought about. This facilitates the handling of the subscription right of the shareholders.

Insofar as the subscription right to issue employee shares can be excluded (lit. b)), this is carried out within the framework of the goals referred to in § 71 para 1 No. 2 AktG and § 192 para 2 No. 3 AktG, more particularly to tie the employees to the company and motivate them. The issuing amount is determined taking into account the stock exchange price at the time of issuing and considering the interests of the company and the shareholders.

The draft resolution to exclude the subscription right at the acquisition of shareholdings and other companies or parts of companies against shares (lit. c)) is to provide the company with the possibility to have treasury shares available at short notice for the acquisition of companies or shares in companies in the interest of the shareholders without using the stock exchange.

At the exclusion of the subscription right the asset and voting right interests of the shareholders are appropriately secured on the basis of § 186 para 3 sentence 4 AktG if the capital increased against cash contribution does not exceed 10% of the share capital and the issuing price does not remain essentially below the stock exchange price of the shares (lit. d)), since there is a tying to the stock exchange price and the authorization is limited to a total of 10% of the share capital of the company. In this connection the following need to be counted towards the restriction: shares which have been acquired pursuant to an authorization of the General Meeting for the acquisition of treasury shares in accordance with § 71 para 1 No. 8 AktG and have been disposed of to the exclusion of the subscription right in accordance with § 186 para 3 sentence 4 AktG against cash as well as the shares

which have been issued or have to be issued to service convertible Bonds and Bonds with warrants (or conversion obligations) to the exclusion of the subscription right of the shareholders in respect of Bonds by corresponding application of § 186 para 3 sentence 4 AktG. The subscription right is, however, only to be excluded to the extent that the shares cannot be issued by Contingent Capital to the holders of convertible Bonds or Bonds with warrants (or conversion obligations).

Finally, the Executive Board is to be empowered, with the approval of the Supervisory Board, to exclude the subscription right if this is necessary to grant the holders of convertible Bonds and/or Bonds with warrants still to be issued within the framework of dilution protection and a subscription right to the extent as they would be entitled to after the exercise of the conversion and/or option right as shareholders (lit.e)). In this way it can be avoided that in the event of a capital increase carried out during the term of the convertible Bonds and/or Bonds with warrants in respect of which the shareholders are granted a subscription right the conversion and/or option price has to be reduced in accordance with the provisions which are usually stipulated in the terms and conditions of bonds for dilution protection.

Total number of shares and voting rights

The share capital of the Company in the amount of EUR 13,627.881 is sub-divided on the day of invitation to this General Meeting into 13,627.881 no par value bearer shares. Every no par value share grants one vote. The total number of shares and voting rights, therefore, amounts to 13,627.881.

The Company does not have any voting rights based on its treasury shares. At the time of the invitation to the General Meeting, the Company holds 615 treasury shares. The total number of shares entitled to participate and vote therefore amounts at the time of the invitation to the General Meeting to 13,627.266.

Terms and condition of participation

The entitlement to participate in the General Meeting and exercise the voting right exists in accordance with § 16 of the Bye-laws of the Company for shareholders who have registered by submitting proof of their share ownership, issued by a custodian institute, in German or English in text form (§ 126b BGB – German Civil Code) to the registration body designated below:

DEAG Deutsche Entertainment Aktiengesellschaft
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
80637 Munich
Fax No.: (+40) (0) 89 21072 89
Email: meldedaten@haubrock-ce.de

The registration must be submitted to the afore-mentioned registration body of DEAG Deutsche Entertainment Aktiengesellschaft at least six days before the date of the General Meeting, whereby the day of the General Meeting and the day of receipt of the registration are not included, i.e. no later than by the expiration of June 19, 2014, midnight.

In accordance with the statutory provisions, proof of share ownership must be furnished with reference to the 21st day prior to the General Meeting (so-called record date), i.e. June 5, 2014, midnight and must be submitted in German or English language in text form (§ 126b BGB).

The entitlement to participate and the scope of the voting rights will be governed exclusively by the shareholding of the shareholder on the record date. The record date does not involve any blocking in respect of the disposability of the shareholding. Even in the event of a full or partial disposal of the shareholding after the record date, the participation and the scope of voting rights will be exclusively governed by the shareholding of the shareholder on the record date. This applies *mutatis mutandis* to acquisitions after the record date. Persons who do not yet hold any shares on the record date and become only shareholder after that date are only entitled to participate and vote in respect of the shares held by them insofar as they have a power of attorney of the previous shareholder or have themselves empowered in view of the exercise of the corresponding rights.

The shareholders will receive an admission ticket after the registration made with evidence of their shareholding.

Representation of voting rights through proxies

Shareholders entitled to vote and participate can also have their voting right and any other rights exercised in the General Meeting by a proxy, including a bank or an association of shareholders. If the shareholder empowers more than one person, the Company may reject one or more of these persons. The granting of a power of attorney by shareholders present or represented at the General Meeting for present co-shareholders or present shareholder representatives or the proxies exercising voting rights of DEAG Deutsche Entertainment Aktiengesellschaft will likewise be possible.

The granting of a power of attorney and its revocation as well as the proof of a power of attorney vis a vis DEAG Deutsche Entertainment Aktiengesellschaft require the text form (§ 126b BGB). If a power of attorney is granted to banks, associations of shareholders or persons with an equivalent status in accordance with § 135 para 8 AktG or §§ 135 para 10 in conjunction with 125 para 5 AktG, particularities may have to be observed which need to be coordinated with the person for whom the power of attorney is to be granted. Please co-ordinate, therefore, the procedure with these institutions or persons if you want to issue a power of attorney to a bank, an association of shareholders or persons with an equivalent status in accordance with § 135 para 8 AktG or §§ 135 para 10 in conjunction with 125 para 5 AktG.

On the back of the admission card, on request also separately by application to the registration body of DEAG Deutsche Entertainment Aktiengesellschaft mentioned above under the terms and conditions of participation, the shareholders will also receive a form for the granting of a power of attorney for third parties. A proxy form for powers of attorney for third parties is also available on www.deag.de -> Investor Relations -> General Meeting.

The power of attorney can be evidenced through the submission of the evidence of the power of attorney at the entrance checking on the day of the General Meeting or through the prior transmission of evidence of a power of attorney and/or the power of attorney itself by mail, fax or email to the address, fax number and/or email address mentioned above under the terms and conditions of participation. The revocation of a power of attorney already granted can also be declared using the afore-mentioned transmission routes directly vis a vis the Company or by personal appearance at the General Meeting. Evidence of a power of attorney granted at and/or during the General Meeting may be furnished by the shareholder showing the evidence at the exit checking.

Proxies of DEAG Deutsche Entertainment Aktiengesellschaft

DEAG Deutsche Entertainment Aktiengesellschaft wishes to facilitate their personal exercise of rights for shareholders entitled to participate and vote and offers to empower proxies bound by instructions appointed by DEAG Deutsche Entertainment Aktiengesellschaft already prior to the General

Meeting. The shareholders who are entitled to participate and vote who want to grant a power of attorney to the proxies appointed by DEAG Deutsche Entertainment Aktiengesellschaft must have registered in due time. They then receive an admission card to the General Meeting. In order to ensure the receipt of the admission card in due time, the registration should be received as soon as possible by the depositary bank. The proxies will exercise the voting rights of the shareholders in accordance with the express instructions given by them in respect of the individual agenda items.

With the admission card, on request also separately by application to the registration office of DEAG Deutsche Entertainment Aktiengesellschaft mentioned above under the terms and conditions of participation, the shareholders receive a form for the granting of a power of attorney for the proxies of the Company and for instructions of the latter in respect of the different agenda items. The power of attorney and the instructions for the proxies appointed by DEAG Deutsche Entertainment Aktiengesellschaft can be issued in text form (§ 126b BGB) by mail, fax or email to the address, fax number and/or email address mentioned above under the terms and conditions of participation.

DEAG Deutsche Entertainment Aktiengesellschaft will keep the power of attorney for a duration of three years in a verifiable form. Insofar as the proxies appointed by DEAG Deutsche Entertainment Aktiengesellschaft are empowered, they must at all rates receive instructions for the exercise of the voting right. Without these instructions the power of attorney is invalid. The proxies are obliged to vote in accordance with the instructions.

If the proxies appointed by the company receive your power of attorney and instructions via multiple channels, these will be taken into account in the following order: by email, by fax and last the powers of attorney with instructions received in paper form. In the case of powers of attorney that are not granted in a valid form, the proxies will not represent those votes in the general meeting. In the event that instructions are not correctly filled out or are not issued clearly, the proxies bound by instructions will abstain in respect of the relevant agenda items and/or not participate in the vote, depending on the voting procedure. The proxies are not allowed to exercise voting rights in the event of votes not announced prior to the general meeting (e.g. in the case of procedural motions). Depending on the voting procedure, the proxies bound by instructions will abstain in such instances and/or not participate in the voting. This applies *mutatis mutandis* to votes on counter-motions. Instructions of the proxies appointed by the company to make a declaration of objection as well as to submit a motion or question is excluded. If an individual vote takes place on an agenda item, a corresponding instruction applies without additional individual instruction accordingly for each sub-item.

Moreover, we offer shareholders who register in due form and time and attend the general meeting to grant the proxies appointed by the company also a power of attorney to exercise their voting right at the general meeting.

More details on the participation in the General Meeting as well as the granting of a power of attorney and the issuing of instructions will be sent to the shareholders together with the admission card. A form for the granting of a power of attorney and for instructions for the proxies of the Company is also available on www.deag.de -> Investor Relations -> General Meeting -> 2014.

**Rights of the shareholders in accordance with §§ 122 para 2, 126 para 1, 127 and 138 para 1 AktG
Enquiries, motions and proposals for election by shareholders in accordance with §§ 126 para 1
and 127 AktG**

Shareholders may provide DEAG Deutsche Entertainment Aktiengesellschaft with counter motions in respect of a proposal by the Executive Board and Supervisory Board on a specific agenda item and submit proposals for elections. Enquiries, counter motions (§ 126 AktG) and proposals for election (§

127 AktG) by shareholders in respect of a specific agenda item must be sent exclusively to the address mentioned below:

DEAG Deutsche Entertainment Aktiengesellschaft
FAO Mr Daniel Rothhammer
Potsdamer Strasse 58
10785 Berlin
Fax No.: (+49) (0) 3081075619
Email: hauptversammlung@deag.de

Any counter motions sent to a different address will not be taken into account. Counter motions which are received no later than at the end of June 11, 2014 (midnight) under the above-mentioned address, will be made available without delay with reservation as to § 126 paras 2 and 3 AktG including the name of the shareholder and the statement of reasons for all shareholders on the Internet under www.deag.de -> Investor Relations -> General Meeting -> 2014. Any position papers by the management are likewise published under the afore-mentioned Internet address. A counter motion and its statement of reasons do not have to be made available under the conditions of § 126.2 sentence 1 AktG; the statement of reasons of a counter motion does not have to be made available in accordance with § 126.2 sentence 2 AktG if it has a total of more than 5,000 characters.

These provisions apply in accordance with § 127 *mutatis mutandis* to the proposal of a shareholder for the election of members of the Supervisory Board or external auditors. These proposals do not, however, have to be substantiated.

Motions to supplement the agenda in accordance with §§ 122.2 in conjunction with 124.1 sentence 2 AktG

Shareholders whose shares reach together the 20th part of the share capital or the proportionate amount of EUR 500,000 may demand items to be placed on the agenda and made known. The application must be directed in writing to the Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft and must reach DEAG Deutsche Entertainment Aktiengesellschaft no later than with the expiration of May 26, 2014 (midnight). Please send corresponding applications to the following address:

DEAG Deutsche Entertainment Aktiengesellschaft
FAO Mr Daniel Rothhammer
Potsdamer Strasse 58
10785 Berlin

Any requests for supplements received later or under a different address will not be taken into account. The application must be signed by all shareholders who reach together the 20th part of the share capital or the proportionate amount of EUR 500,000. Every new item must be accompanied by a statement of reasons or a draft resolution. The applicants must prove in accordance with §§ 122.1 sentence 3, para 2 sentence 1 in conjunction with 142 para 2 sentence 2 AktG that they have been owners of the shares for at least three months before the date of the General Meeting, i.e. at least since March 23, 2014 and that they hold the shares until the decision of the Executive Board about the application for a supplement.

Right to information in accordance with § 131 para 1 AktG

At the General Meeting every shareholder or representative of a shareholder may demand that the Executive Board informs about matters relating to DEAG Deutsche Entertainment Aktiengesellschaft

insofar as this is necessary for a proper assessment of the subject matter of the agenda. The duty of information also includes the legal and business relationships of DEAG Deutsche Entertainment Aktiengesellschaft with an associated company insofar as the information is necessary for an appropriate assessment of the subject matter of the agenda. Requests for information must basically be made orally during the General Meeting within the framework of the general debate. Under certain circumstances specified in more detail in § 131.3 AktG, the Executive Board may refuse information, e.g. if the information could cause considerable disadvantages to DEAG Deutsche Entertainment Aktiengesellschaft or an associated company in accordance with a reasonable commercial assessment.

More detailed explanations

More detailed explanations of the afore-mentioned shareholder rights in accordance with §§ 122.2, 126.1, 127 and 131.1 AktG can be found on the website of the Company under www.deag.de -> Investor Relations -> General Meeting -> 2014.

Documents for the General Meeting and information in accordance with § 124a AktG

This invitation to the General Meeting, the documents to be made available, motions and proposals of shareholders as well as further information under § 124a AktG will be accessible from the day of this invitation on the website of DEAG Deutsche Entertainment Aktiengesellschaft under www.deag.de -> Investor Relations -> General Meeting -> 2014 and can be downloaded on request. All documents to be made available on statutory grounds to the General Meeting will be available at the General Meeting for inspection.

Sending of information in accordance with § 125 AktG

In accordance with § 15.5 of the Bye-laws of the Company the right of the shareholder to have information transmitted under § 125 AktG is limited to the form of electronic transmission. If a bank cannot transmit the information in accordance with § 125 AktG electronically to the shareholders, the Executive Board has decided to have the information also transmitted in a traditional printed paper form.

Berlin, May 2014
DEAG Deutsche Entertainment Aktiengesellschaft
The Executive Board