DEAG entertainment GROUP

ANNUAL REPORT 2014

AN INTEGRATED ENTERTAINMENT CONTENT COMPANY

DEAG Deutsche Entertainment Aktiengesellschaft
Annual Report 2014

Table of Contents

Foreword by the Chief Executive Officer

Dear Shareholders,

The past fiscal year was a special one for DEAG.
Not only because of the very positive development of the enterprise value, numerous positive changes in our group of shareholders or the further growth of our content but, more particularly, because of the important milestones achieved which we had on our agenda for 2014.

Since 2008 a strategy which has not changed in respect of its core values has accompanied us:
The full implementation of the high-margin distribution business in our value chain, with a simultaneous expansion of our profitable content portfolio and the self-controlled ticket volume. With every additional ticket that we sell with our preferred distribution partner or with our own distribution system, we increase our profitability. Our business model becomes scalable and essentially more efficient.

With this strategy we digitize our business and benefit from the far-reaching changes in our market environment, the continuously changing customer behavior and the growing number of competing ticketing companies. In the same way the constantly growing dependency of the ticketing companies on access to our content brings our company into an increasingly good position.

An advantage of this strategy is certainly that it proved already to be right during the past years. With it we have significantly reduced the volatility of our business, and we have been able to increase visibility as well as profitability. The enterprise value has multiplied. And the potential is far from being exhausted.

As already in 2013 we have been able to implement an external growth step in 2014, too. With Kilimanjaro we have identified a highly attractive company in which we have been able to acquire a 51% stake. Artists such as Ed Sheeran, Madness or Simply Red are important extensions of our portfolio. Altogether we have been able to increase our ticket volume by approximately 400,000 to 500,000 tickets with Kilimanjaro.

We have also grown organically. For instance with Open Airs by the Rolling Stones and Böhse Onkelz. Or in the field of Family Entertainment with a long-term co-operation with Circus Roncalli or Feld Entertainment and Disney on Ice.

Within the framework of this growth process the successfully placed capital increase in the early summer of 2014 was particularly relevant. It served for the financing of the above-mentioned acquisition, the further financing of organic growth and the coverage of possibly necessary investments in connection with the launch of our own, internet-based distribution platform, myticket.de.

Against this backdrop we decided in 2014 to further expand the Open Air and Festival segments. Apart from the Festival formats already presented for years like Rock the Ring, Sonisphere and regularly staged large-scale Open Airs, festivals are to be established in the long-term at further locations. They are attractive platforms because the catalogs of rights held in respect of these formats and the corresponding penetration of exploitation are large because they lead to follow-up business in the tour area and synergies and because the additional tickets result in a further rise in profitability on the level of our own distribution.

However, the probably most significant step – not only in 2014 but rather of the past 10 years – was the launch of myticket.de, DEAG's own distribution platform. This step increases the medium and long-term perspectives exponentially and makes a decisive contribution towards automatizing our value chain.

MyTicket is a ticketing company in the form of a stock corporation with an outstanding unique selling position: It is not exposed to the pressure of other ticket providers to have to convince content companies to use this system for ticket distribution. MyTicket gets highly attractive content from rock to pop, from classical music to middle-of-the-road music, from family entertainment to heavy metal – from its own group. MyTicket is hence always provided with a highly attractive offering for the customers, without any acquisition pressure.

I am particularly pleased that the project “MyTicket” has made such good progress since 2013, that contrary to our original planning we have already been able to go live for the Christmas business instead of 2015. The first month after the launch has fully met our expectations. Exclusively offered content is an absolute business driver and success factor and this very exclusive content is always ensured by DEAG content.

Dear Shareholders,

After an eventful year 2014 I look forward to an exciting new season. The pipeline of the current fiscal year secures a good development for 2015, too. Our Open Airs alone, with the Foo Fighters in St. Gallen, Tote Hosen in Zürich, Ed Sheeran three times at the Wembley Stadium in London, the Open Air tours with Peter Maffay and David Garrett as well as our Festivals with Metallica, Muse and Kiss in Austria, Switzerland and Germany sell around 700,000 tickets.
This is what we target with our strategy: a growing ticket volume, supported by attractive, profitable event content, secures a high-margin distribution business.

I would like to thank you for your trust and your ongoing interest in our development. I would also like to thank, more particularly, our employees for their loyalty, their professionalism and their enthusiasm with which they refine and execute our strategic orientation on a daily basis.

Best regards

Professor Peter L.H. Schwenkow

Report of the Supervisory Board

Dear Shareholders,

During fiscal 2014 the Supervisory Board has dealt on a regular basis in detail with the situation and the development of the company. In accordance with the provisions and recommendations of the German Corporate Governance Code, we have continuously supervised the Executive Board in its management of the company and regularly advised it on questions of corporate leadership. We have at all times been able to convince ourselves of the corresponding lawfulness, expediency and correctness. The Supervisory Board was involved at an early stage and directly in all decisions with fundamental significance for the company. Furthermore, the operational and strategic development of the Group was discussed with the Executive Board.

The Executive Board informed the Supervisory Board on a regular, timely and comprehensive basis in writing and orally about the business development, the planning and the situation of the company, including the risk situation and risk management. Documents with relevance for the adoption of resolutions were made available by the Executive Board in due time prior to the Supervisory Board meetings. Deviations of the business development from plans and defined objectives were explained in detail and the underlying causes were analyzed (follow-up reporting).

The members of the Supervisory Board always had a sufficient opportunity to critically deal with the reports and draft resolutions submitted by the Executive Board and to contribute own suggestions. We have, more particularly, intensely discussed and checked the plausibility of all transactions which were relevant for the company on the basis of written and oral reports by the Executive Board. The Supervisory Board dealt repeatedly in detail with the risk situation of the company, liquidity planning and the equity situation. The Supervisory Board approved individual transactions insofar as this was necessary in accordance with the laws, bylaws or the rules of procedure of the Executive Board.

In fiscal 2014 a total of nine Supervisory Board meetings took place, of which four were physical meetings and five conference calls. All members of the Supervisory Board attended more than half of the meetings. Urgent matters were decided on the basis of resolutions adopted by correspondence. The members of the Executive Board participated in the meetings of the Supervisory Board unless otherwise decided by the Chairman of the Supervisory Board.

Between the Supervisory Board meetings the Chairman of the Supervisory Board had a constant personal dialog with the CEO. He informed the other two members of the Supervisory Board about the current development of the business situation and the material business transactions following these talks.

Focus of the deliberations of the Supervisory Board

At the meeting of the Supervisory Board on March 24, 2014 the financial statements and the consolidated financial statements for fiscal 2013 as well as the combined management report and consolidated management report were discussed in detail with representatives of the independent auditor, BDO AG, Wirtschaftsprüfungsgesellschaft. Furthermore, the Executive Board reported about the current business development and the outlook for 2014.

At the meeting of the Supervisory Board on March 31, 2014 the Supervisory Board adopted the financial statements 2013 of the company audited by BDO AG Wirtschaftsprüfungsgesellschaft and provided with an unqualified audit certificate, which was hence approved. Moreover, the Supervisory Board adopted the consolidated financial statements 2013 of the DEAG Group likewise audited by BDO AG Wirtschaftsprüfungsgesellschaft and provided with an unqualified audit certificate. The proposal submitted by the Executive Board on the use of the balance sheet profit and the payment of a dividend to the shareholders was approved. The report of the Supervisory Board and Corporate Governance report for fiscal 2013 were approved.

On May 8, 2014 the Supervisory Board approved the resolution of the Executive Board on the capital increase under the Authorized Capital 2011/I against cash contribution at a subscription price of EUR 4.90 and the exclusion of the subscription right for fractions as well as the intended acquisition of 51% of the shares in Kilimanjaro Holdings Ltd..

At the Supervisory Board meeting on May 27, 2014 the implementation of the capital increase and the corresponding amendment to the bylaws were adopted. The Executive Board reported on the current business development. The preparations for the ordinary annual meeting were presented.

At the Supervisory Board meeting on June 24, 2014 the status of registrations and the status of voting instructions for the general meeting were discussed. Moreover, the filing of a lawsuit to assert damage claims in connection with the “Qivive” case was decided.

At the Supervisory Board meeting on June 26, 2014, which took place after the general meeting of the company, a debriefing concerning the general meeting took place and the current business development was presented.

At the Supervisory Board meeting on August 28, 2014 the Executive Board reported about the preliminary half-year financial statements as at June 30, 2014 and approved the principle of acquiring or developing an own ticket distribution system.

At the Supervisory Board meeting on October 15, 2014 the report by the Executive Board on the current situation at the Nürburgring and the Green Hell Festival was dealt with. Moreover, the Executive Board reported about the current business development and the Supervisory Board approved the setting up of mytic myticket AG.

At the Supervisory Board meeting on November 26, 2014 the Executive Board presented its report on the quarterly financial statements as at September 30, 2014 and the measures for the implementation of the distribution strategy were discussed. Moreover the financial calendar for fiscal 2015 was approved and the place for the general meeting was determined.

The focus of the meeting of the Supervisory Board on December 11, 2014 was on the reports by the Executive Board on the business development and the forecast for fiscal 2014, as well as the approval of the budget for fiscal 2015. Based on a questionnaire, the efficiency of the activities of the Supervisory Board was audited and discussed and the Declaration of Conformity under the German Corporate Governance Index was made.

Within the framework of written resolutions by correspondence, the conclusion of the cooperation agreement with the Nürburgring and the sale of a 10% stake in Ticketmaster Deutschland Holding GmbH were approved.

The resolutions were adopted in each case on the basis of detailed drafts and discussions with the Executive Board.

Corporate Governance and Declaration of Conformity

The implementation of the recommendations of the new version of the German Corporate Governance Code of June 14, 2014 was discussed at the Supervisory Board meeting on December 11, 2014. On that day the Executive Board and the Supervisory Board made the declaration in accordance with § 161 AktG (German Stock Corporation Act) on the recommendations of the Code. The joint Declaration of Conformity of the Executive Board and the Supervisory Board is permanently available on the website of DEAG on www.deag.de/ir. In the Corporate Governance Report and in the Notes to the Consolidated Financial Statements you will find further information on the implementation of the recommendations of the German Corporate Governance Code.

Composition of the Executive Board and Supervisory Board

Effective January 1, 2014 Mr Detlef Kornett has been appointed as a member of the Executive Board of the company. Mr Kornett is as Chief Marketing Officer (CMO), together with the other two members of the Executive Board, in charge of the marketing activities of the company and is, moreover, in charge, more particularly, of the foreign subsidiaries of the Group. Furthermore, the Supervisory Board adopted a premature extension of the executive board service contract of Christian Diekmann for a period of three years until the year 2018.

The composition of the Supervisory Board has not changed during the reporting period. No committees of the Supervisory Board were set up, since the Supervisory Board includes only three members and all decisions were taken by the body. Conflicts of interest on the Supervisory Board did not occur during the reporting period.

Financial Statements and Consolidated Financial Statements

The Annual Meeting of DEAG elected on June 26, 2014 BDO AG Wirtschaftsprüfungsgesellschaft, Berlin as independent auditor for fiscal 2014. The auditor audited the financial statements 2013 of DEAG Deutsche Entertainment Aktiengesellschaft, the consolidated financial statements 2014 of the DEAG Group and the combined management report and consolidated management report and issued only a qualified audit certificate in each case due to audit impairments. Furthermore, the auditor has assessed the effectiveness of the accounting-related internal controlling system and had no objections.

The financial statements, the consolidated financial statements, the combined management report and the consolidated management report as well as the audit reports by the auditor were available to all members of the Supervisory Board for review and the adoption of a resolution at the meeting on April 30, 2015. The financial documentation was discussed together with the Executive Board and the independent auditor. The auditor reported about the key findings of his audit.

After its final review the Supervisory Board has adopted the financial statements of DEAG Deutsche Entertainment Aktiengesellschaft prepared by the Executive Board for fiscal 2014, which is hence established in accordance with §172 AktG. Furthermore, the Supervisory Board has adopted the consolidated financial statements and the combined management report and consolidated management report of the DEAG Group prepared by the Executive Board for fiscal 2014 and has no objections. In this connection the Supervisory Board dealt intensely with the audit impairment established by the independent auditor for the audit certificates of the consolidated financial statements and the financial statements. After a thorough analysis of the planning of the company and the position of the independent auditor, the Supervisory Board has decided to adopt the financial statements and the consolidated financial statements as well as the combined management report and consolidated management report since the Supervisory Board believes that the planning by the Executive Board is sufficiently conclusive and comprehensible, so that there is no reason for any objections. The proposal by the Executive Board on the appropriation of the balance sheet profit was reviewed and approved by the Supervisory Board taking into account the interests of the company (development of result, financial position) and the shareholders.

We thank the Executive Board, the managing directors as well as all employees of the DEAG Group for the work performed in 2014.

Hamburg, April 30, 2015

For the Supervisory Board

Wolf-D. Gramatke
Chairman of the Supervisory Board

DEAG on the capital market

Despite significant price setbacks which occurred temporarily as a result of the Ukraine crisis as well as signs of a weakening of growth, the German stock exchange market was in 2014 on balance marked by a positive tendency. The German benchmark index Dax exceeded in June for the first time the 10,000 point mark but dropped back to a level of 8,700 in Fall. At the end of the year the DAX recovered to 9,806 points and hence recorded a slight plus of 2.7% in 2014. The second line stock index SDAX had a better development than the DAX; in 2014 it increased on balance by 5.9% to 7,186 points.

With the price gain of 63.7% the DEAG share recorded again a significantly better value development than the SDAX and DAX in 2014: The price development of the DEAG share was marked during the reporting year by a continuous uptrend and moved from EUR 4.289 at the end of 2013 to EUR 7.02 at the end of 2014. Together with the dividend of EUR 0.12 per share paid after the Ordinary General Meeting of June 26, 2014, the annual gain for DEAG shareholders amounted to 63.7%. With the value of the subscription right from the capital increase successfully placed in May 2014, DEAG shareholders even recorded a performance of around 70% in 2014. In early 2015, after the end of the reporting period, the DEAG share continued to increase temporarily up to EUR 8.08 on February 26, 2015.

The market capitalization of DEAG totaled, on the basis of the Xetra closing price on December 30, 2014, around EUR 114.7 million versus EUR 56.6 million during the previous year.

The DEAG share had its annual low already on January 2, 2014 with a closing price of EUR 4.129. Following the significant increase in share price during the year, the annual high was reached on December 11 with EUR 7.30 (in the electronic trading system Xetra in each case). During the full year 2014 the average daily trading volume of the DEAG share rose significantly at all German stock exchanges from 15,378 shares during prior year to 21,553 shares. The percentage of shares traded through Xetra of 75.3% in fiscal 2013 continued to increase to 85.1% in 2014. VEM Aktienbank continues to act as the designated sponsor for the DEAG share. It quotes binding offer/bid prices with a narrow price spread and hence ensures a high liquidity of the DEAG share.

In fiscal 2014 DEAG continued to push its growth course. In order to acquire the majority in the British concert and tour promotor KILIMANJARO LIVE Ltd., London and to finance its further growth, DEAG approved a cash capital increase with subscription right for existing shareholders with a ratio of 5:1 on May 8 during which all newly issued shares were placed. Altogether 2.73 million new shares with a nominal value of EUR 1 per share and a subscription price of EUR 4.90 per share were issued, so that the issuing proceeds amounted to around EUR 13.4 million (gross). The share capital of DEAG increased from EUR 13.6 million to EUR 16.4 million as a result of the successful capital increase.

The additional inflow of cash funds beyond the purchase price for the acquisition of shares also served as support for the strategic flexibility of the Group in view of further investment projects: in November 2014 DEAG was able to announce the launch of its own ticket portal *"myticket.de"*. *Myticket.de* as DEAG's own distribution system for tickets in German-speaking countries opens up a constantly increasing income potential for the company in the medium-term.

The Ordinary General Meeting of DEAG took place in Berlin on June 26. All agenda items were approved by the DEAG shareholders with a significant majority of up to 100%. The meeting decided, more particularly, to increase the dividend per DEAG share by 50%: from EUR 0.08 during the previous year to EUR 0.12 during the reporting year 2014. In this way DEAG shareholders were able to participate once more directly in the company's success.

With DZ Bank AG and Hauck & Aufhäuser the DEAG share is regularly analyzed and assessed by two renowned banks. In the course of fiscal 2014 the two companies repeatedly evaluated the corporate development of DEAG positively in their research comments and studies and have again recommended the DEAG share for buying.

In early March 2015 DZ Bank published its detailed study "The Live Entertainment industry gains in significance" in which it covers the sound development of the German Live Entertainment market and classifies this market with growth potential.

Hauck & Aufhäuser confirmed after a roadshow in Paris in April 2015 once more its positive assessment of the DEAG share and refers in this study to the established core business of DEAG, which will benefit from the growing scalability and the new strategic orientation in the field of ticketing and hence generate further income potential in future.

The price target for the DEAG share is seen by Bankhaus Hauck & Aufhäuser at EUR 10.50 (basis: FCFY 2017e), whereas DZ Bank defines the “fair value” of the share as EUR 8.25.

During the reporting year 2014 DEAG has again communicated transparently and continuously with institutional investors, private investors, analysts as well as with financial and business media. In around 160 one-on-one talks in Germany and in other European countries primarily institutional investors were informed about the current business developments of DEAG. The strategy of DEAG was received positively both in respect of organic growth and strategic acquisitions. Against this backdrop not only several renowned financial media repeatedly recommended the DEAG share for buying but various institutional investors were likewise convinced by the attractiveness of the company.

In February 2014 the fund company Allianz Global Investors reported that its share in voting rights in DEAG exceeded the thresholds of 3 and 5%. During the reporting year Allianz Global Investors successively extended its stake in DEAG and announced on July 1 an exceeding of the threshold of 10% with a DEAG stake of now 11.74%. Moreover, the Dutch Monolith Duitsland B.V. exceeded the thresholds of 3 and 5% of voting rights in June and acquired a stake of 7.39% in DEAG. In addition, Kabouter, LLC from Chicago (USA) reported an exceeding of the threshold of 3% in March and an exceeding of the reporting threshold of 5% in August, with a DEAG stake of now a total of 5.98%. By contrast, Heliad Equity Partners GmbH & Co. KGaA reduced its stake in DEAG during the year from more than 20% at the beginning of the year to 9.67% in November. At present more than 50% of the DEAG shares are held by institutional investors which primarily pursue a long-term and growth or value-oriented investment strategy.

The shares of DEAG are listed in the Prime Standard of the Frankfurt Stock Exchange, the quality segment of Deutsche Börse. Depending on requirements, the company always informs promptly about important events by means of ad-hoc communications or press releases which are published through the known stock exchange portals in Germany and abroad as well as in addition through the corporate DEAG distribution list. In addition, DEAG staged many roadshows in Germany and the European foreign countries in 2014 and participated again in several important capital market conferences such as the German Equity Forum in Frankfurt. In 2015, too, diverse activities are planned in the field of Investor Relations in order to cultivate contacts to existing investors and present the company to potential new investors.

Investors are provided by the Investor Relations page of the DEAG website - www.deag.de/ir - with a comprehensive overview of the current corporate development. Moreover, contact partners are available to interested shareholders by email (deag@edicto.de) and telephone (+49 – 69-90 550 55-2).

Combined Management Report and Group Management Report for fiscal 2014

Background of the Company and the Group

The DEAG Group is an integrated Entertainment Content Group, which focuses on the development of high-margin business units. Approximately 80% of its sales revenues are generated with the production and staging of tours and concerts on the three core markets Germany, Switzerland and the United Kingdom. Furthermore, the DEAG Group is established with Blue Moon Entertainment GmbH in Vienna and is constantly expanding the corresponding business activities. The business portfolio includes several different genres – rock/pop national and international, classical music, middle-of-the-road music and German hit songs as well as shows and family entertainment productions.

The early orientation towards the 360 degree model has resulted in a consistent increase in income sources within the Group. Additional value chains were established with the integration of the record label, the publishing business, sponsoring, product refinement and the merchandise business. In this connection, the high-margin distribution business is particularly important. DEAG, therefore, launched with myticket.de its own ticket distribution during the reporting year and placed the co-operation with Ticketmaster Germany on a new contractual basis. In this connection DEAG sold the 10% stake in Ticketmaster Deutschland Holding GmbH and secured additional income in a seven-digit range.

The Combined Management Report and Group Management Report is in conformity with the German accounting standard DRS 20.

1. Business development

1.1. The Live Entertainment market

The product “Live Entertainment” is a very emotional one, which is characterized, based on experience, by an above-average high decoupling from general economic developments.

This is confirmed by a joint study of bdv and GfK from 2013 on the German event market. It evaluates the market volume for music events in Germany at EUR 2.7 billion; this corresponds to a 16% increase versus 2012. The sales revenue level was only slightly below the record result of 2007 in the amount of EUR 2.8 billion. A similar development was recorded for the numbers of visitors (+9%), ticket prices (+4%) or concert spending (+5%).

In accordance with the study, the live attendance is increasingly heterogeneously distributed between the age groups. The most important role is played by the age group from 40-years onwards which accounts already for two-thirds of the total sales revenues. The sales revenues of young age groups are suffering increasingly from the demographic decline.

The sales revenues development of music events was positive in almost all areas. The sales drivers continue to be above all classical music, opera, operetta as well as hard rock and heavy metal. The most popular genres are rock/pop events (32%), classical music/opera/operetta concerts (26%) as well as musicals (17%), followed by music festivals (12%).

The most important distribution route is for the first time on average and across all entertainment areas the Internet (42%), followed by the advance sales outlets (40%) and telephone ticket reservation (11%).

The record area continues to be marked by an unchanged declining trend: The record sales revenues amounted to EUR 1.35 billion in 2013 versus EUR 1.39 billion in 2012 and EUR 2.65 billion in 1995. Referred to the total spending on the music market, the live market now accounts already for two-thirds of the overall market.

Regardless of the altogether good market development, a differentiated product offering at market-based prices, targeted communication with the end customers as well as optimum distribution routes are essential success drivers.

In 2014 DEAG has again been able to report a good development, extend the profitable growth in its core areas and step-up its good market positioning.

The product portfolio has a broad basis. With a focus on four countries, events and concerts are produced for almost all genres for audiences of almost every age group. The resulting risk diversification prevents specific negative effects.

In particular the business units of the Live Touring segment contributed to the business success in 2014. Extraordinarily positive results were reported by the activities in the fields of Rock/Pop and Family Entertainment, which were able to push organic growth through tours and shows, including with the Rolling Stones, Roncalli's show "Salto vitale" or the dance show "Riverdance".

The product portfolio experienced an additional differentiation through the successful acquisition of the sub-group Kilimanjaro, London/United Kingdom during the fiscal year. As a result of the acquisition of a majority stake, the sales revenues generated in the United Kingdom have significantly increased. In the same way the annual ticket volume marketed by the DEAG Group has continued to rise as a result of the acquisition. Following the co-operation of the new investee with Raymond Gubbay Ltd. – particularly strong in the classical music area – and its other international affiliated companies – with strengths in the Rock/Pop segment – significant synergies in artist marketing, concert purchasing and international presence have been idenfied by DEAG.

The economies of scale generated by organic and external growth have had a positive impact on the purchasing, for instance, of advertising and other services. In addition they lead to the considerable increase of contributions from the distribution business.

The dwindling sales revenues in recent years in the record area and the related growing desire for additional earnings sources in the areas Live, Merchandise and other areas support the position of the DEAG Group which is benefitting from a promising positioning in these fields. The good co-operation with all major labels of the record industry, more particularly with Sony Music Entertainment Germany GmbH in the classical music and in the middle-of-the-road music/German hit songs business of the DEAG Group, confirms this view.

The adopted strategy, including the strengthening of the high-margin areas, the optimal implementation of the 360 degree model, increasing co-operation with national artists and the balanced serving of the international star business in the Rock/Pop area have again confirmed themselves. In parallel, measures which increase the profitability of the business and sound the market with a view to areas with high opportunities have taken effect. This included the significant expansion of Family Entertainment. This orientation which involves a high demand and customer-oriented approach ensures growing independence from the general economic effects and market developments.

1.2. The DEAG Group

The business units of the Live Touring segment reported significant increases in sales revenues and result in 2014. The continuation of the positive business development forecast in 2013 was implemented.

In the field of Rock/Pop, tours such as those of the Rolling Stones, Lady Gaga, Ed Sheeran or Peter Gabriel, which were carried out by Wizard Promotions, the sub-group Kilimanjaro and DEAG Concerts, are some examples which have contributed to the positive result in this field.

Very good contributions to the result were also generated by tours and Open Airs with David Garrett, which strengthened the classical music area together with the shows produced and organized by Raymond Gubbay Ltd., London, Great Britain, including the dance show Anton & Erin and the Classical Spectacular Tour.

A highlight in Family Entertainment and an extraordinary success was the dance show Riverdance; the shows resulted in storms of enthusiasm by the audiences and the media. The positive business development was flanked in this area by the show series Night of the Jumps and the special tour of Circus Roncalli with the show "Salto vitale".

Middle-of-the-road music/German hit songs contributed tours by Andreas Gabalier and Hansi Hinterseer.

The business entities in the Entertainment Services segment experienced a heterogeneous development. Whilst the domestic local Rock/Pop business participated essentially in the handling of the internal group tours – the shows including those with the Rolling Stones are a very good example to illustrate this – and exceeded expectations, the Swiss market remained behind our expectations. This was attributable to the fact that the measures adopted and initiated in view of the adjustment of the structures concerning artist purchasing and administration took only effect with a certain delay in time.

The business at the Jahrhunderthalle Arena was again well ahead of plan because not only rent income from concert events developed positively but also the letting business with annual meetings and works meetings as well as product launches were again particularly positive in 2014.

DEAG also benefits increasingly from the digitization of ticket sales. For this purpose DEAG launched during the reporting year with myticket.de its own ticket distribution and placed the co-operation with Ticketmaster Germany on a new contractual basis.

Within the framework of the distribution strategy and the intention of further scaling the business model, DEAG pursues the ongoing goal, in addition to others, to profitably increase the controlled ticket volume and content. Tools deployed in this respect were, for instance, the organic development of the classical music area, the intensified engagement in the high-margin Family Entertainment or also external growth steps and acquisitions in 2013 as well as 2014.

The capital increase in 2014 was also oriented in a forward-looking manner towards these objectives and served amongst others to permit further organic growth in content. Against this backdrop DEAG decided in 2014 to extend the areas “Open Air” and “Festival” as a further growth step.

Apart from festival formats already presented for years such as Rock the Ring, Sonisphere and regularly staged large Open Airs, festivals are to be established in the long-term at other locations including Gelsenkirchen, Munich and Vienna. They are attractive platforms because the catalog of rights held in respect of these formats and the penetration depth are large, since they involve follow-up business and synergies and because the additional tickets and their own distribution continue to result in a rise in profitability.

The above-mentioned developments have, amongst others, contributed towards the DEAG Group having been able to increase sales revenues in 2014 by 4% to EUR 172.6 million and redord a Group result after minority interests with a slight rise of 4.5% to EUR 1.0 million. Earnings after taxes from discontinued operations amounted to EUR -0.2 million (prior year: EUR -2.6 million).

2. Income, Assets and Financial Position

2.1. Income Position of the Group

During the past fiscal year the DEAG Group generated sales revenues in the amount of EUR 172.6 million versus EUR 165.5 million during the previous year.

The increase is, amongst others, attributable to the first-time consolidation of the activities of the sub-group Kilimanjaro during the reporting year effective May 1, 2014. Furthermore, sales revenues increased more particularly in the field of Rock/Pop. The events with the Rolling Stones and Böhse Onkelz were particular highlights. Sales revenues do not cover the festival events Sonisphere of the investee Twin Peaks. The result of this company is shown in the financial income. The activities in Switzerland had a declining impact on sales revenues. Gross profit of sales in the amount of EUR 36.9 million were achieved (prior year: EUR 36.9 million); this corresponds to a gross margin in the amount of 21% (prior year: 22%).

The costs of sales include valuation allowances in respect of advance payments in the amount of EUR 0.5 million in connection with the rock festivals in 2015.

Selling expenses amounted to EUR 21.5 million and increased in a disproportionately high manner compared to sales revenues; they are EUR 2.2 million higher than during the previous year. This includes the non-capitalizable upfront costs for distribution and marketing.

The administrative expenses amounted to EUR 14.7 million and are almost unchanged versus prior year.

The other operating income iamounted to EUR 5.1 million (prior year: EUR 6.1 million). It concerns primarily the result from changes in respect of the scope of consolidation, income from consulting and services, earnings from lettings and leasing, earnings from the reversal of accruals and other earnings.

The other operating expenses of EUR 1.5 million (prior year: EUR 1.4 million) include, amongst other things, services, value adjustments / risk management as well as other taxes.

The depreciations and amortizations of tangible and intangible assets of EUR 3.2 million include scheduled amortizations of other intangible assets as well as non-recurrent amortizations of orders on hand which were disclosed in connection with the first consolidations (EUR 1.9 million; prior year: EUR 1.4 million). They concern costs of sales of EUR 2.8 million and administrative expenses of EUR 0.4 million.

The EBIT is reported at EUR 4.2 million (prior year: EUR 7.3 million). The EBIT is burdened by by non-cash effects due to consolidation in connection with the recognition of the purchase price allocations (see above) and risk provisioning made during the reporting year in connection with the festival activities of the DEAG Group.

Moreover there are non-capitalizable upfront costs for distribution and marketing. Indicators for the products already in advance sales are the significantly higher deferred revenues. They increased by EUR 37.4 million to EUR 64.6 million.

The financial income amounts to EUR -1.8 million (prior year: EUR -0.8 million). The decline is essentially attributable to the pro-rated result from a joint venture with the Nürburgring concerning the festival “Green Hell Rock” and relates to a write-down of advance payments made during the reporting year (EUR 1.0 million).

The earnings after taxes from discontinued operations includes expenses in connection with the assertion of damage claims (“Qivive” case). They amount to EUR -0.2 million after EUR -2.6 million during the previous year.

The tax expenses dropped to almost zero (prior year: EUR 1.7 million). After the deduction of taxes, earnings after taxes amount to EUR 2.2 million (prior year: EUR 2.2 million).

The Group result after shares of other shareholders increased by 4.5% to EUR 1.0 million. This corresponds to unchanged earnings per share of EUR 0.07.

2.2. Assets position of the Group

The balance sheet total increased significantly versus prior year by EUR 55.9 million or 62.1% to EUR 146.0 million (prior year: EUR 90.1 million).

Current assets rose by EUR 47.7 million to EUR 97.8 million; this includes the significant increase in liquid funds to EUR 54.1 million (prior year: EUR 22.9 million). The increase is attributable in the amount of EUR 41.0 million to a significantly higher advance payment balance versus prior year (prior year: EUR 15.1 million) as well as the capital increase in 2014.

Non-current assets rose by EUR 8.2 million to a total of EUR 48.2 million. The increase was attributable to higher goodwills (EUR +3.0 million), other intangible assets (EUR +3.2 million) as well as shares in associated companies (EUR + 2.7 million). All changes are primarily related to the first-time consolidation of the activities of the sub-group Kilimanjaro during the reporting year.

The real estate held as investment property continues to relate to plots of land around the Jahrhunderthalle Arena in Frankfurt a.M.

Liabilities to banks concern operating credit lines (EUR -0.7 million) as well as acquisition financing (EUR -2.7 million). The latter is related to the purchase price financing for acquisitions of stakes in companies.

Current liabilities increased in line with the assets by EUR 44.9 million to EUR 96.2 million. This is primarily attributable to deferred sales which increased significantly to EUR 64.6 million.

Equity amounts to EUR 44.3 million (prior year: EUR 29.6 million); this corresponds to an equity ratio of 30% (prior year: 33%). The variations in respect of equity are attributable, in addition to the current Group result, to the capital increase carried out during the reporting year as well as dividend payments to shareholders of DEAG and other shareholders.

2.3. Business Development by Segment

DEAG reports in an unchanged segment structure. The latter reflects the strategic orientation the Group in an appropriate and transparent manner:

In the segment Live Touring ("traveling business") the touring business is reported. This includes the activities of the companies DEAG Classics (Berlin), DEAG Concerts (Berlin), KBK Konzert- u. Künstleragentur (Berlin), Manfred Hertlein Veranstaltungs GmbH (Würzburg), Wizard Promotions Konzertagentur (Frankfurt am Main), Grünland Family Entertainment (Berlin), Raymond Gubbay Ltd. (London, United Kingdom), the sub-group Kilimanjaro (London, United Kingdom) as well as The Classical Company (Zurich, Switzerland).

The segment Entertainment Services ("stationary business") covers the regional as well as the entire service business and includes activities of the AIO Group (Glattpark, Switzerland), Global Concerts (Munich), Jahrhunderthalle Kultur (Frankfurt am Main), Concert Concept (Berlin), Grandezza Entertainment (Berlin), River Concerts and Elbklassik (both Hamburg), handwerker promotion e. GmbH (Unna), Blue Moon Entertainment GmbH (Vienna, Austria), mytic myticket (Frankfurt am Main) as well as DEAG Music (Berlin) as music publisher / label.

Explanation on the business development of the segments:

Sales revenues in EUR million	2014	2013	Variation vs. prior year
Live Touring	117.7	71.7	46.0
Entertainment Services	75.3	102.6	-27.3

Segment performance:

Operating result (EBIT) in EUR million	2014	2013	Variation vs. prior year
Live Touring	6.3	2.7	3.6
Entertainment Services	2.3	8.3	-6.0

Live Touring

Sales revenues: The sales revenues in the Live Touring segment of EUR 117.7 million were significantly above the prior year level. The growth in turnover by around 64% involves essentially Rock/Pop. This includes also for the first time the sales revenues of the sub-group Kilimanjaro. They amounted to EUR 22.4 million.

Segment performance: The EBIT has more than doubled versus prior year and now amounts to EUR 6.3 million. The segment benefitted from a very good business development. Tours with top stars such as the Rolling Stones, Lady Gaga, David Garrett and Lenny Kravitz contributed towards the good result.

Entertainment Services

Sales revenues: Sales revenues dropped significantly versus prior year. This development is essentially attributable to the activities in Switzerland. After the expiration of a co-operation agreement on December 31, 2013 the business volume decreased, as expected. Furthermore, the sales revenues of previous years included revenues from Moon & Stars. This business entity was sold during the previous year.

Segment performance: The operation of our arena, Jahrhunderthalle in Frankfurt a. M. as well as the local event business in Germany have made a very positive contribution towards the segment performance. However, a declining development essentially due to the activities in Switzerland could not be prevented. This was due to the fact that the measures adopted and initiated for the adjustment of the structures conc million. The previous year had been burdened by an rextraordinary result in connection with a lost lawsuit concerning the fair value of a contribution in kind (“Qivive” case) in the amount of EUR 2.5 million and capital increase costs in the amount of EUR 0.4 million.

The earnings resulted essentially from service income, commission and licensing fees. Expenses were arising in particular from material costs. The interest result has increased versus prior year by EUR 0.3 million to a total of EUR 0.5 million. Earnings from investments and profit and loss transfer agreements amounted to EUR 5.6 million after EUR 3.5 million during the previous year.

Assets position

The balance sheet total increased from EUR 35.9 million to EUR 47.9 million. The equity of DEAG amounted to EUR 35.6 million (prior year: EUR 21.6 million); this corresponds to an increase in the equity ratio of 14 percentage points to 74%. The variation in respect of equity concerns the annual result, dividend payments as well as the cash capital increase. The latter resulted in a total inflow of EUR 13.4 million, whereby EUR 2.7 million were allocated to the nominal capital and EUR 10.6 million to the capital reserve.

Financial assets decreased following the disposal of an investment to EUR 10.7 million. Receivables from affiliated companies rose due to the takeover of results under existing profit and loss transfer agreements as well as granted financing by EUR 13 million.

The liquid funds amount to EUR 0.5 million after EUR 1.2 million during the previous year. Altogether DEAG can, moreover, rely on financing lines of EUR 19.5 million of which EUR 7.5 million were used on the reporting date.

The liabilities to banks dropped as a result of premature redemptions by EUR 2.6 million and concern operating credit lines as well as acquisition financing. The latter is in connection with a purchase price financing for the acquisition of shares in companies.

The liabilities to affiliated companies increased by EUR 0.6 million on the reporting date.

2.6. Personnel development

The headcount within the DEAG Group amounted on an annual average to 179 versus 284 during the previous year. The change versus prior year results essentially from the discontinuation of the Varieté operations in Stuttgart effective December 31, 2013 as well as the change in employee deployment versus prior year in a subsidiary in connection with the staging of tours. DEAG employed on an annual average 27 people (prior year: 25).

2.7. General assessment

The Executive Board of DEAG considers the economic situation of DEAG and the Group at the time of the preparation of the Combined Management Report and Group Management Report as very good.

However, if the assumptions and estimates in respect of the developing business entities and in particular the festivals staged for the first time in 2015 cannot be reached, additional burdens in terms of earnings and liquidity could arise.

Both the forecasts made in the Outlook Report of the previous year and the forecast published in the course of fiscal 2014 concerning sales revenues and result developments were fulfilled or over-fulfilled. This does not apply to the performance of the sub-group AIO. The underlying reason is that the measures adopted and initiated in view of the adjustment of the structures concerning artist purchasing and administration only took effect with a certain delay in time.

2.8. Compensation Report in accordance with § 289 para 2 No. 5 HBG and § 315 para 2 No. 4 HGB (German Commercial Code)

The Supervisory Board fixes the compensation of the Executive Board. The members of the Executive Board receive variable compensation in addition to fixed compensation.

The bonus payments for the Executive Board are paid for every fiscal year on the basis of targets defined by the Supervisory Board of DEAG, together with the Executive Board. They include both quantitative and individual qualitative elements. Compensation in kind is paid for instance through the provision of a company car and contributions to sickness / care insurance.

The overall compensation of the Executive Board totaled EUR 1.8 million (prior year: EUR 1.7 million) in 2014. Benefits in the amount of EUR 2.4 million (prior year: EUR 1.2 million) were paid during the reported period. These include compensations for activities on the Board of subsidiaries included in the consolidated financial statements (kEUR 152, prior year: kEUR 92); during the reporting year kEUR 136 (prior year: kEUR 76) were accounted for by the CEO. As far as the benefits paid are concerned, they include variable compensation components of EUR 0.5 million which were included in other provisions during the previous year and were paid for fiscal 2013.

The compensation of the Supervisory Board is governed by the provisions of the by-laws. The corresponding provisions were revised by the General Meeting on June 14, 2007 by an amendment to the by-laws. The compensation of the Supervisory Board includes a fixed (EUR 9,500) and a variable amount. The variable amount depends on the consolidated EBIT; it amounts to EUR 1,000 per full amount of EUR 1 million of the consolidated EBIT exceeding 15% of the nominal capital, capped at EUR 9,500 per year. The chairman of the Supervisory Board is paid the triple amount of the compensation and his deputies the double amount. Furthermore, all expenses of the members of the Supervisory Board are refunded, and they are reimbursed any VAT which may be payable on their compensation and expenses.

2.9. Explanatory Report of the Executive Board in accordance with § 289 para 4 HGB and § 315 para 4 HGB (German Commercial Code)

The subscribed capital amounted to EUR 13,353,334.00 as at December 31, 2014. It consists exclusively of no-par value bearer shares with an arithmetical share in the share capital of EUR 1.00 per share. There are no different share categories or shares with special rights that grant control rights. Nor are there any restrictions under the by-laws which would affect the voting rights or the transfer of shares. The Executive Board is not aware of any agreements to that effect between shareholders.

The service contracts for the members of the Executive Board include each a possibility for the benefit of the members of the Executive Board to give notice in the event of a change in owner.

The CEO, Prof. Peter L. H. Schwenkow, Berlin, controls directly more than 7% of the shares and hence of the voting rights of the company. Allianz Global Investors controls indirectly and directly more than 10%, Plutus Holdings 2 Limited controls directly more than 10% of the shares of the company. Any employees who have a shareholding in the capital exercise their voting rights directly.

The Executive Board is appointed by the Supervisory Board in accordance with § 84 AktG (German Stock Corporation Act). The number of Executive Board members is determined by the Supervisory Board which also determines the term of the Executive Board mandates. The Supervisory Board is entitled to decide on amendments to the by-laws which only relate to their version. As for the rest, the Executive Board is entitled to issue, with the consent of the Supervisory Board, new shares once or several times from the authorized capital decided by the General Meeting and the conditional capital decided by the General Meeting and hence to increase the share capital of the company.

The share capital of the company was conditionally increased by resolution of the General Meeting on June 26, 2014 by an amount of EUR 6,800,000.00 (Conditional Capital 2014/I).

A contingent capital increase may only be carried out to the extent that the holders of option and conversion rights which are added by virtue of the empowerment of the Executive Board of

June 26, 2014 to the convertible bonds and / or bonds with warrants issued by the company until June 25, 2019, exercise their conversion or option right or holders that are obliged to convert the convertible bonds to be issued by the company by virtue of the resolution of empowerment of the General meeting of June 26, 2014 until June 25, 2019 meet their obligation to convert. The new shares participate in the profit from the beginning of the fiscal year during which they originate from the exercise of conversion and option rights or from the fulfillment of the obligation to convert. The Executive Board is empowered to define, subject to the approval of the Supervisory Board, the further details of the implementation of the contingent capital increase.

No use was made of this empowerment after the reporting date.

The resolution about the contingent capital (2014/I) was entered in the Commercial Register on September 9, 2014.

The contingent capital (2009/I) adopted on July 8, 2009 was rescinded and is no longer available.

Authorized Capital
The Ordinary General Meeting has created new authorized capital on June 28, 2011 and cancelled the previously unused authorized capital. The Executive Board has been empowered to increase, with the approval of the Supervisory Board, the subscribed capital by June 27, 2016 by a total of EUR 6,194,491.00 (Authorized Capital 2011/I).

The resolution concerning the Authorized Capital (2011/I) was entered in the commercial register on July 22, 2011. After a partial use, the authorized capital (2011/I) still amounts to EUR 4,955,593.00.

On May 8, 2014 the Executive Board decided with the approval of the Supervisory Board by partially using the authorized capital created on June 28, 2011 to increase the share capital of DEAG from EUR 13,627,881.00 by EUR 2,725,453.00 to EUR 16,353,334 by issuing 2,725,453 no par value bearer shares with a proportionate amount of EUR 1.00 per share. The capital increase was made through the granting of rights of subscription.

The capital increase was entered in the commercial register on May 27, 2014.

The authorized capital (2011/I) still amounted to EUR 2,230,140.00 after partial use.

The Ordinary General Meeting has created new authorized capital on June 26, 2014 by rescinding the unused authorized capital (authorized capital 2011/I). The Executive Board was empowered to increase the share capital with the consent of the Supervisory Board by June 25, 2019 by a total of EUR 8,176,667.00 (authorized capital 2014/I).

The resolution about the authorized capital 2014/I was entered in the commercial register on September 9, 2014.

Purchase of treasury shares (§ 71 para 1 no. 8 AktG – German Stock Corporation Act)

By resolution of the General Meeting of July 7, 2010 DEAG is, moreover, empowered in accordance with § 71 para 1 No. 8 AktG (German Stock Corporation Act) to acquire treasury shares, with the consent of the Supervisory Board, in an amount of up to 10% of the share capital at the time of the adoption of the resolution until July 6, 2015. The corresponding decision has to be taken by the Executive Board. An acquisition of this kind may only be carried out through the stock exchange or by means of a public offering addressed to all shareholders. This empowerment has not been exercised so far. On December 31, 2014 the company held 615 treasury shares.

Compensation agreements of the company with members of the Executive Board or employees in the event of a takeover bid exist in three cases. We refer to the information in the Notes to the Consolidated Financial Statements in that respect.

2.10. Declaration on Corporate Governance in accordance with § 289 a para 2 HGB (German Commercial Code)

2.10.1. Executive Management by the Executive Board

The Executive Board of DEAG manages the company under its own responsibility and represents DEAG in transactions with third parties. The Executive Board is strictly separated from the Supervisory Board in terms of its members. No member of the Executive Board may at the same time serve as a member of the Supervisory Board. The Executive Board defines the corporate goals and the strategic orientation of the DEAG Group. It steers and supervises the business units of the DEAG Group by planning and defining of the corporate budgets, the allocation of financial resources and management capacities, the support and decision in respect of essential individual measures and the control of operating management. Its actions and decisions are governed by the company's interest. It is committed to the goal of a sustainable increase in the enterprise value.

The Executive Board takes its decisions on the basis of the applicable laws, the by-laws of DEAG and the rules of procedure of the Executive Board, basically with a simple majority. In the event of a tie, the CEO has the casting vote. The CEO does not have a right to veto resolutions by the Executive Board. As for the rest, every member of the Executive Board is authorized individually to take decisions in respect of the functions attributed to him.

The Executive Board regularly reports to the Supervisory Board in a prompt and comprehensive manner about all the relevant questions concerning the company in terms of planning, business development, risk position and risk management, and co-ordinates the strategic orientation of the company with the Supervisory Board. For certain transactions defined in the by-laws and the rules of procedure of DEAG, the Executive Board must obtain the approval of the Supervisory Board before they are conducted.

2.10.2. Report of the Supervisory Board

The report of the Supervisory Board is published together with this Management Report.

2.10.3. Declaration of Conformity in accordance with § 161 AktG (German Stock Corporation Act)

The Executive Board and the Supervisory Board of DEAG have made the declaration of conformity in respect of the recommendations of the Government Commission German Corporate Governance Code on December 12, 2013 and have made the declaration permanently available to shareholders. The full text of the declaration is published on the company's website (www.deag.de/ir).

3. Supplementary Report

DEAG terminated the joint execution of the Festival event "The Ring – Green Hell Rock" at Nürburgring due to a breach of contract by capricon NÜRBURGRING GmbH (CNG), announced for 2015, on April 1, 2015 and decided to relocate the event as "ROCK IM REVIER" to the Veltins Arena in Gelsenkirchen. DEAG currently asserts damages in this respect.

The events in Munich and Vienna are not affected by the developments at the Nürburgring.

Concernin further current developments in respect of the festivals, we refer to Section 4.4 Financial Obligations.

From the Executive Board's point of view, no material events took place between January 1, 2015 and the date of publication of this Management Report.

4. Report on Opportunities and Risks

In accordance with § 91.2 AktG, the Executive Board is obliged to take appropriate measures and introduce a monitoring system in order to discover at an early stage any developments that may jeopardize the continued existence of the company and the Group. Risks are an inherent part of entrepreneurial actions. This requires recognizing, evaluating and reporting strategic and operative risks.

At the same time DEAG and the DEAG Group are permanently exposed to a number of common market and business risks as well as further specific risks connected to the sector, since it is a very volatile business.

DEAG and the DEAG Group have set up a monitoring system for an early detection of any developments that could jeopardize the continued existence of the company and the Group. The monitoring of business activities with a view to the early detection of any potential jeopardizing risks is mainly done by the Executive Board and Corporate Controlling at the HQ. The risk management system focuses on liquidity planning, project calculations and supervision of the advance booking numbers of all operational subsidiaries as well as the ongoing forecast of the income position of the individual companies and the Group. The Group is controlled via the ratios sales revenues and EBIT. The identified risks are checked during the year on a regular basis with the business unit heads with the objective of remedying existing risks or minimizing them. Within the framework of this process, the opportunities and risks are identified, quantified together with the Executive Board and the executive management bodies of the subsidiaries, and control measures are defined which are regularly reviewed and adjusted, if necessary.

For the individual business units, forecasts and plan/actual comparisons are conducted on a regular basis. On a business unit level, pre and post-calculations are prepared for projects. The break-even capacity utilization is the most important controlling factor whose achievement is monitored through a regular scan of the advance booking numbers. Liquidity planning is regularly prepared for all material business units of the Group. Following the transfer of accounting to the holding company and / or through a standardized exchange of information with subsidiaries, the Executive Board is regularly informed about the income, assets and financial position.

The Group risk management is the responsibility of the Central Finance function of DEAG. It makes available the tools and processes as well as the know-how which are necessary for risk management purposes.

The preparation of the separate financial statements – including those of the holding company – based on the respective national law, is the responsibility of the executive management bodies. The accountants of the individual companies – including those of the holding company – are supervised and supported in technical terms by the Head of Finance and Accounting and the CFO at the HQ. Third-party experts are called in on special issues. Their expert reports are checked by the HQ and the results are then applied on the level of the accounting departments of the individual companies concerned.

The preparation of the consolidated financial statements in accordance with IFRS is carried out by the Accounting Department of the parent company, which also defines the essential processes and deadlines. For co-ordination within the Group and other closing activities, binding instructions have been issued.

For the purpose of representing the accounting transactions in the separate financial statements and in the preparation of the consolidated financial statements, standard software is used with the respective access authorizations for the persons involved being clearly regulated.

A segregation of duties and the four-eye principle are consistently applied to all processes in accounting. Wherever there could be control gaps because of the small size of a unit, these functions are exercised by skilled staff from other units.

As a result of the internal control system in financial reporting, these principles are continuously supervised. The material risks of the DEAG Group in terms of a reliable control environment and proper financial reporting are centrally recorded in a risk catalog. The latter is reviewed and updated on an annual basis by the Head of Finance and Accounting and the CFO.

In accordance with the provisions of the German Commercial Code, we are obliged to point out the risks and opportunities involved in the future development. This combined Management Report and Group Management Report as well as further information on the fiscal year include forward looking statements and estimates which involve risks which might entail variations of the actual results from our expectations.

4.1. Market / Competition

The DEAG Group operates in a market characterized by stiff competition. We endeavor to identify changes on the market at an early stage and to respond to them. Nonetheless, the market environment can change in a surprising manner which could involve risks for the business operations of the Group. This applies, for instance, to changes in the leisure and consumption behavior which could have an adverse influence on ticket sales in Live Entertainment. The business operations of the DEAG Group currently depend to a large extent on ticket sales.

Moreover, the framework conditions for the availability of artists who correspond to the taste of the audiences might change and new, strong suppliers could enter the market and hence compete with the DEAG Group.

Furthermore, business success, more particularly, in the Rock/Pop business line, depends on the extent to which the subsidiaries of DEAG succeed in countering the increasing fee demands of artists. As a result of the decline in the sales revenues from recorded music, the significance of promoters grows, so that their negotiation position is improved.

The business operations of the DEAG Group are also determined by the availability of corresponding venues. With Jahrhunderthalle in Frankfurt a.M., which is owned by Concert Concept, DEAG can use a venue without restrictions. The other venues are rented for the respective event. If it is no longer possible to use the different venues, this can have an adverse impact on the Group's business.

In addition, there is a dependency on artists, agents, producers and other industry players regarding existing business relations and also the establishment of new business relations.

The availability of distribution channels and more particularly advance booking systems is another factor which has a major impact on business success. During the reporting year DEAG has restructured its distribution activities and launched in this connection with myticket.de its own ticket distribution, and at the same time it placed co-operation with Ticketmaster Germany on a new contractual basis. In this way the foundation was laid for handling a large part of the entire ticketing volume through these two distribution routes.

Furthermore, the development of the Group’s business is influenced by the extent to which it can recruit and keep qualified staff and industry insiders within the company or to compensate the know-how if they leave. This applies, more particularly, to the entertainment industry which is heavily dependent on the relations and contacts of individual persons. In this connection the Executive Board members of the holding company and the managing directors of the subsidiaries and investees play a particularly important role. Business success in the Rock / Pop business line depends on the ongoing successful integration of the investees acquired in Germany as well as possibly other acquisitions. In the Classical Music business line, the further business success depends on the extent to which established top stars can be retained in the medium and long term and new promising talents can supplement them. The Group meets this risk with a broadly based portfolio of artists.

The DEAG Group has taken out various insurances. Such insurances are to cover risks in connection with the business activities, more particularly related to the organization and cancellation of concerts and other events. The risk of having to cancel concerts and other events at short notice, because the respective artist does not or cannot perform, has to be pointed out. If a subsidiary included in the consolidated financial statements does not hold or holds insufficient insurance coverage in such a case or in connection with other damaging events, liabilities arising from such a damaging event can have a material impact on the income, assets and financial position of this company.

4.2. Evaluation of Goodwill and other Intangible Assets

Given the above-mentioned imponderables of the DEAG Group's operating business, further write-downs of goodwill and / or financial investments as well as of the other intangible assets of the Group reported within the framework of purchase price allocations cannot be excluded, if the actual results of the subsidiaries deviate from expectations. This applies to both existing and possibly newly added goodwill from further company acquisitions. For the goodwill of each cash generating unit of the Group, impairment tests are carried out.

Within the Group, part of the delta between the purchasing price and the paid-off equity of the shares of companies acquired is allocated to order book as well as to artists and agents relations. This part is regularly written down.

4.3. Real Estate held as Financial Investment Property

Under "Real estate held as financial investment property" the company shows in its balance sheet parts of plots of land around the Frankfurt Jahrhunderthalle to be sold and / or to be built on. An independent expert reaches an unchanged value indication of EUR 8.35 million for the plots of land around the Jahrhunderthalle arena in Frankfurt a.M., including the deduction of safety margins for non-secured developability.

In connection with the implementation of information provided as a result of the review of the consolidated financial statements as at December 31, 2012 by the German Financial Reporting Enforcement Panel (DPR), the original valuation of the real estate held as financial investment concerning the allocation of partial areas for the past was again reviewed. Any resulting adjustments were made through an error correction of the 2012 consolidated financial statements in accordance with IAS 8.42.

The purchase and sale contracts entered into in the past for two partial plots of plant subject to a condition precedent have not yet been executed. At present there are negotiations concerning the adjustment of the original purchase prices. At the same time potential investors have declared their interest in acquiring and/or developing the plots of land. The building permit for all partial areas is still pending. Due to the ongoing development (discussion about building plots to be newly identified in connection with the necessary creation of infrastructure facilities; an expert report commissioned by the urban planning department concerning the assessment of the Seveso issues) and the improved starting position (relocation of the chlorine production to the southern area of the industry park in late 2012/early 2013), the realization opportunities for all plots of land available for development have continued to increase in the course of 2014. Nonetheless there is still legal uncertainty since the plots of land to be assessed cannot be unequivocally classified as developable land because there is currently no established building right. For all plots of land there is currently no local development plan being elaborated and the existing local development plan does not continue to be processed. Whether and when the activities in view of developability will be resumed is still unclear. For this reason an assessment as developable land was made in general for all plots of land to be valued (exception: open spaces) on the balance sheet date. The framework conditions with different complexities are taken into account by differentiated deductions.

The building permit has not yet been issued. If developability is not permitted as planned or if the estimated prices per square meter will be reduced for other reasons, there is a risk of a material impairment which has negative effects for the assets and income position of the company.

4.4. Financial Obligations

The financing of the operating business depends on the ability of the companies of the DEAG Group to generate enough cash flow in a volatile business and / or to tap external financing sources (third-party capital or equity).

DEAG has, therefore, agreed with four principal banks comprehensive framework lines without further limitation of terms, which can be maintained for purposes of acquisition financing (EUR 6.0 million) pre-financing of tour and concert events (EUR 6.0 million) as well as the current business (EUR 8 million). EUR 0.5 million of the latter are accounted for by a subsidiary. The framework lines were used on the balance sheet date in the amount of EUR 2.7 million, EUR 0.9 million and EUR 4.8 million, respectively.

An amortizing loan existing in the previous year (with value date December 31, 2013 in the amount of EUR 3.2 million) was redeemed prematurely during the reporting year.

The ongoing interest payment of the different drawings and utilizations is based on the one hand on the general EURIBOR development and on the other hand on agreed relations concerning the statement of financial position and earnings (financial covenants) which can lead to an increase or reduction in interest payments. The financial and non-financial covenants to banks are permanently monitored.

The respective financing terms and conditions reflect the favorable market level as well as the very good rating of DEAG. The framework lines may be terminated on the basis of the standard terms and conditions if the assets, finance and income position of the DEAG Group worsens sustainably compared to the time of the respective granting.

During the reporting year DEAG has decided to further expand the area Open Air and Festival and push organic growth. DEAG organizes large-scale events amongst others in Gelsenkirchen (see Section 3. Supplementary report), Munich, Vienna and in Switzerland. It is planned to continue the festivals every year and to tap positive synergy effects in the segment Live Touring and the own ticket distribution. Success drivers for the Open Airs and Festivals of DEAG are attractive locations in conjunction with just as attractive artists. In this connection DEAG usually takes over commitments in respect of fee payments and must make advance payments in terms of liquidity if there are temporary differences between the disbursements and payments from ticket sales. DEAG depends in view of the refinancing of advance payments to a large extent on successful ticket sales since the upfront costs would otherwise have to be covered by other sources.

The risks foreseeable on December 31, 2014 are covered in the consolidated financial statements by valuation allowances in respect of the assets. Due to current forecasts it cannot be excluded that additional non-capitalizable upfront investments not yet covered by valuation allowances will be necessary during the first year.

If the actual sales revenues and the associated actual inflows from ticket sales for the Festivals were significantly deviating from the forecasts, a shorage of liquidity might occur and DEAG might have to rely on the use of additional financing sources (third party or own funds). If this did not succeed to a sufficient extent, the continued existence of the company and the Group would be at risk.

4.5. Financial Instruments

In terms of its assets, liabilities and within the operating business, the DEAG Group is subject to interests, exchange rates, credit worthiness and liquidity risks.

Part of the interest payments for the loans raised by the Group are paid directly on a EURIBOR basis. Hence, some of the capital costs are partially subject to an interest rate change risk. The Executive Board estimates that, given the current interest development, the risk for DEAG and the Group is low, so that during the reporting year, no interest hedging was made.

Payments to artists, orchestras, show productions etc. are partly made on a USD basis and are hence subject to an exchange rate risk vis a vis the euro and / or CHF or GBP. The same applies to dividend payments of foreign subsidiaries which are made in CHF and GBP. The company proceeds on a regular basis to sensitivity analyses in order to anticipate the impact of currency fluctuations and to assess whether exchange rate hedging transactions are advantageous. During the reporting period exchange rate hedging transactions were carried out so that the negative impact of the current price developments was significantly restricted.

As far as receivables from business partners are concerned, DEAG and the DEAG Group are dependent on their continued existence as well as their credit worthiness and hence solvency. In view of risk reduction active receivables management is carried out. In addition, payments on account are agreed upon. During the reporting period precautionary measures were taken through valuation allowances in respect of individual receivables.

Possible liquidity risks are covered by short and medium-term planning. Financial management has to secure the servicing of all liabilities in due time. Furthermore, compliance with financial and non-financial covenants vis a vis banks is supervised on an ongoing basis. The company has both non-current and current credit relationships.

The stock of original financial instruments is reported in the balance sheet; the amount of financial assets corresponds to the maximum default risk. Any default risks identifiable for the financial assets are covered by valuation allowances.

4.6. Tax Risks

For the holding and its main subsidiaries DEAG has established a risk management system. It includes measures for the recording, evaluation and reduction of potential tax risks. In the event of special topics, experts are called in. The expert reports are reviewed by the headquarter and the results are then taken into account accordingly.

For sufficiently concrete, assessable tax risks whose probability of occurrence is essentially likely, existing tax credits were reduced or corresponding provisions were recognized as liabilities.

Moreover, further payment obligations might result from future tax audits whose amount cannot be estimated with a sufficient reliability.

4.7. Legal Proceedings

Insofar as risks can be identified in respect of active and passive legal proceedings, these risks are covered in the financial statements on the one hand by value adjustments in respect of assets and on the other hand, by provisions.

4.8. Holding Structure

The company itself has almost no operating business but acts as a holding of the DEAG Group. At present the assets of the company primarily consist of the shares in its operating subsidiaries. The company is associated with the latter partly through control and profit and loss transfer agreements. The company itself is, therefore, dependent in terms of its own income on the operating companies of the DEAG Group generating profits and transferring them to it. On the other hand, the company has obligations vis a vis the investees linked to it through control and profit and loss transfer agreements to offset any losses possibly incurred by these companies. This may lead to significant adverse effects on the assets, financial and income position of the company.

In order to avoid and / or minimize these risks, the company operates a risk management system on a Group level which includes all subsidiaries (see 4. Opportunities and Risk Report). As a result of this risk management system, the opportunities and risks are recorded, evaluated on a Group level, control measures are defined and monitored and a uniform Group accounting process is ensured.

4.9. Opportunities

The DEAG Group continues to anticipate a successful course of business in 2014 and during the coming years. With its broadly based portfolio, the Group is able to respond flexibly to changes in trend. Moreover, the company sees opportunities for an extremely good business development in the following areas.

- As a result of the alliance with Sony Music Entertainment Germany GmbH there are further possibilities for the acquisition of artists both in the Classical Music and in the Rock / Pop areas.

- The DEAG Group is increasingly in a position to act as a contracting partner for artists and agents as well as promoters of tours and show projects for the so-called G/S/A countries, i.e. Germany, Switzerland and Austria. The resulting synergies and economies of scale are to make the business, more particularly in Switzerland (in combination with an adjusted cost structure), more profitable and provide additional opportunities. For 2015 promising Open Airs and Shows have been contractually agreed withFoo Fighters, Tote Hosen and Muse, amongst others.

- With the open airs by Peter Maffay and tours by Andreas Gabalier in 2015 and others, the DEAG Group is heading the attractive German language segment. This area offers further growth opportunities in the years to come.

- Within the framework of the distribution strategy and the intention to further scale the business model, DEAG pursues, amongst others, the ongoing goal of profitably increasing the controlled ticket volume and content. Against this backdrop DEAG decided in 2014 to further extend Open Airs and Festivals as an additional growth step. Apart from the festival formats already presented for years such as Rock the Ring, Sonisphere and the regularly staged large-scale Open Airs, festivals are to be established in the long-term at further locations including Gelsenkirchen, Munich and Vienna. They are attractive platforms because the catalog of rights held in these formats and hence the depth of exploitation are important, since they entail follow-up business and synergies and because the additional tickets under own distribution result in a further rise in profitability.

- In the field of Family Entertainment all indicators for 2015 are very good. DEAG has entered into important long-term agreements and will take, amongst others, Circus Roncalli, Riverdance, FlicFlac, “Himmel auf Erden”, Night of The Jumps and the Horse Whisperer to Germany, Austria and Switzerland. Advance sales have already had a promising start.

- In November 2014 DEAG launched with myticket.de its own distribution system for tickets in German-speaking countries contrary to the original planning already for the Christmas business instead of 2015. The hence realized enlargement of the value chain opens up considerable result potentials for DEAG. MyTicket is a ticketing company in the form of a stock corporation with an outstanding unique selling position: it is not under pressure, like other ticket providers, to have to convince content providers to use this system for ticket distribution. MyTicket gets highly attractive content from rock to pop, from classical music to middle-of-the-road music, from family entertainment to heavy metal – from the own Group. MyTicket is, therefore, always provided without any acquisition pressure with a highly attractive offering for customers. Tickets for the around 2,000 annual events of DEAG are now available through myticket.de. The first months after the launch have fully met the expectations. The distribution of tickets for third party providers is scheduled for the very near future. Myticket.de is to become the strongest distribution channel of DEAG in the medium-term for tickets and to handle together with Ticketmaster Germany a large part of the entire ticket volume within the Group. An existing agreement has likewise been prematurely extended in November 2014.

- DEAG and BMG Rights Management GmbH have recently signed a Letter of Intent concerning a framework agreement between the label DEAG Music and the Bertelsmann subsidiary BMG for the marketing of artists. The companies are pooling their competencies and invest into the comprehensive marketing and promotion of DEAG Music artists in the field of German hit songs/middle-of-the-road music, popular music and now offer planning, financing, production, promotion and settlement of publications including distribution through Sony Music from one single source. The comprehensive 360 degree approach of DEAG is particularly effective in this respect. The goal of the co-operation is a significant strengthening of the success of publications

- The share of ancillary income from sponsoring, VIP packages, marketing of ancillary rights (TV, DVD) and merchandising, offers high growth potential in future, too.

5. Data Relevant for Takeover

The nominal capital of the company amounts to EUR 16,353,334.00, subdivided into 16,353,334 ordinary bearer shares in the form of no-par value shares with an arithmetical share in the nominal capital of EUR 1.00 per share.

6. Outlook

In 2015 the Executive Board expects again to increase sales revenues and results in the established fields of the Group. The very well-filled pipeline and the large number of tickets already sold support this expectation. Moderate growth in sales revenues and increases in earnings (EBIT)are expected in both segments.

For the Group areas under development – such as Open Air and Festival – the Executive Board expects despite the very good advance sales, amongst others, for shows with Muse, Tote Hosen and Foo Fighters in Switzerland, three sold-out Ed Sheeran shows in London's Wembley Stadium as well as the Open Airs in Berliner Waldbühne and on Munich's Königsplatz with Peter Maffay and Anna Netrebko, amongst others, that upfront investments have to be made. Risk prevention was made effective December 31, 2014 through valuation allowances. Current forecasts do not exclude that additional non-capitalizable upfront investments not yet covered by valuation allowances will be necessary during the first year.

For the new fiscal year there are indications of a continuation of the strong ticket sales which constitute at the same time the basis for a further successful development of myticket.de. The Executive Board has, therefore, raised its forecast and expects for the current year a significant double-digit increase in the number of tickets to 4.2-4.5 million tickets sold within the DEAG Group. In this way this ticket number is likely to be already achieved earlier than originally planned.

The adopted strategy based on a balanced mix of risk and opportunities, is, therefore, to continue to contribute to an increase in results during the coming year. The focus will be on the ongoing extension of the high-margin business, with an emphasis on European expansion and the further integration of the 360 model. Already today there are first indications of a likewise good business development for 2016, which allows for a forecast of very good developments in sales revenues and results beyond 2015. During the coming years DEAG intends to increase its sales revenues to more than EUR 250 million p.a. and grow the Group profit at the same time in an above average manner.

Further growth in sales revenues and earnings together with an increase in dividend payments are to be generated from organic growth and possible acquisitions.

Forward-looking Statements

In addition to past results within the framework of the financial statements, this report also includes forward-looking statements. These statements may deviate from the actual developments.

Berlin, April 30, 2015

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board

Prof. Peter L. H. Schwenkow Christian Diekmann Detlef Kornett

DEAG Deutsche Entertainment Aktiengesellschaft, Berlin

Consolidated Balance Sheet

Total Assets	Notes	31.12.2014 in EUR '000		31.12.2013 (adjusted) in EUR '000		01.01.2013 (adjusted) in EUR '000	
Liquid funds	7	54,064		22,943		31,597	
Trade receivables	8	12,924		8,801		9,968	
Down Payments	9	23,070		11,838		13,483	
Income tax receivables	25	1,700	*	1,116	*	912	*
Inventories	10	146		105		100	
Other current assets	11	5,941	*	5,336	*	5,118	*
Current assets		**97,845**		**50,139**		**61,178**	
Goodwill	13, 14	22,955		19,974		19,125	
Other intangible assets	13, 15	10,238		7,054		5,563	
Tangible fixed assets	16	2,675		2,519		1,690	
Investment properties	17, 28	8,350		8,350	*	8,350	*
Investments	18	153		757		752	
According to the equity method accounted financial assets	18	2,701		36		50	
Loans to associated companies	18	-		39		227	
Down Payments	9	483		243		243	
Other long-term assets	19	262		635		654	
Deferred tax assets	20, 39	349		355		489	
Long-term assets		**48,166**		**39,962**		**37,143**	
TOTAL ASSETS		**146,011**		**90,101**		**98,321**	

Liabilities and equity	Notes	31.12.2014 in EUR '000		31.12.2013 (adjusted) in EUR '000		01.01.2013 (adjusted) in EUR '000	
Bank loans payable	21, 28	6,792		6,203		3,610	
Trade accounts payable	22	9,138		5,608		11,326	
Accruals	23, 43	4,769		6,092		8,293	
Sales accruals and deferrals	24	64,556		27,174		31,037	
Income tax liabilities	25	1,432	*	2.161	*	1,307	*
Other current liabilities	26, 28	9,542	*	4,068	*	4,584	*
Current liabilities		**96,229**		**51,306**		**60,157**	
Accruals	23, 43	454		848		939	
Bank loans payable	21, 28	1,600		5,567		3,500	
Other long-term liabilities	27, 28	963		564		629	
Deferred taxes	20, 39	2,483		2,193	*	1,765	*
Long-term liabilities		**5,500**		**9,172**		**6,833**	
Share capital		16,352		13,627		12,388	
Capital reserve		39,646		29,826		27,337	
Revaluation surplus		298		298	*	298	*
Accumulated deficit		-18,443		-17,827	*	-14,064	*
Accumulated other income		591		-274		-63	
Equity attributable to DEAG shareholders		**38,444**		**25,650**		**25,896**	
Equity attributable to non-controlling interest		5,838		3,973		5,435	
Equity	29	**44,282**		**29,623**		**31,331**	
TOTAL LIABILITIES AND EQUITY		**146,011**		**90,101**		**98,321**	

* Adjustment according to IAS 8 (Tz. 1)

Consolidated Income Statement	**Notes**	**01.01. to 31.12.2014 in EUR '000**	**01.01. to 31.12.2013 in EUR '000**
Sales	31	172,572	165,478
Cost of sales	32	-135,686	-128,586
Gross profit		**36,886**	**36,892**
Distribution costs	33	-21,542	-19,380
Administrative expenses	34	-14,710	-14,901
Other operating income	35	5,064	6,106
Other operating expenses	36	-1,459	-1,409
Operating income (EBIT)		**4,239**	**7,308**
Interest income and expenses	37	-294	-396
Income from investments	38	7	-3
Income shares in companies accounted for using the equity method	18	-1,488	-444
Financial result		**-1,775**	**-843**
Result before taxes (EBT)		**2,464**	**6,465**
Income taxes	39	-39	-1,721
Group result from continued operations after taxes		**2,425**	**4,744**
Group result from discontined operations after taxes	40	**-202**	**-2,586**
Group result after taxes		**2,223**	**2,158**
thereof attributable to non-controlling interest		1,204	1,183
thereof attributable to DEAG Shareholder (Group result)		**1,019**	**975**
Earnings per share in EUR (undiluted/diluted)			
from continued operations	29	0.08	0.27
from continued and discontinued operations	29	0.07	0.07
Average number of shares in circulation (undiluted/diluted)	29	15,217,114	13,007,817

Consolidated Statement of Comprehensive Income

from 01.01.2014 bis 31.12.2014	**2014 - in EUR '000 -**	**2013 - in EUR '000 -**
Group result after taxes	**2,223**	**2,158**
Other result		
(+/-) Differences from exchange rates (independent foreign units)	666	-428
(+/-) Deferred taxes on the other total result	-	-
Amounts as may be reclassified in future periods in the profit and loss account	**666**	**-428**
(+/-) Actuarial profit/loss recorded in equity	480	246
(+/-) Deferred taxes on the other total result	-96	-49
amounts, not reclassified in income statement	**384**	**197**
Total recognized directly in other comprehensive income	**1,050**	**-231**
Total result	**3,273**	**1,927**
Thereof attributable to		
Non-controlling interest	1,389	1,163
DEAG Shareholders	1,884	764

DEAG Deutsche Entertainment Aktiengesellschaft, Berlin

Consolidated Cash Flow Statement (Note 43)

In EUR´000	**2014**	**2013**
Group result from continued operations after taxes	2,425	4,744
Depreciation and amortisation/ write-ups	3,230	2,925
Expenditure from retirement of fixed assets	-	-52
Changes not affecting payments	107	75
Change in other accruals	-2,614	-3,006
result of change in scope of consolidation	-1,070	-2,274
Deferred taxes (net)	-227	-227
Result from valuation of associated companies	1,488	444
Net interest income	294	396
Changes to receivables, inventories and other assets	-14,703	9,340
Changes to other loan capital without financial debts	39,397	-20,453
Net cash inflow/outflow from continued operations	**28,327**	**-8,088**
Net cash outflow/inflow from discontinued operations	-202	-
Net cash inflow/outflow from operating activities (total)	**28,125**	**-8,088**
Outflows for investments in...		
...Intangible assets	-573	-482
...Tangible assets and financial investments	-856	-1,504
Payments from the acquisition of consolidated companies	-3,150	2,979
Inflow/Spending on the sale of consolidated companies	1,070	-125
Assets disposals	939	140
Interest Income	205	137
Net cash outflow/inflow from investing acitvities (total)	**-2,365**	**1,145**
Capital increase DEAG Deutsche Entertainment AG	12,545	1,897
Proceeds from new borrowing	3,871	6,325
Repayment of financial debts	-7,249	-2,392
Interest expenditure	-443	-491
Dividend payment to DEAG shareholders	-1,635	-991
Dividend portions of other shareholders	-1,445	-2,037
Payments to/from other shareholders	-27	-969
Net cash inflow from financing activities (total)	**5,617**	**1,342**
Changes in cash and cash equivalents	**31,377**	**-5,601**
Effect of exchange rate changes	-256	-319
Cash and cash equivalents as at 01.01.	22,943	28,863
Cash and cash equivalents as at 31.12.	**56,064**	**22,943**

Development of Equity within the group
DEAG Deutsche Entertainment Aktiengesellschaft, Berlin
(Tz 29)

	Number of shares issued	Authorized DEAG shares in EUR´000	DEAG capital reserve in EUR´000	Revaluation surplus EUR´000	Accumulated deficit in EUR´000	Accumulated other income in EUR´000	Attributable to DEAG shareholders in EUR´000	Attributable to non-controlling interest EUR´000	Equity in EUR´000
As at 31.12.2012	**12,388,368**	**12,388**	**27,337**	**-**	**-13,285**	**-63**	**26,377**	**5,435**	**31,812**
Correction (Tz. 17)	-	-	-	298 [1]	-779 [2]	-	-481 [1, 2]	-	**-481**
As at 31.12.2012 adjusted	**12,388,368**	**12,388**	**27,337**	**298**	**-14,064**	**-63**	**25,896**	**5,435**	**31,331**
Total result	-	-	-	-	975	-211	764	1,163	**1,927**
capital increase	1,238,898	1,239	2,489	-	-	-	3,728	-	**3,728**
Dividend	-	-	-	-	-991	-	-991	-2,037	**-3,028**
Acquisition of shares of other shareholders	-	-	-	-	-4,403	-	-4,403	-1,357	**-5,760**
Other changes	-	-	-	-	656	-	656 [4]	769 [3]	**1,425**
As at 31.12.2013	**13,627,266**	**13,627**	**29,826**	**298**	**-17,827**	**-274**	**25,650**	**3,973**	**29,623**
Total result	-	-	-	-	1,019	865	1,884	1,389	**3,273**
capital increase	2,725,453	2,725	9,820	-	-	-	12,545	-	**12,545**
Dividend	-	-	-	-	-1,635	-	-1,635 [5]	-1,445	**-3,080**
Acquisition of shares of other shareholders	-	-	-	-	-	-	-	-27	**-27**
Other changes	-	-	-	-	-	-	-	1,948 [3]	**1,948**
As at 31.12.2014	**16,352,719**	**16,352**	**39,646**	**298**	**-18,443**	**591**	**38,444**	**5,838**	**44,282**

[1] Change according to IAS 8 (Revaluation of land in accordance with IAS 16)
[2] Change according to IAS 8 (Property valuation in accordance with IAS 40)
[3] Change in scope of consolidation (exit: kEUR -385, addition: kEUR 165)
[4] Failure to exercise additional acquisition potential interests
[5] Dividend (0,10 €/share)

DEAG Deutsche Entertainment Aktiengesellschaft, Berlin

1. Accounting Principles

DEAG Deutsche Entertainment AG (DEAG) is an *Aktiengesellschaft* (stock corporation under german law) set up in Germany with registered office in Germany, 10785 Berlin, Potsdamer Straße 58.

DEAG is one of the leading providers of live entertainment in Europe. Apart from the organization of tours in Germany, Austria, Great Britain and Switzerland, the focus of its core business is on the local/regional staging of concert events in these regions. DEAG's event portfolio is comprised of national and international rock/pop, German hit songs/middle-of-the-road music, classical music events as well as family entertainment. DEAG operates the Jahrhunderthalle Arena in Frankfurt a. M., which is owned by it. Furthermore, the label and publishing house business, DEAG Music, is part of the portfolio.

These Consolidated Financial Statements of DEAG Deutsche Entertainment AG (DEAG) were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as applicable on the closing date and, in addition, in conformity with the provisions under German commercial law to be applied in accordance with § 315a para 1 of the German Commercial Code (HGB). The designation IFRS also comprises the still valid International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) – formerly Standing Interpretations Committee (SIC).

The consolidated financial statements are based – with one exception - on the financial statements of the companies included in the consolidation. These were prepared by application of the German Commercial Code (HGB), including the accounting standards adopted by the German Standardization Council (DRSC) as at the closing date in accordance with § 342 German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The financial statements of foreign companies were prepared in accordance with their national regulations, in conformity with continuously and uniformly applied accounting and valuation principles. For a company included in the full consolidation with a different fiscal year from July 1 to June 30, interim financial statements had to be prepared.

The single-entity financial statements as well as the interim financial statements of the consolidated companies were prepared effective on the closing date of the consolidated financial statements. Carrying values for tax purposes are not included in the consolidated financial statements. The reconciliation of the valuations in accordance with the IFRS standards was carried out on the level of the Group outside the single-entity financial statements prepared under German commercial law, in a so-called *Handelsbilanz II.*

The items combined in the balance sheet and the statement of income of the Group are explained in the Notes.

For the preparation of the consolidated financial statements, discretion, estimates and assumptions have to be made to a limited extent that affect the level and reporting of assets and liabilities, income and expenses as well as contingent receivables and liabilities. For DEAG this includes, more particularly, the estimates at the determination of the utility values of non-financial assets (goodwill and other intangible assets), the determination of the fair values of real property held as financial investment, the determination of the useful life of the depreciable fixed assets, the assigned value and the valuation adjustment of accounts receivable as well as the measurement and assessment of the probability of occurrence in respect of accruals and contingent liabilities, the assessment whether control is exercised within the meaning of IAS 27 as well as the determination of fair values for exchange transactions.

Actual figures may subsequently differ from these estimates.

During the reporting year the useful life of artist and agency relationships were newly assessed as a result of the annual review (IAS 16.51) and effective January 1, 2014 they were prospectively adjusted in conformity with IAS 8. As for the rest, reference is made to the information under Note 15.

In connection with the implementation of information resulting from the review of the consolidated financial statements as at December 31, 2012 by the German Financial Reporting Enforcement Panel (DPR), the original valuation of the real estate held as financial investment as well as the allocation of partial areas as at December 31, 2012 were reviewed once more. Any resulting corrections of errors were made through a restatement of the 2012 consolidated financial statements according to IAS 8.42. As for the rest, reference is made to the information under Note 17.

The income tax receivables are reported as separate items from the reporting year onwards and no longer under Other current assets. At the same time all income tax liabilities are now reported separately, whereas they were reported in the past partly under Other current liabilities.

The prior year numbers were adjusted accordingly. As for the rest, reference is made to Note 25.

2. Amendments to accounting standards

In the consolidated financial statements all standards of IASB as well as the applicable IFRIC and/or SIC to be adopted on the closing date by the EU as mandatory were taken into account. The Executive Board does not expect any material impact on future consolidated financial statements from the amendments to existing standards as well as new standards adopted by IASB within the framework of different projects for the further development of IFRS and to reach convergence with US GAAP which only have to be applied after December 31, 2014.

New and revised standards in view of consolidation, joint agreements, associated companies and notes

In May 2011 IASB published a package of five standards:

IFRS 10 Consolidated financial statements,
IFRS 11 Joint arrangements,
IFRS 12 Disclosure of interests in other entities,
IAS 27 (2011) Separate financial statements,
IAS 28 (2011) Investments in associates and joint ventures.
Amendments to IAS 32 Balancing of financial assets and liabilities,
Amendments to IAS 36 Recoverable amounts disclosures for non-financial assets
Amendments to IAS 39 Novation of derivatives and continuation of hedge accounting
Amendments to IFRS 10, IFRS 11 and IFRS 12 Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance
Amendments to IFRS 10, IFRS 12 and IAS 27 Investment entities.

In June 2012 amendments to IFRS 10, IFRS 11 and IFRS 12 were published in order to clarify certain transition guidelines on the occasion of their first time adoption. IFRS which are applicable within the European Union provide for a mandatory application of these provisions for fiscal years which commence after January 1, 2014.

None of these new accounting standards had a material impact on the assets, financial and earnings position of the Group or the earnings per share. Any changes in respect of reporting and publication were taken into account in the consolidated financial statements and more particularly in the consolidated income statement and in the consolidated statement of comprehensive income as well as the consolidated notes. IFRS 12 combines the notes on subsidiaries, joint arrangements and associated companies in one standard. Basically, IFRS 12 has resulted in significantly extended information in the consolidated financial statements (cf Notes 12 and 18).

The amendments to standards and improvements to be applied for the first time in a binding manner in 2014 did not have any material impact on these consolidated financial statements.

The Group has not applied the following new standards, interpretations and revisions which have been adopted under EU law but do not yet have to be applied in a binding manner.

The following amendment has to be applied to fiscal years which commence on or after June 17, 2014:

IFRIC 21 Levies

The following amendment has to be applied to fiscal years which commence on or after January 1, 2015:

IAS 19: Employee benefits

Within the framework of the annual improvement projects IASB has published the fifth and sixth collection. Any amendments are effective for fiscal years which commence on or after July 1, 2014 and January 1, 2015, respectively.

The impact of these standards on the assets, financial and earnings position of the DEAG Group are still reviewed or will altogether be of subordinate importance.

The following new and/or amended standards and interpretations have already been adopted by IASB but have not yet become effective as mandatory. The company has not yet applied the provisions in these consolidated financial statements prematurely.

IFRS 9	Financial instruments
IFRS 14	Regulatory deferral accounts
IFRS 15	Revenue from contracts with customers
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization
Amendments to IAS 16 and IAS 41	Agriculture: bearer plans
Amendments to IAS 27	Application of the equity method in separate financial statements

Annual improvements in the IFRS cycle 2012 - 2014

Within the framework of the annual improvement projects IASB has published the seventh collection. Any amendments in that respect become effective for fiscal years which commence on or after January 1, 2016. The adoption under European law is still pending.

The impact of these standards on the assets, financial and earnings position of the DEAG Group is still reviewed and will altogether be of subordinate importance.

3. Consolidation Principles

Scope of Consolidation

We, DEAG Deutsche Entertainment Aktiengesellschaft, as the parent company, include in the consolidated financial statement those subsidiaries fulfilling the control concept. Companies acquired or disposed of during the financial year are included from the date of acquisition or up until the date of sale.

On the balance sheet date, the consolidated entity comprised 37 (prior year: 33) fully consolidated German and foreign companies, in addition to DEAG. Five investments are consolidated as joint ventures and/or associated companies at equity. Four associated companies and four investments are reported at cost of acquisition in view of their marginal significance.

Consolidation Methods

Capital consolidation involves offsetting the acquisition costs of participating interests against equity at the time of starting up or acquiring the respective subsidiary. Depreciation of value-adjusted subsidiaries was revered for the purpose of consolidation. Interim gains and losses from intra-group sales of equity holdings were reversed. The differential amounts included in the values reported for holdings in joint ventures and associated companies are established by the same principles.

The asset-side variations arising from capital consolidation were recorded as goodwill in the consolidated balance sheet, after exposure of hidden reserves or charges at the acquired company (revaluation).

Any changes in respect of the participating interests of the Group in subsidiaries which do not result in a loss of control over these subsidiaries are reported as equity transaction. The book values of the shares held by the Group and the non-controlling shares are adjusted in such a way that they reflect the changes of the stakes in the subsidiaries. Any difference between the amount by which the non-controlling shares are adjusted and the fair value of the consideration paid and received shall be directly recorded in equity and allocated to the shareholders of the parent company.

Receivables, liabilities and accruals, as well as expenses and income between consolidated companies were consolidated. Any intermediate results of intra-group deliveries and services were eliminated. Any depreciation or value adjustments of intra-group receivables in the individual financial statements were reversed in favor of the group result.

Tax accruals have been made on consolidation based results, as far as they have a future tax impact.

Shareholdings in associated companies valued by the equity method were reported at the pro-rata equity.

On the balance sheet date, along with the parent company DEAG the following companies were fully consolidated:

Segments	Company	Shareholding
Live Touring	DEAG Concerts GmbH, Berlin	100 %
	coco tours Veranstaltungs GmbH, Berlin	100 %
	ULAB Verwaltungs GmbH & Co. KG, Berlin	100 %
	Grünland Family Entertainment GmbH, Berlin	100 %
	Wizard Promotions Konzertagentur GmbH, Frankfurt a.M.	75.1 %
	DEAG Classics AG, Berlin	51 %
	Raymond Gubbay Ltd., London (UK)	51 %
	KBK Konzert- und Künstleragentur GmbH, Berlin	51 %
	Kilimanjaro Holdings Limited, London (UK)	51 %
	Kilimanjaro Live Limited, London (UK)	51 %
	Wakestock Limited, London (UK)	51 %
	GOLD Entertainment GmbH, Berlin	50 %
	Manfred Hertlein Veranstaltungs GmbH, Würzburg	33.3 %
	The Classical Company AG, Zürich (Switzerland)	25.5 %
Entertainment Services	Concert Concept Veranstaltungs-GmbH, Berlin	100 %
	Kultur- und Kongresszentrum Jahrhunderthalle GmbH, Frankfurt a.M.	100 %
	Global Concerts GmbH, München	100 %
	Elbklassik Konzerte GmbH, Hamburg	100 %
	Friedrichsbau Varieté Stuttgart Betriebs- und Verwaltungs GmbH, Stuttgart	100 %
	Broadway Varieté Management GmbH, Berlin	100 %
	River Concerts GmbH, Berlin	100 %
	DEAG Music GmbH, Berlin	100 %
	AIO Group AG, Glattpark (Switzerland)	100 %
	Good News Productions AG, Glattpark (Switzerland)	100 %
	Derinho AG, Glattpark (Switzerland)	100 %

Starclick Entertainment AG, Glattpark (Switzerland)	100 %
Smart Agency AG, Glattpark (Switzerland)	100 %
EM Event Marketing AG, Wangen bei Olten (Switzerland)	100 %
Fortissimo AG, Glattpark (Switzerland)	100 %
Venue Consulting AG, Glattpark (Switzerland)	100 %
mytic myticket AG, Frankfurt a.M.	100 %
Blue Moon Entertainment GmbH, Wien (Austria)	85 %
LiveGeist Entertainment GmbH, Frankfurt a.M. (formerly: DEAG Arts & Exhibitions GmbH, Berlin)	75.1 %
handwerker promotion e. gmbh, Unna	51 %
Pro Media GmbH, Unna	51 %
Grandezza Entertainment GmbH, Berlin	51 %
Viel Vergnügen GmbH, Essen (formerly: FF Tournee GmbH, Essen)	51 %

At DEAG Classics AG, Berlin, DEAG is basically entitled to 51% of the voting and capital rights. By deviation from the foregoing, the Supervisory Board has a parity-based composition to represent the two shareholders. DEAG Classics AG, Berlin, is nonetheless reported within the DEAG Group as a fully consolidated subsidiary – also taking into account the limits defined for the Executive Board by the rules of procedure – as DEAG has the right of ultimate decision on the Executive Board, and the approval of the Supervisory Board is only necessary for extraordinary transactions. Any amendment to the rules of procedure for the Executive Board requires a unanimous decision.

For The Classical Company AG, Zurich, Switzerland, the control concept in accordance with IFRS 10.7 is fulfilled, since DEAG Classics AG has the right to appoint the executive management and approve the annual budget. Consequently, 25.5% are allocated to the Group.

DEAG has a right of ultimate decision to appoint and remove the managing directors and approve the annual budget of GOLD Entertainment GmbH, Berlin. Consequently, the control concept in accordance with IFRS 10.7 is met. GOLD Entertainment GmbH holds in turn 66.6% of the capital and voting rights in Manfred Hertlein Veranstaltungs GmbH, Würzburg. Consequently, 33.3% are allocated to the Group.

Since May 1, 2014 DEAG has controlled the business and financial policy of Kilimanjaro Holdings Limited and the wholly-owned subsidiaries Kilimanjaro Live Limited and Wakestock Limited (all London, United Kingdom). DEAG is entitled to 51% of the capital and voting rights.

In Viel Vergnügen GmbH, Essen (formerly: FF Tournee GmbH, Essen), Grandezza Entertainment GmbH, Berlin, held 50% of the capital and voting rights until June 11, 2014. The control concept in accordance with IFRS 10.7 is met since Grandezza Entertainment GmbH had from the time of exercise of a sustainable business activity by means of a call option, which can be exercised at any time and without limitation in time, the possibility to appoint the executive management and approve the annual budget. Consequently, 25.5% were allocated to the Group.

On June 11, 2014 Grandezza Entertainment GmbH, Berlin has increased the capital and voting rights in FF Tournee GmbH, Essen from 50% to 100%. As a result, 51% were allocated to the Group. The company has in the meantime been renamed into Viel Vergnügen GmbH.

On November 12, 2014 the shares in mytic myticket AG, Frankfurt a.M. were acquired. DEAG is entitled to 100% of the capital and voting rights.

The following company is run as a joint venture and reported in accordance with the provisions of the equity method and hence the pro-rata equity.

Segment	Company	Shareholding
Live Touring	A.C.T. Artist Agency GmbH, Berlin	50 %

A.C.T. Artist Agency GmbH, Berlin, is included in the consolidated accounts “at equity”.

The following companies are carried in the balance sheet as associated companies:

Segment	Company	Shareholding
	EIB Entertainment Insurance Brokers GmbH, Hamburg	49 %
Entertainment Services	Verescon AG, Berlin	44 %
Live Touring	Seefestspiele Berlin GmbH, Berlin	20.4 %
Live Touring	Twin Peaks Festival Limited, London (UK)	25.5 %

Since May 2014 DEAG has had an indirect interest of 50% in Twin Peaks Festival Limited, London, United Kingdom, through its subsidiary Kilimanjaro Holdings Limited (London, United Kingdom).

DEAG Classics AG holds an interest of 40% in Seefestspiele Berlin GmbH.

The following were not consolidated for lack of materiality separately and jointly for the consolidated financial statements: EBC Entertainment Bau Concept Gesellschaft für kulturelles Bauen GmbH, Berlin, Palast Management und Veranstaltungs-GmbH i.L., Berlin as well as Manchester Chamber Orchestra Limited, Manchester (Great Britain), Raymond Gubbay Productions Limited, London (Great Britain) and MMEB Limited, London (Great Britain).

The information in accordance with §§ 315a HGB (German Commercial Code) in conjunction with § 313 (2) HGB is as follows:

Company Name	Company Domicile	Share in Capital	Equity (in kEUR)	Result Fiscal Year (in kEUR)
EBC Entertainment Bau Concept Gesellschaft für kulturelles Bauen GmbH	Berlin	100 %	0	0
Manchester Chamber Orchestra Limited	Manchester, UK	51 % [1)]	2 [2)]	- [2)]
MMEB 15. Limited	London, UK	51 % [1)]	0	0
Palast Management und Veranstaltungs-GmbH i.L.	Berlin	100 %	-109	0
Raymond Gubbay Productions Limited	London, UK	51 % [1)]	2 [2)]	- [2)]

1) The shares in the companies Manchester Chamber Orchestra Limited, MMEB 15. Limited as well as Raymond Gubbay Productions Limited are held directly by Raymond Gubbay Limited at 100% each.
2) Figures relate to fiscal 2013/2014. Amounts are stated in pound sterling.

The scope of consolidation of the DEAG Group has changed as follows:

Segment	Company	Acquisition
Entertainment Services	mytic myticket AG, Frankfurt a.M.	Nov 12, 2014
Live Touring	Kilimanjaro Holdings Limited, London (UK)	May 1, 2014
Live Touring	Kilimanjaro Live Limited, London (UK)	May 1, 2014
Live Touring	Wakestock Limited, London (UK)	May 1, 2014

4. Foreign Currency Translation Principles

The consolidated financial statements are drawn up in Euro, the functional currency of the parent company and the reporting currency of the group. The functional currency of the foreign subsidiaries in Switzerland is the Swiss Franc (CHF) and in Great Britain the Pound Sterling (GBP). The functional currency of the domestic subsidiaries of the group as well as of the foreign subsidiary in Austria is the Euro (EUR).

The positions included in the financial statements of the respective companies are being valued appplying the functional currency. Foreign currency transactions are being exchanged initially at the cash price valid on the day of business transaction into the functional currency. Monetary assets and liabilities in a foreign currency are being exchanged into the functional currency on each call date using the call date rate. All currency conversion differences are recognized income statement-related. Non-monetary items, who were valued at historic purchase or manufacturing prices in a foreign currency, were exchanged using the rate of the day of the business transaction. Non-monetary items, who were valued at their present value in a foreign currency, were exchanged using the rate valid at the date of the determination of the present value.

The assets and liabilities of the foreign units were exchanged into Euros at the call date rate. The translation of income and expenditure is made at the average rate of the fiscal year. The resulting currency differences are being recognized as a separate component of the equity capital. The cumulative amount recognized in the equity capital of a foreign unit is being dissolved income statement-related in case of a sale of the foreign unit.

The exchange rates of currencies of significance to us changed as follows:

	Closing rate in EUR		**Average rate in EUR**	
	2014	**2013**	**2014**	**2013**
1 Pound Sterling	1.2839	1.1995	1.2405	1.1777
1 Swiss Franc	0.8317	0.8146	0.8230	0.8124

5. Balance Sheet Accounting and Valuation Principles

Notes on the Balance Sheet

Intangible assets purchased are capitalized at cost of acquisition and depreciated in a straight line or via their expected earnings over an anticipated useful life of three to fifteen years.

Intangible assets which are acquired within the framework of a business combination are recorded separately from the goodwill and valued at the time of acquisition at their fair value. During the following periods these intangible assets are valued, like individually acquired assets, at their acquisition costs minus cumulated amortisations and impairments.

For acquired trademarks for which a certain useful life can normally not be defined, there is no depreciation until the management decides to continue the trademark only over a certain period of time. The trademarks are annually subject to an impairment test and, if necessary, written down.

Goodwill obtained in connection with acquisitions is capitalized in accordance with IFRS 3 (Business Combinations) with its acquisition costs. The option to apply the Full Goodwill method is not being used.

Such goodwill on the basis of cash generating units are subject to annual impairment tests and, if necessary, unscheduled depreciation. In accordance with IAS 36.124 an impairment loss recognized for goodwill may not be reserved in subsequent periods.

Fixed assets are valued at cost of acquisition or production plus incidental acquisition costs minus acquisition cost reductions and, in the case of items subject to wear and tear, less use-related depreciation. Financing costs are capitalized in accordance with IAS 23 (2014: kEUR -, 2013: kEUR -). Depreciation is in a straight line over the expected useful life.

Scheduled depreciation of fixed assets is based essentially on the following periods of useful life:

Buildings, fixtures and fittings:	4 to 50 years
Plant and machinery:	3 to 10 years
Tools and equipment:	3 to 10 years

Land and land improvements which are held for the provision of services are evaluated in accordance with the revaluation model. The recognition is based on revaluated amounts which correspond to the fair value on the revaluation date. The revaluations are carried out in such a regular way that the book value does not materially deviate from the book value which would result from the fair value on each reporting date. Any increase in value which results from the revaluation of these land and land improvements is reported under Other comprehensive income and accumulated in the item Revaluation reserve of land and land improvements. This applies only to the extent that the increase in value does not reverse an impairment for the same assets which were previously recognized in the income statement. In this case the increase in value has to be carried out in the amount of the previously made impairment with recognition in the income statement.

If reductions in the value of intangible assets or tangible fixed assets are ascertained, unscheduled depreciation is applied. The value attributable to the intangible assets or tangible fixed assets is ascertained on the basis of future surplus revenue or net sales proceeds (impairment test). Reviews are undertaken annually unless there is reason earlier to assume that values have decreased.

Scheduled depreciations are being accounted for pro-rata in cost of sales and administrative expenses respectively, write-ups in other operating income and unscheduled depreciations in other operating expenses.

Land held as financial investment is being evaluated at fair value according to IAS 40.30/40.33.

Shares in non-consolidated companies are reported in the balance sheet at market or acquisition cost in accordance with IAS 39. Shares in associated companies are reported at equity. Differential amounts resulting from initial consolidation are allocated following the same principles as for full consolidation.

A joint venture is based on a contractual agreement by virtue of which the Group and other contracting parties carry out a business activity which is subject to joint control; this is the case if the strategic financial and business policy associated with the business activity of the joint venture requires the consent of all parties involved in the joint control. Shares in joint ventures are reported at equity. The consolidated income statement includes the part of the Group in the income and expenditure as well as in equity changes of the investments valued at equity. If the Group's share in the loss of the joint venture exceeds the share valued at equity, this share is written down to zero. Other losses are not reported unless the Group has a contractual obligation or has made payments for the benefit of the joint venture. Unrealized profits or losses from transactions of affiliated entities with the joint venture are eliminated against the investment value of the joint venture (losses not exceeding the amount of the investment value).

Inventories are valued at acquisition cost. If net sales proceeds on the balance sheet date are less than the cost of acquisition, appropriate value adjustments are made.

Liquid assets include cash and cash equivalents, cash accounts and short-term cash investments with banks and are measured at amortized cost.

Receivables and other assets are recognized at nominal value minus necessary specific valuation allowances.

Deferred expenses and deferred income are built in accordance with the accrual accounting concept outlined in IAS 18. Prepaid amounts are their basis. Deferred expenses are essentially prepaid costs and other accruals. Deferred income that relates to income from sales of prepaid tickets for events after the balance sheet date is reported as deferred revenue from pre-paid ticket sales.

Reserves are valued at the amount sound business judgment deems necessary on the balance sheet date to cover future payment obligations, discernible risks and uncertain commitments. Long-term reserves are being discounted in accordance with IAS 37. If the discounting effect is material, reserves are being recorded to the cash value of the expected future cash flow.

In accordance with IAS 12 deferred taxation is calculated on the basis of the different assigned values for assets and liabilities in the commercial balance sheet and the tax balance sheet in respect of circumstances within the scope of the commercial balance sheet II, consolidation processes and realizable losses carried forward. Deferred tax assets in respect of losses carried forward are only recognized to the extent that offsettable deferred tax liabilities exist. Deferred tax assets and deferred tax liabilities are shown as balances in the balance sheet to the extent that there is offsettability with the same tax authorities.

The defined benefit obligations are calculated in accordance with IAS 19 based on the Projected Unit Credit method. This is based on the number of service years on the respective calculation date and takes into account future developments by including discounting, wage development and probability of resignation until the commencement of the payment of the benefits as well as pension indexing for the years after the first-time payment of recurring benefits. Actuarial profits and losses are immediately recognized in the other income with no effect on the result.

Interest-bearing liabilities are reported at the net inflow amount using the effective rate of interest method.

In accordance with IAS 1, the balance sheet is subdivided into non-current and current assets and liabilities. Assets and liabilities which become due within one year are defined as current. In accordance with IAS 12 deferred taxes are reported as non-current assets and / or liabilities and not discounted.

Notes on the Statement of Income

Sales revenues and other revenues include all income for services already provided. Services for a concert, a show or a tour are basically considered as provided at the end of the concert or show. Expenses are reported when they are incurred with recognition in the statement of income, Interest and other expenses in respect of borrowings are carried as current expenditure.

6. Segment Reporting

In accordance with the provisions of IFRS 8, individual financial statement data is segmented by areas of work and regions, with presentation being oriented to our internal reporting. Accounting by segment is intended to render transparent the profitability and prospects of success of the Group's individual business activities.

Notes on the Segments

The DEAG Group sub-divides its continued operations into two segments, which are described in the Combined Management Report and Group Management Report.

Segment data

In EUR'000	Live Touring 2014	Live Touring 2013	Entertainment Services 2014	Entertainment Services 2013	Total Segments 2014	Total Segments 2013
Revenues	117,693	71,663	75,284	102,591	192,977	174,254
Other income	903	657	2,839	4,270	3,742	4,927
- thereof internal income	20,130	8,667	357	118	20,487	8,785
Total earnings	**118,596**	**72,320**	**78,123**	**106,861**	**196,719**	**179,181**
Cost of sales*	99,991	62,013	55,647	74,868	155,638	136,881
Operative expenses	11,639	7,203	18,907	22,377	30,546	29,580
Depreciations and amortisation (for information only)						
-scheduled	2,766	1,771	414	1,118	3,180	2,889
Segment result (EBIT)	6,264	2,652	2,270	8,321	8,534	10,973
Book value of segment assets	85,125	40,379	62,640	46,492	147,765	86,871
Investments	543	523	832	1,196	1,375	1,719
External funding of segments	72,770	27,726	63,016	44,736	135,786	72,462
Full-time employees as at 31.12.	74	45	82	115	156	160
Return on sales	5.3%	3.7%	3.0%	8.1%	4.4%	6.3%

* Data include proportional, scheduled depreciation

Internal income relates to services rendered between Group companies in different segments and DEAG as the parent company. Intra-segment services are eliminated within the segment.

The exchange of output between segments and between the segments and the holding company is adjusted in the consolidation column within following reconciliation overview. The consolidation column also includes the services of the DEAG Holding company. Services are charged at standard market rates and correspond in principle to externally sourced prices.

The return on sales is derived from the segment result (EBIT) divided by the segment sales.

No sales revenues are generated with external customers which amount to at least 10% of the total sales revenues.

Reconcilation from Segment to Group Data

In EUR'000	Total of segments 2014	Total of segments 2013	Consolidation (incl. Holding) 2014	Consolidation (incl. Holding) 2013	Group 2014	Group 2013
Revenues	192,977	174,254	-20,405	-8,776	172,572	165,478
Other Income	3,742	4,927	1,322	1,179	5,064	6,106
- thereof internal income	20,487	8,785	-20,487	-8,785	-	-
Total earnings	**196,719**	**179,181**	**-19,083**	**-7,597**	**177,636**	**171,584**
Cost of sales	155,638	136,881	-19,952	-8,295	135,686	128,586
Operative expenses	30,546	29,580	5,706	4,701	36,252	34,281
Segment result (EBIT)					8,534	10,973
Unallocated expenditure and income (incl. DEAG and consolidation effects)					-4,295	-3,665
Operating result (EBIT)					**4,239**	**7,308**
Income shares in companies accounted for using the equity method					-1,488	-444
Other financial result					-287	-399
Result before taxes (EBT)					**2,464**	**6,465**
Taxes on income and earnings					-39	-1,721
result from continuing operations after taxes					**2,425**	**4,744**
result from discontinuing operations after taxes					-202	-2,586
Group result after taxes					**2,223**	**2,158**
thereof attributable to other shareholders					1,204	1,183
thereof attributable to DEAG shareholders (Group Result)					**1,019**	**975**

The result of associated companies relates to DEAG with an amount of kEUR 6 (2013: kEUR 5).

Other information

In EUR'000	Group 2014	2013
Book value of segment assets	147,765	86,871
Real estate held as financial investment property	8,350	8,350
According to the equity method accounted financial assets	2,701	36
Unallocated assets incl. consolidation transactions (1)	-12,805	-5,156
Consolidated assets	**146,011**	**90,101**
External funding of assets	135,786	72,462
Unallocated external funding of segments incl. consolidation transactions (1) , (2)	-34,057	-11,984
Consolidated external funds	**101,729**	**60,478**
Net assets (incl. shares of other shareholders)	**44,282**	**29,623**
Full-time employees at 31.12.	184	185
Return on Sales	2.5%	4.4%

(1) concerns DEAG at kEUR 47,928 (previous year: kEUR 36,041) and consolidation transactions (mainly debt consolidation at kEUR -40,701 (previous year: kEUR -27,845) between segments and segments and between segments and DEAG respectively

(2) concerns DEAG at kEUR 12,289 (previous year: kEUR 14,464) and consolidation transactions (mainly debt consolidation) between segments and segments and DEAG as well as accrual of deferred taxes kEUR 2,483 (previous year: kEUR 2,193)

The return on sales is derived from the operating result (EBIT) divided by the income from sales.

The breakdown of segment data by regional subdivision is shown below. The Group companies concerned are the AIO Group and The Classical Company AG in Switzerland and Raymond Gubbay Ltd. and the Kilimanjaro Group in Great Britain.

In EUR'000	Group 2014	2013
Sales Live Touring Segment	117,693	71,663
davon: Raymond Gubbay Ltd. (Great Britain)	19,264	20,355
thereof: Kilimanjaro-Gruppe (Great Britain)	22,351	-
thereof: The Classical Company AG (Switzerland)	1,306	1,429
Sales Entertainment Services Segment	75,284	102,591
thereof: AIO-Gruppe (Switzerland)	18,250	55,487
Book value of Live Touring Segment Assets	85,125	40,379
thereof: Raymond Gubbay Ltd. (Great Britain)	12,454	11,720
thereof: Kilimanjaro-Gruppe (Great Britain)	24,744	-
thereof: The Classical Company AG (Switzerland)	575	482

In EUR'000	Group 2014	2013
Investments of Live Touring Segment	543	523
thereof: Raymond Gubbay Ltd. (Great Britain)	110	82
thereof: Kilimanjaro-Gruppe (Great Britain)	92	-
thereof: The Classical Company AG (Switzerland)	-	-
Book value of Entertainment Services Segment Assets	62,640	46,492
thereof: AIO-Gruppe (Switzerland)	13,201	12,837
Investments of Entertainment Services Segment	832	1,196
thereof: AIO-Gruppe (Switzerland)	104	103

7. Liquid funds

Cash in hand and credit balances at banks are shown as liquid funds.

8. Trade receivables

Trade receivables are comprised of the following:

In EUR'000	31.12.2014	31.12.2013
Accounts receivable	12,968	8,872
Value adjustment on accounts receivable	-44	-71
Trade receivables	**12,924**	**8,801**

Provisions changed through reversal by kEUR 27.

The following non value debased trade receivables were overdue at balance sheet date:

in EUR'000	till 3 months	3 - 6 months	> 6 months
31.12.2014	32	20	34
31.12.2013	111	33	62

The gross receivables portfolio (receivables after deduction of valuation allowances) breaks down as follows:

In EUR'000	Not past due and not impaired receivables	Overdue and not impaired receivables	Impaired receivables	Gross value of the receivables
from supplies and services	impaired			
2014	12,838	86	44	12,968
2013	8,595	206	71	8,872

9. Down payments

Down payments concern essentially down payments of fees and individually attributable event costs concerning events after the balance sheet date. kEUR 483 (prior year: kEUR 243) are allocated to the non-current assets. The payments made have been subject to a non-scheduled write-down in the amount of kEUR 1,500. The impairment amount concerns the rock festivals in Vienna and at the Nürburgring and is reported in the amount of kEUR 500 in the costs of sales and in the amount of kEUR in the share of profits and losses in companies reported at equity.

10. Inventories

The inventories concern finished products and goods.

11. Other current assets

The Other current assets consist essentially of the following:

In EUR'000	**31.12.2014**	**31.12.2013**
Loans	988	517
Down payments	924	925
Input tax deductible in the following year	860	98
Receivables from assosciated companies	619	562
Receivables from cooperation contracts	532	191
Claim on purchase price from disposals of investment	366	128
Insurance settlements/Compensation	348	401
Tax authorities claims	221	834
Deposits	210	178
Receivables from other shareholders	56	232
Receivables from cost refunds	-	401
Value adjustments	-100	-103
Others	917	972
Other current assets	**5,941**	**5,336**

The following non value debased Other Current Assets were overdue at balance sheet date:

In EUR'000	till 3 months	3 - 6 months	> 6 months
31.12.2014	-	3	18
31.12.2013	-	-	107

The itemized valuation allowances have changed as a result of consumption of kEUR 3.

The gross portfolio of receivables (receivables prior to the deduction of valuation allowances) break down as follows:

In EUR'000	Non overdue and non value-adjusted receivables	Overdue and non value-adjusted receivables	Value-adjusted receivables	Gross value of receivables
Other				
2014	5,920	21	100	6,041
2013	5,225	111	103	5,439

12. Information about subsidiaries

12.1 Acquisitions

Acquisitions are being recorded in terms of IFRS 3 (Business Combinations) according to the purchase method.

Sub-group Kilimanjaro

Percentage of shares and vote	
Kilimanjaro Holdings Limited, London	51.00%
Kilimanjaro Live Limited, London	51.00%
Wakestock Limited, London	51.00%
Twin Peaks Festival Limited, London	25.50%
Date of first consolidation	01.05.2014
Purchase price (kEUR)	4,673

In EUR'000	Fair value at acquisition date	Adjustment amount	Reconcilable current value at acquisition date
Assets			
Goodwill	-	2,639	2,639
artists and agents relations	-	2,934	2,934
order backlog	-	1,759	1,759
Software	310	-	310
Fixed assets	32	-	32
Financial assets	1	2,609	2,610
Liquid funds	1,523	-	1,523
Short-term assets	3,246	-	3,246
deferred tax assets	560	-	560
	5,672	9,941	15,613

In EUR'000	Fair value at acquisition date	Adjustment amount	Reconcilable current value at acquisition date
Liabilities			
Current liabilities	7,370	-	7,370
Long-term liabilities	-	635	635
Deferred Taxes on the liabilities side	-	987	987
	7,370	1,622	8,992
Net Assets	-1,698	8,319	6,621
Equity attributable to non-controlling interest			1,948

During the reporting year DEAG has taken over control of Kilimanjaro Holdings Limited and its subsidiaries (all London, UK) through the acquisition of 51% of the shares.

Since May 1, 2014 (at the first-time consolidation) the subgroup contributed kEUR 22,055 to sales revenues, kEUR 311 to the EBIT and kEUR 71 to the Group result after interests of other shareholders. If the first-time consolidation had been at the beginning of the reporting period, the contribution would have amounted to kEUR 25,100 to the consolidated sales revenues, kEUR -261 to the EBIT as well as kEUR -171 to the Group result after interests of other shareholders.

In the capital flow statement the acquisition of the sub-group Kilimanjaro is reflected as a payment from the acquisition of consolidated companies and business units within the framework of the outflow from investment activities in the amount of kEUR 3,150.

The purchase price which was paid in the amount of kEUR 4,673 on the balance sheet date was paid in cash. The purchase price might possibly increase subsequently, depending on the future business development of the company between 2014 and 2017. On the date of acquisition and the balance sheet date it was not possible to reliably determine the probability of the need to make future payments. Furthermore, there are still reviews pending in respect of the acquired trademark Sonisphere which is to be allocated to the assets of the investment Twin Peaks Festival Limited, London. For that reason the afore-mentioned purchase price allocation is preliminary.

12.2 Summarized financial information of subsidiaries

For subsidiaries and/or sub-groups of the Group with a non-controlling share, which is material for the Group, summarized financial information is reported below. The summarized financial information corresponds to the amounts before intragroup eliminations.

The summarized financial data of subsidiaries and/or sub-groups of the Group correspond to the amounts of the financial statements of the company prepared in accordance with IFRS and have been adjusted accordingly for the purposes of consolidated accounting.

Material non-controlling shares in the segment Live Touring:

Sub-group Classics

In the sub-group the activities of the tour promoter DEAG Classics AG, Berlin, Raymond Gubbay Ltd., London (United Kingdom) as well as The Classical Company AG, Zurich (Switzerland) are reported.

Sub-group Classics	**31.12.2014 In EUR'000**	**31.12.2013 In EUR'000**
Current assets	10,148	9,986
Long-term assets	8,539	8,585
Current liabilities	9,228	9,257
Long-term liabilities	617	692
Equity attributable to DEAG shareholders	7,200	7,047
Equity attributable to non-controlling interest	1,642	1,575

	31.12.2014 In EUR'000	**31.12.2013 In EUR'000**
Sales	30,646	33,371
Expenses	29,457	32,979
Net income	**1,189**	**392**

Sub-group Classics	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Net income of attributable to DEAG Shareholders	606	200
Net income of attributable to non-controlling interest	583	192
Total net income	**1,189**	**392**
Other result of attributable to DEAG Shareholders	76	-65
Other result of attributable to non-controlling interest	73	-62
Total other result	**149**	**-127**
Total result of attributable to DEAG Shareholders	682	135
Total result of attributable to non-controlling interest	656	130
Total result	**1,338**	**265**

Sub-group Classics	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Dividends paid to non-controlling interest	-588	-1,274
Net cash flows from operating activities	4,183	165
Net cash flows from investing activities	-197	-559
Net cash flows from financing activities	-1,992	-1,873
total net cash flows	**1,994**	**-2,267**

Sub-group Kilimanjaro

The sub-group Kilimanjaro covers the activities of Kilimanjaro Holdings Limited, London, Kilimanjaro Live Limited, London as well as Wakestock Limited, London, included in the Group since May 1, 2014; Twin Peaks Limited is held as an associated company and is reported in the investments.

Sub-group Kilimanjaro	31.12.2014 In EUR'000	01.05.2014 In EUR'000
Current assets	18,612	4,769
Long-term assets	8,882	10,844
Current liabilities	19,085	7,370
Long-term liabilities	1,292	1,622
Equity attributable to DEAG shareholders	4,993	4,673
Equity attributable to non-controlling interest	2,124	1,948

	2014 In EUR'000	01.05.2014 In EUR'000
Sales	22,351	-
Expenses	22,212	-
Net income	**139**	**-**

Sub-group Kilimanjaro	31.12.2014 In EUR'000	01.05.2014 In EUR'000
Net income of attributable to DEAG Shareholders	71	-
Net income of attributable to non-controlling interest	68	-
Total net income	**139**	-
Other result of attributable to DEAG Shareholders	256	-
Other result of attributable to non-controlling interest	108	-
Total other result	**364**	-
Total result of attributable to DEAG Shareholders	327	-
Total result of attributable to non-controlling interest	176	-
Total result	**503**	**-**
Dividends paid to non-controlling interest	-	-
Net cash flows from operating activities	14,615	-
Net cash flows from investing activities	-607	-
Net cash flows from financing activities	-1	-
Total net cash flows	**14,007**	**-**

Sub-group GOLD Entertainment

The sub-group GOLD Entertainment reports the business activities of GOLD Entertainment GmbH, Berlin and Manfred Hertlein Veranstaltungs GmbH, Würzburg.

Sub-group GOLD Entertainment	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Current assets	20,496	6,490
Long-term assets	2,687	2,777
Current liabilities	19,761	5,934
Long-term liabilities	515	543
Equity attributable to DEAG shareholders	1,816	1,765
Equity attributable to non-controlling interest	1,091	1,025

Sub-group GOLD Entertainment	2014 In EUR'000	2013 In EUR'000
Sales	30,730	17,202
Expenses	30,243	17,096
Net income	**487**	**106**

Sub-group GOLD Entertainment	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Net income of attributable to DEAG Shareholders	161	34
Net income of attributable to non-controlling interest	326	72
Total net income	**487**	**106**
Other result of attributable to DEAG Shareholders	-	-
Other result of attributable to non-controlling interest	-	-
Total other result	-	-
Total result of attributable to DEAG Shareholders	161	34
Total result of attributable to non-controlling interest	326	72
Total result	**487**	**106**

	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Dividends paid to non-controlling interest	-260	-264
Net cash flows from operating activities	9,944	-1,008
Net cash flows from investing activities	-70	-47
Net cash flows from financing activities	-422	-407
Total net cash flows	**9,452**	**-1,462**

Wizard Promotions Konzertagentur GmbH (IFRS data)

Wizard Promotions Konzertagentur GmbH, Frankfurt am Main	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Current assets	7,553	3,756
Long-term assets	3,425	3,450
Current liabilities	7,522	2,860
Long-term liabilities	513	551
Equity attributable to DEAG shareholders	2,607	3,246
Equity attributable to non-controlling interest	336	549

Wizard Promotions Konzertagentur GmbH, Frankfurt am Main	2014 In EUR'000	2013 In EUR'000
Sales	20,516	11,048
Expenses	20,568	10,727
Net income	**-52**	**321**
Net income of attributable to DEAG Shareholders	- 39	241
Net income of attributable to non-controlling interest	- 13	80
Total net income	**- 52**	**321**
Other result of attributable to DEAG Shareholders	-	-
Other result of attributable to non-controlling interest	-	-
total other result	**-**	**-**
Total result of attributable to DEAG Shareholders	-39	241
Total result of attributable to non-controlling interest	-13	80
Total result	**-52**	**321**

	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Dividends paid to non-controlling interest	-199	-
Net cash flows from operating activities	1,390	272
Net cash flows from investing activities	-121	-8
Net cash flows from financing activities	-799	-
Total net cash flows	**470**	**264**

Material non-controlling investments in the segment Entertainment Services:

Sub-group Handwerker Promotion

The sub-group Handwerker Promotion includes the local business of handwerker promotion e. gmbH, Unna and Pro Media GmbH, Unna.

Subgroup Handwerker Promotion	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Current assets	7,841	8,115
Long-term assets	1,433	1,438
Current liabilities	7,206	7,281
Long-term liabilities	-	-
Equity attributable to DEAG shareholders	1,743	1,847
Equity attributable to non-controlling interest	325	425

Subgroup Handwerker Promotion	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Sales	21,136	14,015
Expenses	20,590	13,740
Net income	**546**	**275**

Subgroup Handwerker Promotion	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Net income of attributable to DEAG Shareholders	278	140
Net income of attributable to non-controlling interest	268	135
Total net income	**546**	**275**
Other income of attributable to DEAG Shareholders	-	-
Other income of attributable to non-controlling interest	-	-
Total other income	**-**	**-**
Total comprehensive income of attributable to DEAG Shareholders	278	140
Total comprehensive income to non-controlling interest	268	135
Total comprehensive income	**546**	**275**

	31.12.2014 In EUR'000	31.12.2013 In EUR'000
Dividends paid to non-controlling interest	-368	-
Net cash flows from operating activities	-752	1,873
Net cash flows from investing activities	12	5
Net cash flows from financing activities	-759	-13
Total net cash flows	**-1,499**	**1,865**

13. Goodwill and Other Intangible Assets

The values developed in fiscal 2013 and 2014 as follows:

Acquisition or production costs In EUR'000	Goodwill	Artist and agency relationships	other rights	Soft-ware	other intangible assets
January 1, 2013	**19,125**	**9,061**	**996**	**440**	**10,497**
Additions	-	60	325	97	482
Change in scope of consolidation	2,997	3,566	-	-	3,566
Disposals	-1,955	-180	-150	-25	-355
Currency adjustments	-193	-119	-	-1	-120
December 31, 2013	**19,974**	**12,388**	**1,171**	**511**	**14,070**

Depreciation in EUR'000	Goodwill	Artist and agency relationships	other rights	Soft-ware	other intangible assets
January 1, 2013	**-**	**3,823**	**757**	**354**	**4,934**
Additions	-	2,120	301	57	2,478
Disposals	-	-180	-150	-25	-355
Currency adjustments	-	-41	-	-	-41
December 31, 2013	**-**	**5,722**	**908**	**386**	**7,016**
Balance sheet values 31.12.13	**19,974**	**6,666**	**263**	**125**	**7,054**

Acquisition or production costs In EUR'000	Goodwill	Artist and agency relationships	other rights	Soft-ware	other intangible assets
January 1, 2014	**19,974**	**12,388**	**1,171**	**511**	**14,070**
Reclassification	-	-	-	42	42
Additions from initial consolidation	2,639	4,694	-	310	5,004
Additions	-	-	251	321	572
Disposals	-	-	-	-5	-5
Currency adjustments	342	645	-	20	665
December 31, 2014	**22,955**	**17,727**	**1,422**	**1,199**	**20,348**
Depreciation in EUR'000					
January 1, 2014	**-**	**5,722**	**908**	**386**	**7,016**
Reclassification	-	-	-	35	35
Additions	-	2,675	20	132	2,827
Disposals	-	-	-	-4	-4
Currency adjustments	-	235	-	1	236
December 31, 2014	**-**	**8,632**	**928**	**550**	**10,110**
Balance sheet values 31.12.14	**22,955**	**9,095**	**494**	**649**	**10,238**

14. Goodwill

The reported goodwill is attributable as at December 31, 2014 in the amount of kEUR 11,107 to the Live Touring segment and in the amount of kEUR 11,848 to the Entertainment Services segment.

The goodwill in the Live Touring segment concerns in an amount of kEUR 5,263 DEAG Classics AG together with Raymond Gubbay Ltd., which due to a joint shareholder structure, close co-operation and the existing synergy effects constitute a CGU within the segment, in an amount of kEUR 1,592 Wizard Promotions Konzertagentur GmbH, in an amount of kEUR 853 KBK Konzert- und Künstleragentur GmbH and in an amount of kEUR 615 the sub-group GOLD Entertainment. Furthermore, the change concerns goodwill in connection with the first-time consolidation of the activities of the sub-group Kilimanjaro in an amount of kEUR 2,639.

In the Entertainment Services segment kEUR 741 are accounted for by the domestic companies of this segment, kEUR 1,405 by the sub group Handwerker Promotion as well as kEUR 9,703 to the AIO Group.

The change in respect of goodwill concerns in an amount of kEUR 2,783 essentially an addition in connection with the first-time consolidation of the activities of the sub-group Kilimanjaro.

The added goodwills reflect the synergy expectations of the DEAG Group in view of the extension of the network associated with the acquisitions, the access to venues as a result of the regional expansion and the rise in ticket volume. Furthermore, it is assumed that there will be a strengthening of the Entertainment Services sector through the offering of shows and tours.

The aforementioned subdivision also applies to the determination of the CGU.

For the goodwill of each CGU impairment tests were carried out on a regular basis. No impairment loss was identified.

In each case, the basis for the impairment test was the utility value of the CGUs, whose calculation was derived from forecast earnings – depending on the CGUs – in a one or two year plan. When determining the utility value a discounted cash flow procedure was applied. The discounted cash flow procedure was based on corporate planning of the relevant CGU's approved by the management as well as assumed growth rates and EBIT margins which were oriented towards the events and experience taken into account in planning. For the standard year (perpetual annuity) the planning numbers of the last planning year were used.

Pre-tax interest rates for the CGUs AIO Group, Rock / International, the sub-group Kilimanjaro and the sub-group DEAG Classics of 6.5% (2013: 8.8%), 8.34% (2013: -%) and 8.2% (2013: 10.75%), respectively, were used as discount rates; for the other CGUs it amounted to 8.1% (2013: 10.8%). During the standard year a growth deduction of 0% was applied. Even after a reduction of the discount interest rate by one percentage point, the goodwill would not show any sign of impairment.

15. Other Intangible Assets

The other intangible assets reported in the balance sheet have a limited useful life.

The capitalization of the orders at hand as well as the artist and agent relationships is based on business combinations. The additions from first-time consolidation concern the companies of the sub-group Kilimanjaro, which were added to the scope of consolidation during the reporting year. The artist and agent relationships are amortized on a straight-line basis over a period of 15 years. The orders at hand are amortized after the conclusion of the corresponding concert event.

During the reporting year the useful life of the artist and agent relationships was newly evaluated and prospectively adjusted in conformity with IAS 8. The resulting reductions in depreciations and amortizeations amount to kEUR 215 in 2014.

The remaining term of amortization for artist and agent relationships amounts to between 6 and 15 years.

The changes in useful life have an impact on amortization during the follow-up period as follows:

	2014	2015	2016	2017	2018ff
	kEUR	kEUR	kEUR	kEUR	kEUR
Reduction (-)/increase (+) in amortizations	-215	-217	-142	-142	716

16. Tangible Assets

The development of tangible fixed assets during fiscal 2013 and 2014 turns out as follows:

Acquisition or orduction costs In EUR'000	Land and Buildings (historical cost)	Land (revalued)	Technical plant and machinery (historical cost)	Other fixtures and fittings, equipment (historical cost)	Total tangible assets
01.01.2013	**549**	**425**	**419**	**3,875**	**5,268**
Reclassification	7	-	538	-545	-
Additions from initial consolidation	-	-	25	14	39
Additions	20	-	566	744	1,330
Disposals	-7	-	-61	-1,139	-1,207
Change in scope of consolidation	-	-	-	-8	-8
Currency adjustments	-	-	-4	-13	-17
31.12.2013	**569**	**425**	**1,483**	**2,928**	**5,405**

Depreciation in EUR'000	Land and Buildings (historical cost)	Land (revalued)	Technical plant and machinery (historical cost)	Other fixtures and fittings, equipment (historical cost)	Total tangible assets
01.01.2013	**160**	-	**247**	**3,171**	**3,578**
Reclassification	-	-	439	-439	-
Additions	23	-	71	353	447
Disposals	-7	-	-60	-1,052	-1,119
Change in scope of consolidation	-	-	-	-5	-5
Currency adjustments	-	-	-4	-11	-15
31.12.2013	**176**	-	**693**	**2,017**	**2,886**
Balance sheet values 31.12.13	**393**	**425**	**790**	**911**	**2,519**

Acquisition or production costs in EUR'000	Land and Buildings (historical cost)	Land (revalued)	Technical plant and machinery (historical cost)	Other fixtures and fittings, equipment (historical cost)	Total tangible assets
01.01.2014	**569**	**425**	**1,483**	**2,928**	**5,405**
Reclassification	-	-	-137	95	-42
Additions from initial consolidation	-	-	-	31	31
Additions	69	-	310	479	858
Disposals	-	-	-29	-616	-645
Currency adjustments	-	-	13	26	39
31.12.2014	**638**	**425**	**1,640**	**2,943**	**5,646**

Depreciation in EUR'000	Land and Buildings (historical cost)	Land (revalued)	Technical plant and machinery (historical cost)	Other fixtures and fittings, equipment (historical cost)	Total tangible assets
01.01.2014	**176**	-	**693**	**2,017**	**2,886**
Reclassification	-	-	-159	124	-35
Additions	25	-	91	287	403
Disposals	-	-	-7	-304	-311
Currency adjustments	-	-	11	17	28
31.12.2014	**201**	-	**629**	**2,141**	**2,971**
Balance sheet values 31.12.14	**437**	**425**	**1,011**	**802**	**2,675**

The land and land improvements (revaluation in accordance with IAS 16) include owner-used spaces (parking spaces) and were retrospectively adjusted effective December 31, 2012 within the framework of the implementation of information by the German Financial Reporting Enforcement Panel (DPR) in accordance with IAS 8. The determination of the value in years was made in accordance with own calculations by applying the discounted cash flow method with a discount rate of 8%.

17. Real property held as financial investment

Already in 2001 DEAG valued the plots of land held as financial investment which are not used within the operating activities of the DEAG Group in accordance with the fair value model on the basis of sufficiently objectifiable market prices by an external expert and made a corresponding write-up/write-down in respect of the fair value on the reporting date.

Error correction

In connection with the implementation of information provided as a result of the review of the consolidated financial statements as at December 31, 2012 by the German Financial Reporting Enforcement Panel (DPR), the original valuation of the real estate held as financial investment as well as the allocation of partial areas in the past was again reviewed.

Within the framework of the review of the allocation of partial areas an adjustment of the plots of land serving as a basis for the valuation was made. Owner-used spaces (parking spaces) were now reported as land and land improvements, revalued in accordance with IAS 16. At the same time an error correction was made in respect of areas not yet taken into account as well as in respect of the amount of deductions due to existing uncertainties and delays in respect of development potential.

The error corrections resulting from the review were made through a retrospective adjustment of the consolidated financial statements 2012 in conformity with IAS 8.

The error corrections are as follows:

	In EUR'000
Fair Value at the 01.01.2013	9,450
Reclassification of owner-occupied areas (parking)	-430
Assignment of not been evaluated areas	30
Increase of haircuts	-700
Fair Value restated	**8,350**

The errors were retrospectively corrected during the reporting year by adjusting the prior year amount in accordance with IAS 8.42:

in kEUR	01.01.2013	Adjustment amount	01.01.2013 (adjusted)
Consolidated balance sheet			
Investments held as financial investments	9,450	-1,100	8,350
Real property – revaluation in accordance with IAS 16 -	0	425	425
Deferred taxes	-2,835	194	-2,642 [1)]
Revaluation reserve	0	-298	-298
Balance sheet loss	-6,615	779	-5,836

1) Including change in deferred tax assets in respect of loss carry forward

The fair values as at December 31, 2014, December 31, 2013 and January 1, 2013 to be applied taking into account the changed findings in respect of the real estate held as financial investment are based on the valuation of the firm of architects and experts M. F. Guntersdorf with regional expert knowledge. Dipl.-Ing. Dipl. Architect Michael F. Guntersdorf HfbK AKH is a publicly appointed and sworn expert of the Chamber of Commerce and Industry Offenbach am Main for the valuation of developed and undeveloped real property, a member of the Committee of Experts for real property values and other value determinations for the area of the city of Frankfurt am Main (Deputy Chairman) as well as a PPP consultant certified by the Chamber of Architects Hessen. The independent expert has hence appropriate qualification and current experience in the valuation of real property in the relevant locations.

The fair value determined by the expert was defined on the basis of comparative market values, based on the standard land values for immediately developable, improved commercial development areas – assuming concrete expectations that land will be zoned as building land determined and adopted by the Expert Committee for real property values and other value determinations for the area of the city of Frankfurt am Main. The expert opinion has been based on the available standard land values. They amount to between EUR 20 and 500 per square meter.

On this basis the plots of land were evaluated as prospective development land depending on the assessment of the respective developability of the individual plots of land. The development costs to be expected, uncertainties concerning the realizability in time and the speculative element were taken into account in this connection by corresponding deductions.

The differentiated deductions amount – except for the open spaces – to between 30% and 50% of the real property values for developed building land in order to take into account the different complex framework conditions. As a result, these land values were estimated depending on their use as between EUR 20 and 350 per square meter.

The purchase and sale contracts entered into subject to a condition precedent for two partial plots of land in the past have not yet been executed. At present there are negotiations concerning the adjustment of the original purchase prices. At the same time potential investors have declared their interest in acquiring and/or developing the plots of land.

The independent expert reaches for the plots of land around the Jahrhunderthalle Arena in Frankfurt am Main including any safety deductions for non-secured developability a value indication of EUR 8.35 million. In the consolidated financial statements as at December 31, 2014 the value of the expert opinion was adopted within the framework of the fair value valuation.

Details and information on the hierarchy levels of the fair values of the real property held as financial investment of the Group is represented as at December 31, 2014 and December 31, 2013:

Valuation of the fair value

kEUR

Assets valued at fair value	2014 Total	Level 1	Market value Level 2	Level 3
Commercial real estates in Germany	8.350	-	-	8.350

kEUR

Assets valued at fair value	2013 Total	Level 1	Market value Level 2	Level 3
Commercial real estates in Germany	8.350	-	-	8.350

Any change in land values by 5.0% upwards or downwards would result in a value adjustment of kEUR 397 or kEUR -397.

At the determination of the fair value of the plots of land a future utilization as hotel, shopping center as well as general commercial uses were assumed, which represent at present the best possible utilization.

If the developability were not approved as planned, there is a risk of a substantial deviation of the fair value, which would have a negative impact on the assets and earnings position of the Group.

During fiscal 2014 operating expenses which could be directly allocated to the real property in the amount of kEUR 86 (kEUR 25 after deferred taxes) were incurred; no income was generated.

The real property held as financial investment was pledged as collateral for liabilities to banks (see Note 28).

18. Investments and financial assets reported at equity

The investments include essentially interests in EBC Entertainment Bau Concept Gesellschaft für kulturelles Bauen mbH of kEUR 75, minority shareholdings in Switzerland with kEUR 67 as well as further minority shareholdings with a carrying value of kEUR 11.

The investment in Ticketmaster Deutschland Holding GmbH was sold during the reporting year.

EIB Entertainment Insurance Brokers GmbH, Seefestspiele Berlin GmbH, Verescon AG as well as Twin Peaks Festival Limited are included as associated companies. Furthermore, the shares in the joint venture A.C.T. Artist Agency GmbH are reported under this item.

The updated book value of the investment in Twin Peaks Festival Limited amounts to kEUR 2,673 (2013: - kEUR), for EIB Entertainment Insurance Brokers GmbH it amounts to kEUR 29 (2013: kEUR 22), for Seefestspiele Berlin GmbH to - kEUR (2013: - kEUR), for A.C.T. Artist Agency GmbH - kEUR (2013: kEUR 19) and Verescon AG kEUR 29 (2013: kEUR 14).

The loans to associated companies concern a 100% value-adjusted long-term loan. The loan was amortized during the reporting year in an amount of kEUR 39 (2013: kEUR 356).

The summarized financial data concerning a material associated company of the Group are presented below. They correspond to the amounts of the financial statements of the company prepared in conformity with IFRS and have been adjusted for the purpose of consolidated accounting.

Twin Peaks Festival Limited, London (Great Britain)	Associated companies	
In EUR'000	**2014**	**01.05.2014**
Current Assets	446	5,936
Long-term Assets	-	-
Total Assets	**446**	**5,936**
Current Liabilities	**468**	**5,950**
Long-Term Liabilities	-	-
Total Liabilities	**468**	**5,950**
Profit and Loss Statement		
Sales	10,882	-
Expenses	11,038	-
Annual Result	**- 156**	**-**
Dividends received from associated companies	**-**	**-**

The above-mentioned assets and liabilities include the following amounts:

In EUR'000	2014	01.05.2014
Cash and cash equivalents	176	3,902
Current financial liabilities	-	-
Long-Term financial liabilities	-	-

Reconciliation from the summarized financial information to the book value of the investment in Twin Peaks Festival Limited in the consolidated financial statements:

In EUR'000	2014	01.05.2014
Net assets of the associated company	- 22	- 14
Participation rate of the Group	50.0%	50.0%
Goodwill	-	-
Other adjustments (trademark/order backlog, net of tax)	2,684	2,617
Carrying amount of the Group's share of Twin Peaks Limited	2,673	2,610

The aggregated fundamentals of the associated companies and the joint ventures included at equity in the consolidated financial statements which are not material for the Group are reported below. The values correspond to the shares accounted for by the DEAG Group. The financial data correspond to the amounts in conformity with the financial statements prepared in accordance with IFRS.

In EUR'000	Associated Companies 2014	Associated Companies 2013	Joint Ventures 2014	Joint Ventures 2013	Total 2014	Total 2013
Current Assets	158	76	104	154	262	230
Long-term Assets	272	100	58	62	330	162
Total Assets	**430**	**176**	**162**	**216**	**592**	**392**
Current Liabilities	350	83	237	314	587	397
Long-Term Liabilities	618	589	40	19	658	608
Total Liabilities	**968**	**672**	**277**	**333**	**1,245**	**1,005**
Profit and Loss Statement						
Sales	150	106	313	158	463	264
Expenses	188	457	296	251	484	708
Annual Result	**- 38**	**- 351**	**17**	**- 93**	**- 21**	**- 444**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**- 38**	**- 351**	**17**	**- 93**	**- 21**	**- 444**
Dividends received from associated companies	-	-	-	-	-	-
Aggregate carrying amount	28	36	-	-	28	36

In EUR'000	2014	2013
Unrecognised losses of associated companies in the reporting period	-	-

IFRS 11 covers joint arrangements as contractual agreement for joint control whereby the type and form of contractual agreement is not explicitly regulated.

The Group has two cooporation agreements for the joint organization of the Festival Green Hell and/or the Organic Dance Music Festival. The co-operation agreements provide for a joint right of decision for all material contents and a parity distribution of the result. These co-operation agreements were, therefore, classified as joint ventures and allocated to the result of associated companies. The joint ventures have no own assets and liabilities.

The quantitative impact from this first-time application of IFRS 11 is as follows:

Impact on the financial statements	**2014** In EUR'000
Reduction of revenue	-238
Reduction in the cost of sales	1,300
Reduction in selling expenses	54
Reduction of administrative costs	274
Decrease in income from associated companies	-1,390
Change in net profit	**0**

With kEUR 1,309 the result includes primarily impairments and run-up costs for the Festival Green Hell.

19. Other long-term assets

The other non-current receivables have a maturity of more than one year.

The receivables include essentially receivables in the amount of kEUR - from co-operation agreements (2013: kEUR 293), kEUR 247 of commission claims (2013: kEUR 276).

20. Deferred taxes

The deferred tax assets concern in the amount of EUR 2.5 million (2013: EUR 2.4 million) mainly deferred taxes on losses carried forward offset against deferred tax liabilities of EUR 2.1 million (2013: EUR 2.0 million) (same tax authority).

21. Liabilities to banks

Liabilities to banks include investment loans as well as the availment of working capital lines.

22. Trade accounts payable

The liabilities are all due within one year. There is no collateralization.

23. Accruals

This item has developed as shown below:

In EUR'000	As at 01.01.14	Changes in scope of consolidation (1)	Use	Disposal	Addition	Currency difference	As at 31.12.14
Outstanding invoices	3,946	333	3,903	341	3,348	121	3,504
Personnel obligations	2,045	-	1,067	512	530	15	1,011
Consulting and audit costs	315	-	295	4	299	2	317
Other accruals	634	1,017	1,335	141	207	9	391
Total	**6,940**	**1,350**	**6,600**	**998**	**4,384**	**147**	**5,223**

(1) reports the additions of the sub-group Kilimanjaro (as of 01.05.2014).

In EUR'000	As at 01.01.13	Changes in scope of consolidation (1)	Use	Disposal	Addition	Currency difference	As at 31.12.13
Outstanding invoices	6,272	318	6,273	124	3,835	-82	3,946
Personnel obligations	1,721	87	875	6	1,131	-13	2,045
Consulting and audit costs	351	14	345	19	316	-2	315
Other accruals	888	620	1.215	135	486	-10	634
Total	**9,232**	**1,039**	**8,708**	**284**	**5,768**	**-107**	**6,940**

The provisions - except for kEUR 454 (2013: kEUR 848) for personnel liabilities - are, as a matter of principle, due within one year.

24. Sales accruals and deferrals

This item includes customers' takings for concert and theatre tickets as well as guarantee payments for events after the balance sheet date. Payments received enter revenues on the date of each event.

25. Income tax receivables/ Income tax liabilities

The income tax receivables are reported as separate items from the reporting year onwards and no longer under Other current assets. At the same time all income tax liabilities are now reported separately, whereas they were reported in the past partly under Other current liabilities. The prior year numbers were adjusted accordingly.

The changes in recognition are as follows:

	01.01.2013	Adjustment amount	01.01.2013 (adjusted)
Income tax receivables	-	912	912
Other current assets	6,030	- 912	5,118
Income tax liabilities	1,017	290	1,307
Other current liabilities	4,874	- 290	4,584

	31.12.2013	Adjustment amount	31.12.2013 (adjusted)
Income tax receivables	-	1,116	1,116
Other current assets	6,452	-1,116	5,336
Income tax liabilities	1,977	184	2,161
Other current liabilities	4,252	-184	4,068

26. Other current liabilities

Other current liabilities break down as follows:

In EUR'000	**31.12.2014**	**31.12.2013**
Tax liabilities	6,952	2,440
Social security liabilities	577	455
Finance liabilities	535	170
Accruals and deferrals	81	140
Other	1,397	863
Other short-term liabilities	**9,542**	**4,068**

27. Other long-term liabilities

Other long-term liabilities are broken down as follows:

in EUR'000	**31.12.2014**	**31.12.2013**
Other financial liabilities	963	564
Accruals and deferrals	-	-
Other long-term liabilities	**963**	**564**

28. Collateralization

For the collateralization of a working capital line, a registered land charge in respect of the Jahrhunderthalle arena in Frankfurt a.M. of Concert Concept Veranstaltungs-GmbH has been registered in the amount of kEUR 4,500. Furthermore, the affiliated companies are jointly and severally liable. On the balance sheet date the credit liability had a value of kEUR 3,158.

For the collateralization of liabilities to banks (December 31, 2014: kEUR 2,729) in connection with acquisition financing the corresponding shares were pledged to the financing banks as well as receivables under an allocation contract.

During the reporting year the receivables from ticket funds as well as insurance claims on December 31, 2014 were assigned to the financing bank for the collateralization of liabilities to banks (kEUR 859) in connection with tour pre-financing. Furthermore, land charges in the amount of kEUR 2,000 are registered.

29. Equity

The Company's capital stock amounts to EUR 16,353,334.00 (December 31, 2013: EUR 13,627,881.00), divided into 16,353,334 ordinary registered shares in the form of no-par-value individual share certificates each with a book share of EUR 1.00 in the capital stock.

The share capital of the company is paid in full.

The capital reserve contains the premium on the shares issued by DEAG, reduced by the capital increase from own company funds to adjust the subscribed capital following the changeover to the Euro as well as reduced by the cost of the capital increase of the respective year in the amount of kEUR 816 (2013: kEUR 429). The transaction costs concern essentially consulting costs as well as issuing fees.

The revaluation reserve for property, plant and equipment results from the revaluation of owner-used plots of land after the deduction of deferred taxes in accordance with IAS 16 and was stated through a retrospective adjustment of the 2012 financial statements in conformity with IAS 8. In 2013 and 2014 no changes were made.

The balance sheet loss includes past results of companies included in the consolidated financial statements and consolidated net earnings for the current financial year.

Earnings per share are calculated by dividing group profit by the weighted number of shares outstanding.

Diluted and undiluted earnings per share are calculated according to IAS 33 on the basis of 16,352,719 shares (16,353,334 shares issued less 615 treasury shares). The weighted average of shares for 2014 amounted to 15,217,114. The Group Result used as a basis amounts to EUR 1,018,454.66.

Contingent Capital

The nominal capital of the company was contingently increased in accordance with a resolution adopted by the General Meeting on June 26, 2014 by an amount of EUR 6,800,000.00 (Contingent Capital 2014/I).

A contingent capital increase can only be carried out to the extent that the holders of option and conversion rights, which are added by virtue of the empowerment of the Executive Board of June 26, 2014 to the convertible bonds and/or bonds with warrants issued by the company until June 25, 2019, exercise their conversion or option right or holders which are obliged to convert the convertible bonds to be issued by the company by virtue of the resolution of empowerment of the General Meeting of June 26, 2014 until June 25, 2019, meet their obligation to convert. The new shares participate in the profit from the beginning of the fiscal year during which they originate from the exercise of conversion and option rights or from the fulfillment of the obligation to convert. The Executive Board is empowered to define the further details for the implementation of the contingent capital increase with the consent of the Supervisory Board.

This empowerment was not used after the reporting date either.

The resolution about the contingent capital (2014/I) was entered in the commercial register on September 9, 2014.

No use was made of this empowerment after the reporting date.

The resolution about the contingent capital (2014/I) was entered in the Commercial Register on September 9, 2014.

The contingent capital (2009/I) adopted on July 8, 2009 was rescinded and is no longer available.

Authorized Capital

The Ordinary General Meeting has created new authorized capital on June 28, 2011 and cancelled the previously unused authorized capital. The Executive Board has been empowered to increase, with the approval of the Supervisory Board, the subscribed capital by June 27, 2016 by a total of EUR 6,194,491.00 (Authorized Capital 2011/I).

The resolution concerning the Authorized Capital (2011/I) was entered in the commercial register on July 22, 2011. After a partial use, the authorized capital (2011/I) still amounts to EUR 4,955,593.00.

On May 8, 2014 the Executive Board decided with the approval of the Supervisory Board by partially using the authorized capital created on June 28, 2011 to increase the share capital of DEAG from EUR 13,627,881.00 by EUR 2,725,453.00 to EUR 16,353,334 by issuing 2,725,453 no par value bearer shares with a proportionate amount of EUR 1.00 per share. The capital increase was made through the granting of rights of subscription.

The capital increase was entered in the commercial register on May 27, 2014.

The authorized capital (2011/I) still amounted to EUR 2,230,140.00 after partial use.

The Ordinary General Meeting has created new authorized capital on June 26, 2014 by rescinding the unused authorized capital (authorized capital 2011/I). The Executive Board was empowered to increase the share capital with the consent of the Supervisory Board by June 25, 2019 by a total of EUR 8,176,667.00 (authorized capital 2014/I).

The resolution about the authorized capital 2014/I was entered in the commercial register on September 9, 2014.

Purchase of Treasury Shares (§ 71 para 1 no. 8 AktG – German Stock Corporation Act)

As resolved by the General Meeting of Shareholders on July 7, 2010, DEAG is in accordance with § 71 para 1 no. 8 AktG authorized until July 6, 2015 to purchase upon approval by the Supervisory Board up to 10 % of the share capital existing on the date of resolution. The decision is taken by the Executive Board. Such purchase may only be made via the stock exchange or by a public purchase offer addressed to shareholders. As of December 31, 2014 the company held 615 treasury shares.

Accumulated other income

The cumulated other result developed as follows in 2014 and 2013, respectively:

	As at 01.01.2014 in EUR'000	Variance in Reporting Year in EUR'000	As at 31.12.2014 in EUR'000
Balancing item IAS 19.93A	-31	385	354
Balancing item for foreign currency translation	-243	480	237
Accumulated other income	-274	865	591

	As at 01.01.2013 in EUR'000	Variance in Reporting Year in EUR'000	As at 31.12.2013 in EUR'000
Balancing item IAS 19.93A	-132	101	-31
Balancing item for foreign currency translation	69	-312	-243
Accumulated other income	-63	-211	-274

Shares of other shareholders

Shares in the paid up and generated equity which are held neither directly nor indirectly by DEAG, are reported as minority interests. They are disclosed within equity in accordance with IAS 10.22.

30. Information on relationships with related parties

According to IAS 24, the Executive Board of DEAG Deutsche Entertainment AG, its shareholders and the Supervisory Board as well as relatives and companies controlled by them come into consideration as related parties (related persons and companies).

All business relations with persons and companies presented below were based on standard market terms.

During the reporting year legal relationships existed with Prof. Peter L. H. Schwenkow within the framework of his employment contract (reimbursement of travel and entertainment expenses and other out of pocket expenses).

Other related parties within the meaning of IAS 24.19 included during the reporting period:

- Two family members of Prof. Peter L. H. Schwenkow, who work as employees for companies of the DEAG Group;
- A family member of Prof. Peter L. H. Schwenkow, who acts as Managing Director of one of the consolidated subsidiaries;
- An associated company in which the members of the Executive Board Prof. Peter L. H. Schwenkow and Detlef Kornett have an interest, which acquired a right to use in respect of a subsidiary during the reporting year.

Remunerations and fees of a total amount of kEUR 673 (2013: kEUR 380) were settled for these persons and companies in the reporting year. The underlying agreements comply with those usually agreed upon for the corresponding activities and transactions within the Group. This applies to the level of the respective compensation and the other provisions.

The Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft was granted contributions in the amount of kEUR 1,787 (prior year kEUR 1,685). They break down as follows:

Granted benefits	Prof. Peter L.H. Schwenkow			
	CEO			
	2013	2014	2014 (Min)	2014 (Max)
Fixed salary	400	400	400	400
Ancillary benefits	160	220	220	220
Total	**560**	**620**	**620**	**620**
One-year variable cash remuneration	636	332	-	1,100
Multi-year variable cash remuneration	-	-	-	-
Total	636	332	-	1,100
Service costs	-	-	-	-
Total remuneration	**1,196**	**952**	**620**	**1,720**

Granted benefits	Christian Diekmann			
	CFO			
	2013	2014	2014 (Min)	2014 (Max)
Fixed salary	250	271	271	271
Ancillary benefits	67	175	175	175
Total	**317**	**446**	**446**	**446**
One-year variable cash remuneration	127	92	-	284
Multi-year variable cash remuneration	45	-	-	45
Total	172	92	-	329
Service costs	-	-	-	-
Total remuneration	**489**	**538**	**446**	**775**

Granted benefits	Detlef Kornett			
	CMO			
	2013	2014	2014 (Min)	2014 (Max)
Fixed salary	-	220	220	220
Ancillary benefits	-	37	37	37
Total	**-**	**257**	**257**	**257**
One-year variable cash remuneration	-	40	-	180
Multi-year variable cash remuneration	-	-	-	-
Total	-	40	-	180
Service costs	-	-	-	-
Total remuneration	**-**	**297**	**257**	**437**

The Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft has received contributions in the amount of kEUR 2,320 (prior year: kEUR 1,151) in 2014. They break down as follows:

Inflow	Prof. Peter L.H. Schwenkow CEO	
	2013	2014
Fixed salary	400	400
Ancillary benefits	160	220
Total	**560**	**620**
One-year variable cash remuneration	481	826
Multi-year variable cash remuneration	-	-
Total	481	826
Service costs	-	-
Total remuneration	**1,041**	**1,446**

Inflow	Christian Diekmann CFO	
	2013	2014
Fixed salary	250	271
Ancillary benefits	67	175
Total	**317**	**446**
One-year variable cash remuneration	94	186
Multi-year variable cash remuneration	38	45
Total	132	231
Service costs	-	-
Total remuneration	**449**	**677**

Inflow	Detlef Kornett CMO	
	2013	2014
Fixed salary	-	220
Ancillary benefits	-	37
Total	**-**	**257**
One-year variable cash remuneration	-	40
Multi-year variable cash remuneration	-	-
Total	-	40
Service costs	-	-
Total remuneration	**-**	**297**

The members of the Executive Board are subject to a comprehensive post-contractual prohibition of competition for 24 months after the end of the underlying employment relationship. DEAG pays compensation in this respect which is related to the remuneration.

In the event of disease and/or temporary occupational disability of the CEO the company undertakes to pay the fixed compensations for no longer than until the end of the employment contract.

In the event of disease and/or temporary occupational disability of the CFO and CMO the company undertakes to pay the fixed compensations for a period of six months as well as 50% of the fixed compensations for another six months, but no longer than until the end of the employment contract.

In the event of death in active service, the surviving dependents of the CEO will be paid for six months and the surviving dependents of the CFO ad CMO will be paid for three months 100% of the fixed compensation and part of the variable remuneration earned up to that point in time.

Both in the event of a premature termination of contract by mutual consent and/or resignation of the Executive Board mandate at the request of DEAG and in case of a change of control event, DEAG pays severance pay to the members of the Executive Board. The corresponding agreements are in compliance with the recommendation of the German Corporate Governance Code (DCGK) as amended on June 24, 2014.

Members of the Supervisory Board

Members of the Supervisory Board are remunerated in line with the articles of incorporation. In the year under review, remuneration totaled kEUR 87 (2013: kEUR 92). The Company also reimbursed travel costs of kEUR 3 incurred in connection with Supervisory Board meetings (2013: kEUR 6).

31. Sales

The segment reporting shows the breakdown of revenues by lines of business and geographical markets.

32. Cost of sales

The cost of materials, purchased services, especially fees, personnel expenses, event-related hire and rental charges and other material costs (including pro-rata scheduled depreciation and amortization) incurred to achieve sales revenue are booked as cost of sales.

33. Distribution costs

Distribution costs include personnel expenses, advertising and travel costs, cost of premises and other distribution-related material costs.

34. Administrative expenses

Administrative expenses include personnel expenses, legal and consulting costs, cost of premises and other administration-related material costs (including pro-rata scheduled depreciation and amortization).

35. Other operating income

The item breaks down as follows:

in EUR'000	2014	2013
Income from changes in scope of consolidation	1,070	2,274
Commission income	802	773
Income from release of provisions	515	284
Income from service contracts	475	362
Insurance compensation	402	815
Rental income	369	738
Sale of rights of use	280	-
Income from currency translation differences	188	77
Income from release of provisions	18	299
Other	945	484
Total	**5,064**	**6,106**

36. Other operating expenses

The other operating expenses include, amongst other things, valuation allowances, risk provisioning as well as other taxes and accessory services.

The items break down as follows:

in EUR'000	2014	2013
Individual allowances/ Provision for risks	420	410
Other taxes and additional service	177	178
Expenses from change real estate objects held as financial investments	86	28
Damages	45	7
Losses from fixed asset disposals	5	19
Other	726	767
Total	**1,459**	1,409

37. Interest income/expense

This item breaks down as follows:

In EUR'000	2014	2013
Other interest and similar income	239	163
Interest and similar expenditure	-533	-559
Interest income and expense	**-294**	**-396**

Interest expenses include non-cash-based interest expenses in the amount of kEUR 39 (2013: kEUR 70).

38. Income from investments

The income from investments amounts to kEUR 7 (2013: kEUR -3).

39. Income taxes

Actual tax liabilities for the current financial year and previous years are calculated on the basis of the amounts expected to be payable to the tax authorities. Deferred tax claims and tax liabilities are calculated on the basis of the rates that were valid on the balance sheet date.

In EUR'000	2014	2013
Tax expenditure:		
Reporting period	-1,175	-1,478
Previous years	-26	-818
Tax refund previous years	872	349
Deferred tax revenue/expenditure		
Deferrered taxes	243	200
Accrual of temporary differences	-8	23
Changing tax rate	55	3
Tax expenditure:	**-39**	**-1,721**

Income tax includes all income tax paid or payable in the respective countries and all deferred taxes. Income tax includes corporate income tax as well as solidarity surcharge and trade tax as well as the corresponding foreign taxes.

Deferred taxes are formed in order to record all substantial temporary variances between the individual financial statement and the tax balance sheet and temporary variances due to consolidation adjustments. Deferred tax claims are applied as far as they can be settled against deferred taxes on the liabilities side.

Deferred taxes are calculated on the basis of the respectively applicable national income tax rates. For domestic companies a corporation tax rate of 15.0 % as well as an effective local trade tax rate of 15.0 % were applied as at December 31, 2014. Taking into account the solidarity surcharge and the trade income tax, the calculation of the deferred taxes for the domestic companies is based on a tax rate of 30.0 %. Income tax rate in Switzerland is approximately 20.0 % and approximately 21.0 % (up to March 31, 2014: 23%) in Great Britain.

Tax expenses resulting from application of the DEAG tax rate can be translated into actual tax expenses as follows:

In EUR'000	2014	2013
Result before taxes on income and shares of other shareholder	2,262	3,879
Tax expenditure at the DEAG AG tax rate	-679	-1,164
Tax expenditure as per profit and loss statement	-39	-1,721
Carryover figure	**-640**	**557**

In EUR'000	2014	2013
Changing tax rate	-55	-3
Taxes previous years	-693	691
Tax-free earnings and non-deductible expenses	-229	-462
Different tax rates	29	-231
Write-up of value adjustment of tax accruals	281	613
Others	27	-51
	-640	**557**

Deferred tax assets are made up as follows:

In EUR'000	2014	2013	Variances with no effect on results	Variances with effect on results
Tax accruals on losses carried forward	2,456	2,268 *	580	-392
Other temporary variances	40	126	-99	13
Deferred tax assets	**2,496**	**2,394**	**481**	**-379**
Deferred tax assets that can be set off against deferred tax liabilities	-2,147	-2,039 *		
Deferred tax assets (net)	**349**	**355**		

* Previous year adjusted (IAS 8.42)

The deferred tax assets in respect of losses carried forward were recognized in the amount of kEUR 2,456. The tax claims were shown as a balance in the amount provided that there is an offsetting possibility with the same tax authority.

The tax losses carried forward of DEAG amounted on December 31, 2014 to EUR 47.3 million (prior year: EUR 43.7 million) in terms of corporation tax and EUR 30.2 million (prior year: EUR 30.5 million) in terms of local trade tax.

Due to the usage of previously unrecognized fiscal losses the current tax expenditure was lowered by kEUR 233 (prior year: kEUR 165).

Deferred tax liabilities are made up as follows:

In EUR'000	2014	2013	Variances with no effect on results	Variances with effect on results
Deferred income from the value write-up on the Jahrhunderthalle Frankfurt am Main	2,405	2,430 *	-	25
Deferred income on intangible assets	2,200	1,791	-1,065	656
Other temporary variances	25	11	-2	-12
Deferred taxes on the liabilities side	**4,630**	**4,232**	**-1,067**	**669**
To be settled against deferred tax assets	-2,147	-2,039 *		
Balance Shown	**2,483**	**2,193**		

* Previous year adjusted (IAS 8.42)

40. Discontinued operations

The earnings after tax from discontinued operations has to be separately reported in conformity with IFRS 5. During the reporting year it includes kEUR 202 expert and lawyer as well as court costs in connection with the assertion of damage claims (“Qivive” case); during the prior year kEUR 2,586 were reported, including kEUR 2,486 in connection with the afore-mentioned legal proceedings and kEUR 100 due to a write-off of receivables in this field.

The earnings after tax from discontinued operations is exclusively attributable to the shareholders of the parent company.

41. Personnel expenses

Personnel expenses

In EUR'000	2014	2013
Salaries and wages	13,302	15,978
Social security contribution	2,080	2,432
Total personnel expenses	**15,382**	**18,410**

42. Rent expenditure

The rent expenditure from leasing offices and venues as part of operating leases amount during fiscal 2014 to kEUR 9,840 (2013: kEUR 3,408); the change results, amongst others, from the change in the scope of consolidated financial statements.

43. Cash flow statement

The financial resources fund exclusively concerns liquid assets. Within the framework of changes to the scope of consolidation the following changes resulted in respect to the financial resources fund and the other assets and liabilities.

- In EUR'000 -	Additions
Cash inflow	1,523
Additions of fixed assets	10,284
Additions of other assets	3,806
Additions of other liabilities	8,992

The following investment and financing transactions took place:

The acquisition of shares in Kilimanjaro Holdings Limited, London (United Kingdom) was financed with kEUR 4,673 by a cash capital increase.

Income tax was paid in the amount of kEUR 1,641 (2013: kEUR 1,299), which was classified as cashflow from ordinary business activities.

44. Information on obligations under retirement benefit plans (IAS 19)

Under defined contribution plans in Germany, the Group contributes by virtue of statutory provisions to state pension insurance schemes. During the fiscal year the employer contribution to the pension insurance amounted to 9.45%. The ongoing payments of contributions are disclosed as social contributions in personnel expenses and amount to kEUR 482 (2013: kEUR 639).

For the employees of Raymond Gubbay Ltd. and Kilimanjaro Live Ltd. retirement benefits are granted under the statutory defined contribution plan. Moreover, the Directors of the company are insured through individual defined contribution pension insurance policies. During the reporting period Raymond Gubbay Ltd. has paid pension insurance contributions in the amount of kEUR 106 (2012: kEUR 107) and Kilimanjaro Live Ltd. paid pension insurance contributions in the amount of kEUR 49.

The companies of the DEAG Group which are resident in Switzerland have joined a collective foundation for compliance with their retirement benefit obligations under the Swiss Federal Act on Professional Retirement, Surviving Dependents and Disabled Provision Schemes (BVG). Apart from the payment of ongoing contributions to this pension scheme, they are also obliged to compensate any under-coverage of this pension scheme if necessary (see Article 65d BVG). For this reason this retirement benefit scheme has to be classified as a defined multi-employer benefit plan within the meaning of IAS 19.29.

An independent expert has calculated the obligations in terms of retirement benefits effective December 31, 2014. The corresponding values were taken over into the consolidated financial statements.

The disclosure in accordance with IAS 19.120a can be taken from the table below:

		In EUR'000	
		31.12.2014	**31.12.2013**
(a)	Accounting policy for recognising gains and losses	Recognised in the OCI	
(b)	General description of the type of plan	Savings/Risk Insurance	
(c)	**Changes in the defined benefit obligation**		
	Benefit obligation beginning of year	**2,940**	**3,533**
	Current service costs	190	360
	Interest expenditure	57	58
	Contributions by plan participants	117	118
	Actuarial (gains)/losses demographic assumptions	-854	193
	Actuarial (gains)/losses econimic assumptions	516	-119
	Actuarial (gains)/losses experience adjustment	142	-654
	Foreign currency exchange rate changes	60	-61
	Benefits paid	-355	-488
	Benefit obligation end of year	**2,813**	**2,94**
(d)	**Changes in assets**		
	Fair value of the assets beginning of the year	2,318	2,851
	Expected return on plan assets	46	45
	Actuarial (gains)/losses	352	-334
	Foreign currency exchange rate changes	-22	-50
	Contributions by the employer	176	176
	Contributions by plan participants	117	118
	Benefits paid	-355	-488
	Fair value of the assets end of the year	**2,632**	**2,318**

		In EUR'000	
		31.12.2014	**31.12.2013**
(e)	**Amounts recognised in the balance sheet**		
	Present value of the obligation that is funded	2,813	2,940
	Fair value if the assets	2,632	2,318
	Surplus/deficit	181	622
	Net obligation (credit)	**181**	**622**
	Reconciliation balance sheet		
	Net liabilities (net assets) at the beginning of the year	**622**	**681**
	Recognised net losses (net gains)	201	372
	Pension costs included in the OCI	-549	-245
	Contributions by the employer	-176	-176
	Foreign currency exchange rate changes	83	-10
	Net liabilities (net assets) at the end of the year	**181**	**622**
(f)	**Total expense recognised in P&L**		
	Current service cost	190	360
	net Interest exepenses / income	11	12
	Pension costs recognised in P&L	201	372
(g)	**Amounts recognised in the other comprehensive income (OCI)**		
	Actuarial (gains)/losses changed assumptions	-338	74
	expense plan assets (minus interest income)	142	-654
	expense plan assets (minus interest income)	-352	334
(h)	Cumulative gains and lossed recognised in the OCI	425	55
(i)	**Actual return on plan assets**		
	investment category		
	equity assets	0.00%	0.00%
	bonds	0.00%	0.00%
	real estate	0.00%	0.00%
	other	100,00%	100,00%
	total	**100,00%**	**100,00%**
(j)	**Actuarial assumptions**		
	Discount rates	1.10%	2.00%
	Expected rates of salary increases	1.00%	1.00%
	Expected pension development	0.00%	0.00%
	Fluctuation rate	27.50%	BVG 2010
	technical basis	BVG 2010	BVG 2010
(k)	expected employer contributions	177	191
(l)	**sensitivities of changing assumptions**		
	current assumptions 31.12.2014	2,813	
	Discount rates +0.5%	2,737	-2.70%
	Discount rates -0.5%	2,897	3.00%
	salary increases	2,817	0.10%
	salary increases	2,809	-0.10%

45. Average number of employees during the year

Head count	2014	2013
Live Touring	68	47
Entertainment Services	84	212
DEAG Holding	27	25
Total	**179**	**284**

On December 31, 2014 the Group employed 205 (2013: 248) employees.

The change versus prior year results essentially from the discontinuation of the Varieté operation in Stuttgart effective December 31, 2013 as well as the change in deployment of employees versus prior year at a subsidiary in connection with tours carried out.

46. Off-balance sheet contingencies

On the balance sheet date the following contingencies relating to other securities and guarantees provided for third parties exist in the amount of kEUR 382 (2013 kEUR 384).

This includes an amount of kEUR 303 in respect of which DEAG has taken over liability in connection with the letter of comfort vis a vis a joint venture.

Future tax audits could result in further payment obligations, whose amount can currently not be estimated.

47. Other financial commitments

In addition to the accruals and liabilities in the balance sheet and the contingencies, the following other financial commitments exist:

In EUR'000	Artist Guarantees	Rent and Leasing	Other	Total
2015	44,59	1,996	495	47,081
2016-2019	3,450	1,642	-	5,092
Total	**48,040**	**3,638**	**495**	**52,173**

Other financial commitments mainly concern contractual service and maintenance agreements in the amount of kEUR 413 for fiscal 2015.

If circumstances arise which cannot be influenced by DEAG, additional financial obligations can result vis-à-vis the three members of the Executive Board in the amount of kEUR 6,198 (prior year: kEUR 5,307). The probability of occurrence is classified as low.

48. Audit fees

The auditor's fees, which are reported as expenses, are made up as follows in fiscal 2014:

In EUR'000	2014
Audit costs	213
Other audit services rendered	60
Other services rendered	90
	363

kEUR 62 of the audit fees for the financial statements, kEUR 56 of other audit services and kEUR 90 of other services rendered are charged to DEAG.

49. Declaration of conformity in accordance with § 161 AktG

Declaration on the Corporate Governance Code

The Executive Board and the Supervisory Board of DEAG Deutsche Entertainment Aktiengesellschaft have issued a statement of conformity with the recommendations of the Government Commission for a German Corporate Governance Code in accordance with § 314 no. 8 HGB in conjunction with § 161 AktG on December 11, 2014 and made it permanently accessible to shareholders on the Internet.

The full declaration is posted on the company website (www.deag.de/ir).

50. Legal disputes

Various DEAG Group companies are involved in legal or out-of-court disputes. Provisions were made to cover risks.

51. Capital control

In addition to the provisions under the German Stock Corporation Act, DEAG is not subject to any more extensive obligations for the purpose of capital conservation under byelaws or contracts. The financial ratios which are used for internal controlling of the company, are performance-based and are to serve for the appreciation of the shareholder assets while preserving at the same time balanced liquidity.

In the project business the gross margin and the break-even ticket number are used as the most important control parameters. For the overall corporate control EBIT, net income for the year and the corresponding profit to sales ratios constitute the decisive parameters. In the event of acquisitions of companies the duration of amortization of the purchase price is an important decision criterion in addition to the corporate parameters. The Group manages its capital with the objective of ensuring that all affiliated companies can operate their business as a going concern and that at the same time the earnings of the shareholders are maximized though an optimization of the ratio of equity to debt capital. The overall strategy has remained unchanged versus 2013. Compliance with the covenant criteria in connection with financings used is monitored on an ongoing basis.

52. Additional information on financial instruments and risk management

The DEAG Group is due to its international business as well as the investment and financing activities regarding its assets, liabilities as well as the operative business subject to interest, currency, credit rating and cash flow risks.

- Interest risks

On the assets and liabilities side the Group is subject to interest rate fluctuations. Whilst on the assets side in particular income from short-term investments is exposed to an interest rate risk, the liabilities side is affected essentially by interest expenses concerning current and non-current financial liabilities. A risk reduction results from the fact that both the investments and part of the interest payments are subject to financing with a variable interest rate raised by the Group. The latter is based on EURIBOR.

In addition, some financings are based on an interest spread grid with a scaling of 0.25 percentage points. The interest spread over EURIBOR depends on the net indebtedness and the interest coverage rate to be determined on an annual basis.

The sensitivity analysis required by IFRS 7 refers to interest rate risks from floating rate monetary liabilities.

In the event of a hypothetical increase of the EURIBOR by 1%, interest would increase by kEUR 84 as far as the floating rate interest financing is concerned. A reduction by 1% is currently not possible because of the low interest level.

In the event of a hypothetical increase (decrease) of the interest spread by 0.25%, interest would increase (decrease) by kEUR 21 as far as the floating rate interest financing is concerned.

- Currency risks

Payments of fees for artists, orchestras, show productions etc. are partly made on a USD basis and are hence subject to a USD/EUR currency risk. The same applies to dividend payments of foreign subsidiaries which are made in CHF and GBP. The company makes sensitivity analyses on a regular basis in order to anticipate the impact of currency fluctuations and assess whether rate-hedging transactions are advantageous. During the reporting period no currency hedging was carried out.

- Solvency risks

The DEAG Group is exposed in the operating business and in respect of other transactions – for instance, stake sales – to a default risk, if the contracting partners fail to meet their payment obligations. The existing deposits have been made with principal banks with good credit standing. The maximum default risk is reflected by the accounting values. The deposits are made with different banks so that a diversification of the default risk is guaranteed.

In the operating business, too, credit standing is strictly observed at the selection of the business partners. Accounts receivable are monitored on an ongoing basis. Possible default risks are taken into account by specific valuation allowances. On the balance sheet date there were no indications of risks beyond the posted valuation allowances for accounts receivable or other assets.

- Liquidity risks

The financing of the operating business depends on the ability of the companies within the DEAG Group to generate sufficient cash flow in a volatile business or have access to external financing sources (third-party capital or own funds).

DEAG, therefore, has agreed on extensive framework lines without further restrictions of term with four principal banks.

The ongoing interest in respect of the different drawings and uses is based on the one hand on the general EURIBOR development and on the other hand on balance sheet and income relations (financial covenants) agreed upon, which can lead to an increase and / or reduction of interest payments. The financial and non-financial covenants to banks are monitored on an ongoing basis.

The respective financing terms and conditions reflect the favorable market level and the very good rating of DEAG. The framework lines can be terminated on the basis of the standard terms and conditions if the assets, financial and earnings position of the DEAG Group has considerably worsened compared to the time when they were granted.

If the actual sales revenues and the associated actual inflows from ticket sales for the three Festivals at the Nürburgring (in 2015 relocated to Gelsenkirchen), in Munich and in Vienna were significantly deviating from the forecasts, a shorage of liquidity might occur and DEAG might have to rely on the use of additional financing sources (third party or own funds). If this did not succeed to a sufficient extent, the continued existence of the company and the Group would be at risk.

The following tables show the contractually fixed payments under financial liabilities. The values reflect the undiscounted liabilities. In the event of floating interest payments, reference is made to the interest rate level on the balance sheet date.

2014				In EUR'000
Non-derivative financial liabilities				
	up to 1 year	>1 - 5 years	> 5 years	Total
Liabilities against banks and other financial liabilities				
- repayment	6,792	1,600	-	8,392
- interest (3,64 %)	247	58	-	305
Liabilities against trades and services	9,138	-	-	9,138
Other financial liabilties	-	292	-	292
Other non-derivative financial liabilities	-	-	671	671
Derivative financial liabilities	-	-	-	-

2013				In EUR'000
Non-derivative financial liabilities				
	up to 1 year	>1 - 5 year	> 5 years	Total
Liabilities against banks and other financial liabilities				
- repayment	6,203	5,567	-	11,770
- interest (2.92 %)	181	163	-	344
Liabilities against trades and services	5,608	-	-	5,608
Other financial liabilties	-	279	-	279
Other non-derivative financial liabilities	229	285	-	514
Derivative financial liabilities	-	-	-	-

As far as a more detailed risk description is concerned, we refer to Section 4 of the Management Report. The task of risk management is to manage these risks through close market monitoring, risk assessments, the reduction of net exposure and selective hedging measures, e.g. through financial derivatives. When selecting business partners, their credit standing is strictly taken into account.

53. Reporting on financial instruments and fair values

The carrying values and the fair values of the individual financial assets and liabilities are represented below in accordance with the categories of IAS 39 in accordance with the levels of fair value hierarchy (IFRS 13) and reconciled with the corresponding balance sheet positions.

Liquid assets, accounts receivable as well as other receivables have above all short residual terms. For that reason their carrying values on the balance sheet date correspond more or less to the fair value. The fair values of lendings and other non-current receivables correspond to the present value of the payments associated with the assets taking into account current interest parameters.

The portfolio of original financial instruments is being reported in the balance sheet, the amount of the financial assets corresponds to the maximum default risk. As far as default risks become evident within the financial assets these risks are being recognized through value adjustments.

Current financial liabilities, accounts payable as well as other liabilities have regularly short residual terms; the reported values reflect more or less the fair values. The non-current financial liabilities are identified as present values of the payments related to the debts on the basis of the current interest parameters.

Regarding provisions recognized at fair value, we refer to the Notes in respect of the respective balance sheet items.

Financial instruments 2014		**Valuation according to IAS 39**	
In EUR´000			
Assets	**Book value 31.12.2014**	**Continued book value**	**Affecting fair value**
Liquid funds (loans and receivables)	54,064	54,064	-
Trade receivables			
(loans and receivables)	12,924	12,924	-
Other current assets			
(loans and receivables)	5,941	5,941	-
Investments			
(available for sale)	153	153	-
Other long-term assets			
(loans and receivables)	262	262	-

Liabilities	Book value 31.12.2014	Continued book value (Valuation according to IAS 39)	Affecting fair value (Valuation according to IAS 39)
Bank loans payable, short-term			
(Financial liabilties)	6,792	6,792	-
Bank loans payable, long-term			
(Financial liabilties)	1,600	1,600	-
Trade accounts payable			
(Financial liabilties)	9,138	9,138	-
Accruals			
(Financial liabilties)	3,504	3,504	-
Other short-term liabilities			
(Financial liabilties)	9,542	9,542	-
Other long-term liabilities			
(Financial liabilties)	963	292	671

Aggregate as valuation categories IAS 39	Book value 31.12.2014	Continued book value (Valuation according to IAS 39)	Affecting fair value (Valuation according to IAS 39)
Financial assets			
loans and receivables	73,191	73,191	-
fair value through profit or loss	-	-	-
available for sale	153	153	-
Financial liabilities	31,539	30,868	671

Financial instruments 2013

In EUR´000

Assets	Book value 31.12.2013	Continued book value (Valuation according to IAS 39)	Affecting fair value (Valuation according to IAS 39)
Liquid funds (loans and receivables)	22,943	22,943	-
Trade receivables			
(loans and receivables)	8,801	8,801	-
Other current assets			
(loans and receivables)	5,336	5,336	-
Investments			
(available for sale)	757	757	-
Other long-term assets			
(loans and receivables)	635	635	-

Liabilities	Book value 31.12.2013	Valuation according to IAS 39: Continued book value	Valuation according to IAS 39: Affecting fair value
Bank loans payable, short-term			
(Financial liabilities)	6,203	6,203	-
Bank loans payable, long-term			
(Financial liabilities)	5,567	5,567	-
Trade accounts payable			
(Financial liabilities)	5,608	5,608	-
Accruals			
(Financial liabilities)	3,947	3,947	-
Other short-term liabilities			
(Financial liabilities)	4,068	4,018	50
Other long-term liabilities			
(Financial liabilities)	564	279	285

Aggregate as valuation categories IAS 39	Book value 31.12.2013	Valuation according to IAS 39: Continued book value	Valuation according to IAS 39: Affecting fair value
Financial assets			
loans and receivables	37,715	37,715	-
fair value through profit or loss	-	-	-
available for sale	757	757	-
Financial liabilities	25,957	25,622	335

Expenses, income, losses an profits from financial intsruments can be allocated to the following categories:

In EUR'000	2014	2013
Financial Assets		
Loans and receivables	106	-264
rated at fair value	-	-
Financial liabilities		
rated with amortized cost	-28	-497
rated at Fair Value	-	-
Total	**78**	**-761**

The levels of the fair value hierarchy (IFRS 13) are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs which concern the quoted prices included within Level 1 but are observable for the asset or liability either directly or indirectly.

Level 3: Inputs for assets and liabilities which are based on unobservable market data.

In EUR´000

assets at fair value	2014 total	level 1	market value level 2	level 3
Real estate held as financial investment (Pos. 17)	8.350	-	-	8.350
property (revaluation according to IAS 16, Pos. 16)	425	-	-	425

liabilities measured	2014 total	level 1	market value level 2	level 3
Contingent consideration liability	671	-	-	671

During the reporting period there were no regrouping from class 1, class 2 and class 3 of the valuation hierarchy

assets at fair value	2013 total	level 1	market value level 2	level 3
Real estate held as financial investment (Pos.17)	8.350	-	-	8.350
property (revaluation according to IAS 16, Pos. 16)	425	-	-	425

liabilities measured	2013 total	level 1	market value level 2	level 3
contingent consideration liability (Pos. 12)	335	-	-	335

During the reporting period there were no regrouping from class 1, class 2 and class 3 of the valuation hierarchy

54. Exemption from disclosure in accordance with § 264 para 3 HGB

The following companies avail themselves of the possibility of exemption from disclosure of their financial statements and management reports in accordance with § 264 para 3 HGB (German Commercial Code):

- DEAG Concerts GmbH, Berlin
- Concert Concept Veranstaltungs-GmbH, Berlin
- Kultur- und Kongresszentrum Jahrhunderthalle GmbH, Frankfurt a.M.
- DEAG Music GmbH, Berlin
- Grünland Family Entertainment GmbH, Berlin

55. Notification in accordance with §§ 21, 26 WpHG

In 2014 and until the preparation of the consolidated financial statements, the following notifications were made:

HSB Verwaltung GmbH, Berlin, notified the company in accordance with § 21 para 1 WpHG (German Securities Trading Act) that its voting rights in DEAG Deutsche Entertainment AG exceeded the threshold of 5% on December 16, 2003 and amounted to 22.54%. The voting rights are attributable to HSB Verwaltung GmbH in accordance with § 22 para 1 No. 1 WpHG.

HSB Vermögensverwaltung GmbH & Co. KG, Berlin, notified the company in accordance with § 21 para 1 WpHG that its voting rights in DEAG Deutsche Entertainment AG fell short of the threshold of 10% on October 5, 2004 and amounted to 9.616%. 1.744% are attributable to HSB Vermögensverwaltung GmbH & Co. KG in accordance with § 22 para 2 WpHG.

HSB Verwaltung GmbH, Berlin, notified the company in accordance with § 21 para 1 WpHG that its voting rights in DEAG Deutsche Entertainment AG fell short of the threshold of 10% on December 5, 2004 and amounted to 9.616%. 7.872% are attributable to it in accordance with § 22 para 1 No. 1 WpHG and 1.744% in accordance with § 22 para 2 WpHG.

Mr David Bongartz, USA, notified the company in accordance with § 21 para 1 WpHG (German Securities Trading Act) that his voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany, ISIN: DE000A0Z23G6, WKN: A0Z23G exceeded the threshold of 3% of voting rights on July 29, 2010 and amounted to 3.00% (corresponding to 371,670 voting rights) on that day.

Plutus Holdings 2 Limited, Road Town, Tortola, British Virgin Islands, notified the company in accordance with § 21 para 1 WpHG on April 18, 2011 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany exceeded the threshold of 3% of the voting rights on April 11, 2011 and amounted to 4.04% on that day (this corresponds to 500,315 voting rights).

Plutus Holdings 2 Limited, Road Town, Tortola, British Virgin Islands, notified the company in accordance with § 21 para 1 WpHG on April 18, 2011 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany exceeded the threshold of 5% of the voting rights on April 14, 2011 and amounted to 6.98% on that day (this corresponds to 865,291 voting rights).

Plutus Holdings 2 Limited, Road Town, Tortola, British Virgin Islands, notified the company in accordance with § 21 para 1 WpHG on December 12, 2011 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany exceeded the threshold of 10% of the voting rights on December 8, 2011 and amounted to 10.30% on that day (this corresponds to 1,285,256 voting rights).

Plutus Holdings 2 Limited, Road Town, Tortola, British Virgin Islands, notified the company in accordance with § 21 para 1 WpHG on December 13, 2011 by correction of the notification of December 12, 2011, that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany exceeded the threshold of 10% of the voting rights on December 8, 2011 and amounted to 10.37% on that day (this corresponds to 1,285,256 voting rights).

Mr Bernd Förtsch, Germany, informed us on March 5, 2013 in accordance with § 21 para 1 WpHG that his share in the voting rights of our company exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on February 28, 2013 and has amounted on this day to 29.18 % of the voting rights (3,615,410 voting rights).

29.18% of the voting rights (3,615,410 voting rights) are attributable in accordance with § 22 para 1 sentence 1 no. 1 WpHG to Bernd Förtsch, Germany.

The attribution is based on the following companies controlled by Bernd Förtsch, whose share in the voting rights of our company amounts to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
- Altira Heliad Management GmbH, Frankfurt am Main, Germany through
- Altira Aktiengesellschaft, Frankfurt am Main, Germany through
- LION CAPITAL AG, Kulmbach, Germany through
- BF Holding GmbH, Kulmbach, Germany.

BF Holding GmbH, Am Eulenhof 14, 95326 Kulmbach, Germany, informed us on Mach 5, 2013 in accordance with § 21 para 1 WpHG that its share in the voting rights of our company exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on February 28, 2013 and has amounted on this day to 29.18 % of the voting rights (3,615,410 voting rights).

29.18% of the voting rights (3,615,410 voting rights) are attributable in accordance with § 22 para 1 sentence 1 no. 1 WpHG to BF Holding GmbH, Germany.

The attribution is based on the following companies controlled by BF Holding GmbH, whose share in the voting rights of our company amounts to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through

- Altira Heliad Management GmbH, Frankfurt am Main, Germany through
- Altira Aktiengesellschaft, Frankfurt am Main, Germany through
- LION CAPITAL AG, Kulmbach, Germany.

LION CAPITAL AG, Am Eulenhof 14, 95326 Kulmbach, Germany, informed us on March 5, 2013 in accordance with § 21 para 1 WpHG that its share in the voting rights of our company exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on February 28, 2013 and has amounted on this day to 29.18 % of the voting rights (3,615,410 voting rights).

29.18% of the voting rights (3,615,410 voting rights) are attributable in accordance with § 22 para 1 sentence 1 no. 1 WpHG to LION CAPITAL AG, Germany.

The attribution is based on the following companies controlled by LION CAPITAL AG, whose share in the voting rights of our company amounts to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
- Altira Heliad Management GmbH, Frankfurt am Main, Germany through
- Altira Aktiengesellschaft, Frankfurt am Main, Germany.

DAP Management GmbH, Heidelberg, Germany, informed us on August 1, 2013 in accordance with § 21 para 1 WpHG that its share in the voting rights of DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany, exceeded the threshold of 3% of the voting rights on July 11, 2013 and amounted to 3.61% (this corresponds to 492,308 voting rights) on that date.

IFM Independent Fund Management AG, Vaduz, Liechtenstein, informed us on September 20, 2013 in accordance with § 21 para 1 WpHG that the voting rights of the management company named IFM Independent Fund Management AG as trustee for the fund Scherrer Small Caps Europe in DEAG Deutsche Entertainment AG, Berlin, Germany, exceeded on September 17, 2013 the threshold of 3% of the voting rights and amounted to 3.01% (this corresponds to 409,996 voting rights) on that date.

Allianz Global Investors Luxembourg S.A., Senningerberg, Luxembourg, informed us on February 13, 2014 in accordance with § 21 para 1 sentence 1 WpHG that its share in the voting rights of DEAG Deutsche Entertainment AG, Berlin, Germany - ISIN DE000A0Z23G6, WKN Securities Identification Number A0Z23G – exceeded on February 13, 2014 the threshold of 3% of the voting rights and amounted to 3.03% (this corresponds to 412,611 of a total of 13,627,881 voting rights) on that date. 2.94% of the total amount of voting rights (this corresponds to 400,000 of a total of 13,627,881 voting rights) are attributable to Allianz Global Investors Luxembourg S.A. in accordance with § 22 para 1 sentence 1 No. 6 WpHG.

Altira Aktiengesellschaft, Frankfurt am Main, Germany, informed us on February 14, 2014 for and on behalf of

1. Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany

2. Altira Heliad Management GmbH, Frankfurt am Main, Germany

3. Altira Aktiengesellschaft, Frankfurt am Main, Germany

in accordance with §§ 21 para 1, 22 para 1 sentence 1 No. 1 WpHG that

1. the voting rights of Heliad Equity Partners GmbH & Co. KGaA in DEAG Deutsche Entertainment AG, Berlin, Germany – ISIN DE000A0Z23G6, WKN Securities Identification Number A0Z23G – in accordance with § 21 para 1 WpHG remained below the threshold of 25% on February 13, 2014 and amounted to 24.08% (this corresponds to 3,281,550 voting rights) on that date.

2. the voting rights of Altira Heliad Management GmbH in DEAG Deutsche Entertainment AG, Berlin, Germany - ISIN DE000A0Z23G6, WKN Securities Identification Number A0Z23G – in accordance with § 21 para 1 WpHG remained below the threshold of 25% on February 13, 2014 and amounted to 24.08% (this corresponds to 3,281,550 voting rights) on that date. These voting rights are attributable to Altira Heliad Management GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG as personally liable

partner (general partner) of Heliad Equity Partners GmbH & Co. KGaA in an amount of 24.08% (this corresponds to 3,281,550 voting rights).

3. the voting rights of Altira Aktiengesellschaft in DEAG Deutsche Entertainment AG, Berlin, Germany - ISIN DE000A0Z23G6, WKN Securities Identification Number A0Z23G – in accordance with § 21 para 1 WpHG remained below the threshold of 25% on February 13, 2014 and amounted to 24.08% (this corresponds to 3,281,550 voting rights) on that date. 24.08% (this corresponds to 3,281,550 voting rights) of these are attributable to Altira Aktiengesellschaft through the subsidiary controlled by it, Altira Heliad Management GmbH, as personally liable partner of Heliad Equity Partners GmbH & Co. KGaA.

Allianz Institutional Investors Series SICAV, Senningerberg, Luxembourg, informed us in accordance with § 21 para 1 sentence 1 WpHG on February 17, 32014 that its voting rights in DEAG Deutsche Entertainment AG, Berlin, Germany - ISIN DE000A0Z23G6, WKN Securities Identification Number A0Z23G – exceeded the threshold of 3% of the voting rights on February 17, 2014 and amounted to 3.67% (this corresponds to 500,000 of a total of 13,527,881 voting rights) on that date.

Allianz Global Investors Luxembourg S.A., Senningerberg, Luxembourg, informed us in accordance with § 21 para 1 sentence 1 WpHG on February 17, 2014 that its voting rights in DEAG Deutsche Entertainment AG, Berlin, Germany - ISIN DE000A0Z23G6, WKN Securities Identification Number A0Z23G – exceeded the threshold of 5% of the voting rights on February 17, 2014 and amounted to 5.01% (this corresponds to 683,000 of a total of 13,627,881 voting rights) on that date.

3.67% of the total amount of voting rights (this corresponds to 500,000 of a total of 13,627,881 voting rights) are attributable to Allianz Global Investors Luxembourg S.A. in accordance with § 22 para 1 sentence 1 No. 6 WpHG.

The name of the third party whose shares serve as the basis for the notifiable voting rights of Allianz Global Investors Luxembourg S.A. and whose voting rights amount to more than 3% is: Allianz Institutional Investors Series SICAV.

1. Mr Bernd Förtsch, Germany, informed us on February 18, 2014 in accordance with § 21 para 1 WpHG that his voting rights in DEAG Deutsche Entertainment AG, Berlin, Germany - ISIN DE000A0Z23G6, WKN Securities Identification Number A0Z23G – remained below the threshold of 25% of the voting rights on February 13, 2014 and amounted to 24.08% (this corresponds to 3,281,550 voting rights) on that date.

24.08% of the voting rights (this corresponds to 3,281,550 voting rights) are attributable to Mr Förtsch in accordance with § 22 para 1 sentence 1 No. 1 WpHG. Attributable voting rights are held through the following companies controlled by Bernd Förtsch whose share of voting rights in DEAG Deutsche Entertainment AG amounts to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through

- Altira Heliad Management GmbH, Frankfurt am Main, Germany, through

- Altira Aktiengesellschaft, Frankfurt am Main, Germany, through

- LION CAPITAL AG, Kulmbach, Germany, through

- BF Holding GmbH, Kulmbach, Germany.

2. BF Holding GmbH, Kulmbach, Germany, informed us on February 18, 2014 in accordance with § 21 para 1 WpHG that its share in the voting rights of DEAG Deutsche Entertainment AG remained below the threshold of 25% of the voting rights on February 13, 2014 and amounted to 24.08% (this corresponds to 3,281,550 voting rights) on that date.

24.08% of the voting rights (this corresponds to 3,281,550 voting rights) are attributable to BF Holding GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The attribution is based on the following companies controlled by BF Holding GmbH whose share in the voting rights of DEAG Deutsche Entertainment AG amounts to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through

- Altira Heliad Management GmbH, Frankfurt am Main, Germany through

- Altira Aktiengesellschaft, Frankfurt am Main, Germany through

- LION CAPITAL AG, Kulmbach, Germany.

3. LION CAPITAL AG, Kulmbach, Germany, informed us on February 18, 2014 in accordance with § 21 para 1 WpHG that its share in the voting rights of DEAG Deutsche Entertainment AG remained below the threshold of 25% on February 13, 2014 and amounted to 24.08% (this corresponds to 3,281,550 voting rights) on that date.

24.08% of the voting rights (this corresponds to 3,281,550 voting rights) are attributable to LION CAPITAL AG in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The attribution is based on the following companies controlled by LION CAPITAL AG whose share in the voting rights of DEAG Deutsche Entertainment AG amounts to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through

- Altira Heliad Management GmbH, Frankfurt am Main, Germany through

- Altira Aktiengesellschaft, Frankfurt am Main, Germany.

Mr David Bongartz, United States of America, informed us in accordance with § 21 para 1 WpHG on February 19, 2014 that his share in the voting rights of DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany remained below the threshold of 3% of the voting rights on February 13, 2014 and amounted to 0% (this corresponds to 0 voting rights) on that date.

IFM Independent Fund Management AG, Vaduz, Liechtenstein, informed us in accordance with § 21 para 1 WpHG on February 24, 2014 that the share in the voting rights of the management company named IFM Independent Fund Management AG for the fund Scherrer Small Caps Europe in DEAG Deutsche Entertainment AG, Berlin, Germany, remained below the threshold of 3% on February 20, 2014 and amounted to 2.47% (this corresponds to 336,485 voting rights) on that date.

Altira Aktiengesellschaft, Frankfurt am Main, Germany, informed us on March 14, 2014 for and on behalf of

1. Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany
2. Altira Heliad Management GmbH, Frankfurt am Main, Germany
3. Altira Aktiengesellschaft, Frankfurt am Main, Germany

in accordance with §§ 21 para 1, 22 para 1 sentence 1 No. 1 WpHG that

1. the voting rights of Heliad Equity Partners GmbH & Co. KGaA in DEAG Deutsche Entertainment AG, Berlin, Germany - ISIN DE000A0Z23G6 – in accordance with § 21 para 1 WpHG remained below the threshold of 20% on March 13, 2014 and amounted to 16.74% (this corresponds to 2,281,550 voting rights) on that date.

2. the voting rights of Altira Heliad Management GmbH in DEAG Deutsche Entertainment AG, Berlin, Germany – ISIN DE000A0Z23G6 – in accordance with § 21 para 1 WpHG remained below the threshold of 20% on March 13, 2014 and amounted to 16.74% (this corresponds to 2,281,550 voting rights) on that date. These voting rights are attributable to Altira Heliad Management GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG as personally liable partner (general partner) of Heliad Equity Partners GmbH & Co. KGaA in the amount of 16.74% (this corresponds to 2,281,550 voting rights).

3. the voting rights of Altira Aktiengesellschaft in DEAG Deutsche Entertainment AG, Berlin, Germany – ISIN DE000A0Z23G6 – in accordance with § 21 para 1 WpHG remained below the threshold of

20% on March 13, 2014 and amounted to 16.74% (this corresponds to 2,281,550 voting rights) on that date. 16.74% (this corresponds to 2,281,550 voting rights) are attributable to Altira Aktiengesellschaft through the subsidiary controlled by it, Altira Heliad Management GmbH as personally liable partner of Heliad Equity Partners GmbH & Co. KGaA in accordance with § 22 para 1 sentence 1 No. 1 WpHG.

Mr Bernd Förtsch, Germany, informed us on March 17, 2014 in accordance with § 21 para 1 WpHG that his share in the voting rights of DEAG Deutsche Entertainment AG, Berlin, Germany – ISIN DE000A0Z23G6 – remained below the threshold of 20% on March 13, 2014 and amounted to 16.74% (this corresponds to 2,281,550 voting rights) on that date.
16.74% of the voting rights (this corresponds to 2,281,550 voting rights) are attributable to Mr Förtsch in accordance with § 22 para 1 sentence 1 No. 1 WpHG. Attributable voting rights are held through the following companies controlled by Bernd Förtsch whose share in the voting rights of DEAG Deutsche Entertainment AG amounts to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
- Altira Heliad Management GmbH, Frankfurt am Main, Germany through
- Altira Aktiengesellschaft, Frankfurt am Main, Germany through
- LION CAPITAL AG, Kulmbach, Germany through
- BF Holding GmbH, Kulmbach, Germany.

1. BF Holding GmbH, Kulmbach, Germany, informed us on March 17, 2014 in accordance with § 21 para 1 WpHG that its voting rights in DEAG Deutsche Entertainment AG remained below the threshold of 20% of the voting rights on March 13, 2014 and amounted to 16.74% (this corresponds to 2,281,550 voting rights) on that date.

   16.74% of the voting frights (this corresponds to 2,281,550 voting rights) are attributable to BF Holding GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The allocation is based on the following companies controlled by BF Holding GmbH whose share in the voting rights of DEAG Deutsche Entertainment AG amounts to 3% or more in each case:

   - Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
   - Altira Heliad Management GmbH, Frankfurt am Main, Germany through
   - Altira Aktiengesellschaft, Frankfurt am Main, Germany through
   - LION CAPITAL AG, Kulmbach, Germany.

2. LION CAPITAL AG, Kulmbach, Germany, informed us on March 17, 2014 in accordance with § 21 para 1 WpHG that its share in the voting rights of DEAG Deutsche Entertainment AG remained below the threshold of 20% of the voting rights on March 13, 2014 and amounted to 16.74% (this corresponds to 2,281,550 voting rights) on that date.

   16.74% of the voting rights (this corresponds to 2,281,550 voting rights) are attributable to LION CAPITAL AG in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The allocation is based on the following companies controlled by LION CAPITAL AG whose share in the voting rights of DEAG Deutsche Entertainment AG amounts to 3% or more in each case:

   - Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
   - Altira Heliad Management GmbH, Frankfurt am Main, Germany through
   - Altira Aktiengesellschaft, Frankfurt am Main, Germany.

Kabouter Management, LLC, Chicago, Illinois, USA, informed us in accordance with § 21 para 1 WpHG on March 18, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany - ISIN DE000A0Z23G6 – exceeded the threshold of 3% of the voting rights on March 17, 2014 and amounted to 4.53% (this corresponds to 616,857 voting rights) on that date. 4.53% of the voting rights (this corresponds to 616,857 voting rights) are attributable to the company in accordance with § 22 para 1, sentence 1, No. 6 WpHG.

Mr Peter Zaldivar, USA, informed us in accordance with § 21 para 1 WpHG on March 18, 2014 that his voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany - ISIN DE000A0Z23G6 – exceeded the threshold of 3% of the voting rights on March 17, 2014 and amounted to 4.53% (this corresponds to 616,857 voting rights) on that date. 4.53% of the voting rights (this corresponds to 616,857 voting rights) are attributable to Mr Zaldivar in accordance with § 22 para 1, sentence 1, No. 6 in conjunction with § 22 para 1, sentence 2 WpHG.

Allianz Global Investors Luxembourg S.A., Senningerberg, Luxemburg, informed us in accordance with § 21 para 1 sentence 1 WpHG on May 28, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6, WKN A0Z23G – remained below the threshold of 5% of the voting rights on May 27, 2014 and amounted to 4.94% on that date. This corresponds to 8,000 of a total of 16,353,334 voting rights. 3.36% of the total voting rights are attributable to Allianz Global Investors Luxembourg S.A. in accordance with § 22 para 1 sentence 1 No. 6 WpHG. This corresponds to 550,000 of a total of 16,353,334 voting rights. The name of the shareholder who holds directly 3% or more of the voting rights in DEAG and whose share in voting rights is attributable to Allianz Global Investors Luxembourg S.A. is: Allianz Institutional Investors Series SICAV.

Hauck & Aufhäuser Privatbankiers KGaA ('Hauck & Aufhäuser'), Frankfurt am Main, Germany, informed us in accordance with § 21 para 1 WpHG on June 6, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6, WKN A0Z23G - exceeded the threshold of 3%, 5%, 10% and 15% on May 27, 2014 and amounted to 16.67% on that day (correspnding to 2,725,454 voting rights).

Moreover, Hauck & Aufhäuser informed us in accordance with § 21 para 1 WpHG on June 6, 2014 that its voting rights in DEAG remained below the thresholds of 15%, 10%, 5% and 3% on June 2, 2014 and amounted to 0% (1 voting right) on that date.

Altira Aktiengesellschaft, Frankfurt am Main, Germany, informed us on June 5, 2014 on behalf and by order of

1. Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany

2. Altira Heliad Management GmbH, Frankfurt am Main, Germany

3. Altira Aktiengesellschaft, Frankfurt am Main, Germany

in accordance with §§ 21 para 1, 22 para 1 sentence 1 No. 1 WpHG that

1. The voting rights of Heliad Equity Partners GmbH & Co. KGaA in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6 – remained below the threshold of 15% on June 3, 2014 in accordance with § 21 para 1 WpHG and amounted to 12.42% on that date (corresponding to 2,031,550 voting rights).

2. The voting rights of Altira Heliad Management GmbH in DEAG, Berlin, Germany - ISIN DE000A0Z23G6 – remained below the threshold of 15% on June 3, 2014 in accordance with § 21 para 1 WpHG and amounted to 12.42% on that date (corresponding to 2,031,550 voting rights). These voting rights are attributable to Altira Heliad Management GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG as personally liable partner (general partner) of Heliad Equity Partners GmbH & Co. KGaA in the amount of 12.42% (corresponding to 2,031,550 voting rights).

3. The voting rights of Altira Aktiengesellschaft in DEAG, Berlin, Germany - ISIN DE000A0Z23G6 - remained below the threshold of 15% on June 3, 2014 in accordance with § 21 para 1 WpHG and amounted to 12.42% on that date (corresponding to 2,031,550 voting rights). 12.42% (corresponding to 2,031,550 voting rights) are attributable to Altira Aktiengesellschaft through the subsidiary controlled by it, Altira Heliad Management GmbH as personally liable partner of Heliad Equity Partners GmbH & Co. KGaA in accordance with § 22 para 1 sentence 1 No. 1 WpHG.

Mr Bernd Förtsch, Germany, informed us on June 5, 2014 in accordance with § 21 para 1 WpHG that his voting rights in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6 – remained below the threshold of 15% of the voting rights on June 3, 2014 and amounted to 12.42% (corresponding to 2,031,550 voting rights) on that date.

12.42% of the voting rights (corresponding to 2,031,550 voting rights) are attributable to Mr Förtsch in accordance with § 22 para 1 sentence 1 No. 1 WpHG. Allocated voting rights are held through the following companies controlled by Bernd Förtsch whose voting rights in DEAG amount to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
- Altira Heliad Management GmbH, Frankfurt am Main, Germany through
- Altira Aktiengesellschaft, Frankfurt am Main, Germany through
- LION CAPITAL AG, Kulmbach, Germany through
- BF Holding GmbH, Kulmbach, Germany.

2. BF Holding GmbH, Kulmbach, Germany, informed us on June 5, 2014 in accordance with § 21 para 1 WpHG that its voting rights in DEAG remained below the threshold of 15% of the voting rights on June 3, 2014 and amounted to 12.42% (corresponding to 2,031,550 voting rights) on that date.

12.42% of the voting rights (corresponding to 2,031,550 voting rights) are attributable to BF Holding GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The allocation is based on the following companies controlled by BF Holding GmbH whose voting rights in DEAG amount to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
- Altira Heliad Management GmbH, Frankfurt am Main, Germany through
- Altira Aktiengesellschaft, Frankfurt am Main, Germany through
- LION CAPITAL AG, Kulmbach, Germany.

3. LION CAPITAL AG, Kulmbach, Germany informed us on June 5, 2014 in accordance with § 21 para 1 WpHG that its voting rights in DEAG remained below the threshold of 15% of the voting rights on June 3, 2014 and amounted to 12.42% (corresponding to 2,031,550 voting rights) on that date.

12.42% of the voting rights (corresponding to 2,031,550 voting rights) are attributable to LION CAPITAL AG in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The allocation is based on the following companies controlled by LION CAPITAL AG whose voting rights in DEAG amount to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through
- Altira Heliad Management GmbH, Frankfurt am Main, Germany through
- Altira Aktiengesellschaft, Frankfurt am Main, Germany.

Monolith Duitsland B.V., Amsterdam, The Netherlands informed us in accordance with § 21 para 1 WpHG on June 6, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany exceeded on June 4, 2014, the threshold of 3% and 5% of the voting rights and amounted to 7.39% (corresponding to 1,209,086 voting rights) on that date.

Stichting Administratiekantoor Monolith, Amsterdam, The Netherlands, informed us in accordance with § 21 para 1 WpHG on June 19, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6, WKN A0Z23G – exceeded the threshold of 3% and 5% of the voting rights on June 4, 2014 and amounted to 7.39% (corresponding to 1,209,086 voting rights) on that date.

7.39% of these voting rights (corresponding to 1,209,086 voting rights) are attributable to the company in accordance with § 22 para 1, sentence 1, No. 1 WpHG. The allocation is based on the following company controlled by Stichting Administratiekantoor Monolith whose voting rights in DEAG amount to 3% or more: Monolith Duitsland B.V.

Allianz Global Investors Europe GmbH, Frankfurt am Main, Germany, informed us in accordance with § 21 para 1 WpHG on June 24, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany - ISIN DE000A0Z23G6, WKN A0Z23G – exceeded the threshold of 3% and 5% on June 5, 2014 and amounted to 5.26% on that date. This corresponds to 859,600 of a total of 16,353,334 voting rights.

2.20% of these voting rights (corresponding to 359,600 voting rights) are attributable to Allianz Global Investors Europe GmbH in accordance with § 22 para 1 sentence 1 No. 6 WpHG.

Allianz Global Investors Europe GmbH, Frankfurt am Main, Germany, informed us in accordance with § 21 para 1 WpHG on July 4, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6, WKN A0Z23G – exceeded the threshold of 10% of the voting rights on July 1, 2014 and amounted to 11.74% (corresponding to 1,919,200 voting rights) on that date.

8.68% of these voting rights (corresponding to 1,419,200 voting rights) are attributable to Allianz Global Investors Europe GmbH in accordance with § 22 para 1 sentence 1 No. 6 WpHG.

The name of the shareholder who currently holds 3% or more of the voting rights in DEAG and whose voting rights are attributable to Allianz Global Investors Europe GmbH is: Allianz Institutional Investors Series SICAV.

Kabouter Management, LLC, Chicago, Illinois, United States of America, informed us in accordance with § 21 para 1 WpHG on August 18, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany - ISIN DE000A0Z23G6 – exceeded the threshold of 5% of the voting rights on August 18, 2014 and amounted to 5.98% (corresponding to 978,326 voting rights) on that date. 5.98% of these voting rights (corresponding to 978,326 voting rights) are attributable to the company in accordance with § 22 para 1, sentence 1, No. 6 WpHG.

Mr Peter Zaldivar, United States of America, informed us in accordance with § 21 para 1 WpHG on August 18, 2014 that his voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany - ISIN DE000A0Z23G6 – exceeded the threshold of 5% of the voting rights on August 18, 2014 and amounted to 5.98% (corresponding to 978,326 voting rights) on that date. 5.98% of these voting rights (corresponding to 978,326 voting rights) are attributable to Mr Zaldivar in accordance with § 22 para 1, sentence 1, No. 6 in conjunction with § 22 para 1, sentence 2 WpHG.

Kabouter Fund I QP, LLC, Chicago, Illinois, United States of America informed us in accordance with § 21 para 1 WpHG on August 20, 2014 that its voting rights in DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, Germany exceeded the threshold of 3% of the voting rights on August 19, 2014 and amounted to 3.01% (corresponding to 492,777 voting rights) on that date.

Altira Aktiengesellschaft, Frankfurt am Main, Germany, informed us on November 4, 2004 on behalf and for the order of

1. Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany

2. Altira Heliad Management GmbH, Frankfurt am Main, Germany

3. Altira Aktiengesellschaft, Frankfurt am Main, Germany

in accordance with §§ 21 para 1, 22 para 1 sentence 1 No. 1 WpHG that

1. The voting rights of Heliad Equity Partners GmbH & Co. KGaA in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6 – remained below the threshold of 10% on November 3, 2014 in accordance with § 21 para 1 WpHG and amounted to 9.67% on that date (corresponding to 1,581,550 voting rights).

2. The voting rights of Altira Heliad Management GmbH in DEAG, Berlin, Germany - ISIN DE000A0Z23G6 – remained below the threshold of 10% on November 3, 2014 in accordance with § 21 para 1 WpHG and amounted to 9.67% on that date (corresponding to 1,581,550 voting rights). These

voting rights are attributable to Altira Heliad Management GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG as personally liable partner (general partner) of Heliad Equity Partners GmbH & Co. KGaA in the amount of 9.67% (corresponding to 1,581,550 voting rights).

3. The voting rights of Altira Aktiengesellschaft in DEAG, Berlin, Germany - ISIN DE000A0Z23G6 - remained below the threshold of 10% on November 3, 2014 in accordance with § 21 para 1 WpHG and amounted to 9.67% on that date (corresponding to 1,581,550 voting rights). 9.67% (corresponding to 1,581,550 voting rights) are attributable to Altira Aktiengesellschaft through the subsidiary controlled by it, Altira Heliad Management GmbH as personally liable partner of Heliad Equity Partners GmbH & Co. KGaA in accordance with § 22 para 1 sentence 1 No. 1 WpHG.

Mr Bernd Förtsch, Germany, informed us on November 7, 2014 in accordance with § 21 para 1 WpHG that his voting rights in DEAG Deutsche Entertainment Aktiengesellschaft ('DEAG'), Berlin, Germany - ISIN DE000A0Z23G6 – remained below the threshold of 10% of the voting rights on November 3, 2014 and amounted to 9.67% (corresponding to 1,581,550 voting rights) on that date.

9.67% of the voting rights (corresponding to 1,581,550 voting rights) are attributable to Mr Förtsch in accordance with § 22 para 1 sentence 1 No. 1 WpHG. Allocated voting rights are held through the following companies controlled by Bernd Förtsch whose voting rights in DEAG amount to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through

- Altira Heliad Management GmbH, Frankfurt am Main, Germany through

- Altira Aktiengesellschaft, Frankfurt am Main, Germany through

- LION CAPITAL AG, Kulmbach, Germany through

- BF Holding GmbH, Kulmbach, Germany.

2. BF Holding GmbH, Kulmbach, Germany, informed us on November 7, 2014 in accordance with § 21 para 1 WpHG that its voting rights in DEAG remained below the threshold of 10% of the voting rights on November 3, 2014 and amounted to 9.67% (corresponding to 1,581,550 voting rights) on that date.

9.67% of the voting rights (corresponding to 1,581,550 voting rights) are attributable to BF Holding GmbH in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The allocation is based on the following companies controlled by BF Holding GmbH whose voting rights in DEAG amount to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through

- Altira Heliad Management GmbH, Frankfurt am Main, Germany through

- Altira Aktiengesellschaft, Frankfurt am Main, Germany through

- LION CAPITAL AG, Kulmbach, Germany.

3. LION CAPITAL AG, Kulmbach, Germany informed us on November 7, 2014 in accordance with § 21 para 1 WpHG that its voting rights in DEAG remained below the threshold of 10% of the voting rights on November 3, 2014 and amounted to 9.67% (corresponding to 1,581,550 voting rights) on that date.

9.67% of the voting rights (corresponding to 1,581,550 voting rights) are attributable to LION CAPITAL AG in accordance with § 22 para 1 sentence 1 No. 1 WpHG. The allocation is based on the following companies controlled by LION CAPITAL AG whose voting rights in DEAG amount to 3% or more in each case:

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, Germany through

- Altira Heliad Management GmbH, Frankfurt am Main, Germany through

- Altira Aktiengesellschaft, Frankfurt am Main, Germany.

56. Events after the balance sheet date

DEAG terminated the joint execution of the Festival event “The Ring – Green Hell Rock” at Nürburgring due to a breach of contract by capricon NÜRBURGRING GmbH (CNG), announced for 2015, on April 1, 2015 and decided to relocate the event as “ROCK IM REVIER” to the Veltins Arena in Gelsenkirchen.

The events in Munich and Vienna are not affected by the developments at the Nürburgring.

From the viewpoint of the Executive Board there have not been any other material events during the period from January 1, 2015 until the publication of this report.

56. Personal data

Executive Board

Prof. Peter L.H. Schwenkow	
Place of residence	Berlin
Profession	Chief Executive Officer
Responsibility within the Group	Strategic Business Development and Operations, Sales, Marketing, Public Relations
Group retainers	Administrative Board Member of AIO Group AG, Glattpark, (Switzerland) Administrative Board Member of Good News Productions AG, Glattpark (Switzerland) Administrative Board Member of The Classical Company AG, Zürich (Switzerland) Administrative Board Member of Derinho AG, Zürich (Switzerland) Administrative Board Member of Starclick Entertainment AG, Zürich (Switzerland) Board member of Raymond Gubbay Ltd., London (Great Britain) Board member of Kilimanjaro Holdings Ltd., London (Great Britain) Chairman of the supervisory board of mytic myticket AG, Frankfurt a.M. (since 06.11.2014)
Shares held as at 31.12.2014	1.241.915

Christian Diekmann	
Place of residence	Berlin
Profession	Dipl.-Kaufmann, Executive Board Member (Chief Financial Officer, Chief Operating Officer)
Responsibility within the Group	Operations, Marketing, Sales, Human Resources, Finance, Investor Relations
Group retainers	Administrative Board Member of AIO Group AG, Glattpark (Switzerland) Administrative Board Member of Good News Production AG, Glattpark (Switzerland), Administrative Board Member of Derinho AG, Glattpark (Switzerland) Administrative Board Member of Starclick Entertainment AG, Zurich (Switzerland) Board member of Raymond Gubbay Ltd., London (Great Britain) Supervisory Board Member of DEAG Classics AG, Berlin Supervisory Board Member of mytic myticket AG, Frankfurt a.M. (since 06.11.2014)
Shares held as at 31.12.2014	2.400

Detlef Kornett	
Place of residence	Kleinmachnow
Profession	Dipl.-Kaufmann, Executive Board Member (Chief Marketing Officer)
Responsibility within the Group	Marketing, International Business Affairs
Group retainers	Administrative Board Member of AIO Group AG, Glattpark (Switzerland) Administrative Board Member of Good News Production AG, Glattpark (Switzerland), Administrative Board Member of Derinho AG, Glattpark (Switzerland) Administrative Board Member of Starclick Entertainment AG, Zurich (Switzerland) Board member of Raymond Gubbay Ltd., London (Great Britain) Board member of Kilimanjaro Holdings Ltd., London (Great Britain)
Shares held as at 31.12.2014	-

Supervisory Board

Wolf-D. Gramatke	
Place of residence	Hamburg
Position on Supervisory Board	Chairman
Profession	President of Great-Minds Consultants GmbH, Hamburg
Retainers on other boards	Supervisory Board Vice-Chairman of Senator Entertainment AG, Berlin Other: Member of the media business committee of the Hamburg Chamber of Commerce
Group retainers	Chairman of the Supervisory Board of DEAG Classics AG, Berlin
Shares hold as at 31.12.2014	-

Christian Angermayer	
Place of residence	London
Position on Supervisory Board	Vice-Chairman (till 11.12.2014), Member of the Supervisory Board (since 11.12.2014)
Profession	Founder, Apeiron Investment Group Ltd., St. Julians (Malta)
Retainers on other boards	President of the administrative board of Film House Germany AG, Frankfurt am Main
Group retainers	-
Shares held as at 31.12.2014	-

Martina Bruder	
Place of residence	München
Position on Supervisory Board	Vice-Chairman (since 11.12.2014), Member of the Supervisory Board (till 11.12.2014)
Profession	CEO FriendScout24 GmbH, München CEO neu.de GmbH, München CEO Meetic DACH, München
Retainers on other boards	Member of the advisory board of Interactive Media CCSP GmbH, Darmstadt
Group retainers	Member of the Supervisory Board of mytic myticket AG, Frankfurt a.M. (since 06.11.2014)
Shares held as at 31.12.2014	-

58. Date and release of the publication

The Executive Board of DEAG has approved the Consolidated Financial Statements and the Combined Management Report and Group Management Report on April 30, 2015.

Berlin, April 30, 2015

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board

Prof. Peter L. H. Schwenkow	Christian Diekmann	Detlef Kornett

Independent Auditor's Report

We have audited the consolidated financial statements, including the balance sheet, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the Notes as well as the combined management report and Group management report for the fiscal year from January 1, 2014 to December 31, 2014. The preparation of the consolidated financial statements and the combined management report and Group management report in accordance with IFRS as applicable within the EU and, in addition, in accordance with the commercial law provisions to be applied pursuant to § 315a para 1 HGB (German Commercial Code) is the responsibility of the statutory representatives of the company. Our responsibility is to express an opinion on the basis of our audit of the consolidated financial statements including accounting and combined management report and Group management report.

Except for the audit impairment described below, we conducted our audit of the consolidated financial statements in accordance with § 317 HGB and the generally accepted German standards for the audit of financial statements adopted by the German Institute of Public Auditors (IDW). These require us to plan and perform the audit in such a way that we are able to judge with sufficient reliability whether the consolidated financial statements are free from misstatements that would have a material impact on the presentation of the assets, financial and income position of the company as provided by the consolidated financial statements of the company, prepared in conformity with the applicable generally accepted accounting principles and by the combined management report and the Group management report. The scope of the audit was defined taking into consideration information on the business activities as well as the economic and legal circumstances of the Group and the expectations regarding possible errors. Within the framework of the audit, evidence on the effectiveness of the internal financial controls and of the values reported and information given in the consolidated financial statements and in the combined management report and Group management report are assessed primarily on the basis of random checks. The audit includes assessing the financial statements of the entities included in the consolidated financial statements, the determination of the entities to be consolidated, the accounting and consolidation principles applied and material estimates made by the statutory representatives as well as the evaluation of the overall presentation of the consolidated financial statements and the combined management report and Group management reports. We believe that our audit provides a sufficiently reliable basis for our opinion.

Our audit has not resulted in any qualifications, except for the following restrictions:

The Executive Board of the parent company decided in fiscal 2014 to continue to expand Open Airs and Festivals. In this connection three new rock festivals were planned for fiscal 2015 - at the Nürburgring (in 2015 relocated to Gelsenkirchen), in Munich and in Vienna. In the consolidated financial statements as at December 31, 2014 the deferred total advance payments made (kEUR 6,039) were subject to a valuation allowance in the amount of kEUR 1,500. Due to a lack of sufficient audit evidence we have not been able to finally and conclusively assess the amount of expected ticket sales on the basis of advance sales as well as possible cost reductions in the event of ticket sales significantly below the budgeted values.

Consequently, we cannot obtain sufficient certainty concerning the adequacy of the amount of the valuation allowance in respect of advance payments made and a possible obligation to recognize a provision for anticipated losses and the corresponding items of the income statement (statement of comprehensive income). Furthermore, we are not able to audit the information in the Consolidated Notes according to which receivables and other assets are recognized at nominal value minus necessary specific valuation allowances and provisions are recognized in the amount of the settlement amount which is necessary in accordance with prudent business judgment on the balance sheet date as well as the information about an appropriate valuation allowance for the assets and an appropriate risk provisioning in the combined management report and Group management report. For those reasons it cannot be excluded that the consolidated financial statements and the combined management report and Group management report are incorrect in that respect.

Moreover, our audit has resulted in the following objection:

The information about the underlying assumptions concerning the risk assessment of the rock festivals is not sufficiently covered in Section 4.4. “Financial Obligations”, contrary to the provisions of § 315 para 1 sentence 5 HGB (German Commercial Code).

Subject to the foregoing restrictions, the consolidated financial statements comply with IFRS, as applicable within the EU, as well as with the additional commercial law provisions to be applied pursuant to § 315a para 1 HGB and give a true and fair view of the Group's asset, financial and income position in accordance with such provisions. Subject to the foregoing restrictions, both the combined management report and the Group management report are in conformity with the consolidated financial statements, provide an accurate view of the Group's position and accurately describe the opportunities and risks of future developments.

Without any further restriction of this assessment, we refer to the statements in the combined management report and the Group management report. In Section 4.4 “Financial Obligations” it is pointed out that the continued existence of the company and the Group would be at risk if the actual sales revenues and the associated actual inflows from ticket sales for the Festivals were significantly deviating from the forecasts and resulted in a shortage of liquidity and DEAG Deutsche Entertainment Aktiengesellschaft were not sufficiently successful in tapping additional financing sources.

Berlin, April 30, 2015

BDO AG
Wirtschaftsprüfungsgesellschaft

Pfeiffer	Rehmer
Auditor	Auditor

Declaration by the statutory reprensatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and income of the Group and the combined Management Report and Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, April 30, 2015

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board

Prof. Peter L. H. Schwenkow	Christian Diekmann	Detlef Kornett

DEAG Deutsche Entertainment Aktiengesellschaft

Balance Sheet Summany (according to HGB)

Assets in EUR'000	31.12.2014	31.12.2013
Intangible assets and tangible fixed assets	138	134
Financial assets	10,722	11,273
Fixed assets	**10,860**	**11,407**
Receivables and accruals and deferrals	36,564	23,285
Cash, cash equivalents and securities	504	1,249
Total current assets	**37,068**	**24,534**
Assets	**47,928**	**35,941**

Liabilities and equity in EUR'000	31.12.2014	31.12.2013
Share capital	16,353	13,627
Capital reserve	14,095	3,460
Retained income	697	697
accumulated profit	4,495	3,792
Shareholders´ equity	**35,640**	**21,576**
Accruals	**386**	**901**
Liabilities to financial institutions	7,494	10,112
Other liabilities	4,408	3,352
Total liabilities	**11,902**	**13,464**
Total equity and liabilities	**47,928**	**35,941**

DEAG Deutsche Entertainment Aktiengesellschaft

Statement of Income (according to HGB)

In EUR'000	Financial statement 1.1. - 31.12.2014	Financial statement 1.1. - 31.12.2013
Distribution costs	-1,822	-997
General and administration costs	-6,087	-4,988
Other operating income and expenses	3,851	3,910
Interest income/ expenses and other financial result	498	189
Income from investments	5,596	3,487
Result of ordinary business activities	**2,036**	**1,601**
extraordinary result	-	-2,486
Income tax and other taxes	202	75
Net income	**2,238**	**-810**
Accumulated profit carried forward	2,157	4,602
Accumulated profit	**4,395**	**3,792**

DEAG Deutsche Entertainment Aktiengesellschaft
Potsdamer Straße 58
10785 Berlin
Security Identification number (WKN): A0Z23G
ISIN: DE000A0Z23G6

Proposal on the appropriation of profits

The Executive Board and the Supervisory Board propose the appropriation of the net income for fiscal 2014 in the amount of EUR 4,494,545.89 as follows:

Carry-forward to new account	EUR 4,494,545.89

Berlin, April 30, 2015

DEAG Deutsche Entertainment Aktiengesellschaft
The Executive Board and the Supervisory Board

Corporate Governance Report

The Executive Board and the Supervisory Board dealt continuously with the further development of the Corporate Governance within the company in fiscal 2014. The amendments to the German Corporate Governance Code in the version of June 24, 2014 are taken into account by the Executive Board and the Supervisory Board. In accordance with Clause 3.10 of the German Corporate Governance Code (DCGK) the Executive Board and the Supervisory Board report about the Corporate Governance of the company as follows:

Declaration of Conformity

The Executive Board and the Supervisory Board of DEAG Deutsche Entertainment Aktiengesellschaft made the annual legally required Declaration of Conformity in respect of the German Corporate Governance Code in accordance with § 161 AktG (German Stock Corporation Act) on December 11, 2014. The wording of the declaration of conformity is as follows:

The recommendations of the German Corporate Governance Code (DCGK) were complied with in the version amended on June 24, 2014, except for the following deviations:

1. At Annual Meetings there is no possibility for votes by correspondence. The shareholders have always had the possibility to give instructions on voting to a representative for voting rights made available by the company. The exercise of the voting right is hence easily possible for all shareholders who do not participate in the Annual Meeting. Vote by correspondence could, by contrast, involve administrative extra expenses and additional costs. (2.3.3 DCGK).

2. The D&O insurance for the Supervisory Board does not provide for a deductible, since this does not appear to be appropriate or necessary in view of the moderate amount of the Supervisory Board compensation for influencing behavior. (3.8 DCGK).

3. No Committees were set up by the Supervisory Board. For a Supervisory Board, which is only composed of three members, every matter which requires a contribution of the Supervisory Board can be dealt with through the direct involvement of all Supervisory Board members. An increase in efficiency of the Supervisory Board activities is not to be expected through the setting up of Committees against this backdrop. (5.3.1 to 5.3.3 DCGK)

4. The interim reports are not made available publicly within 45 days of the end of the reporting period. The publications are made within the framework of the statutory periods in each case. An earlier publication would involve a significantly higher personnel and organizational expenditure and hence considerable extra costs in view of several non-listed subsidiaries and investees outside Germany. (7.1.2 DCGK)

Composition of the Supervisory Board

In accordance with Clause 5.4.1 DCGK the Supervisory Board should be composed in such a way that its members have, as a whole, the required knowledge, abilities and expert experience to properly complete their tasks. From the Supervisory Board's point of view, these criteria are met by the existing Supervisory Board.

The Supervisory Board is to specify concrete goals for its composition, taking into account the specific situation of the company, the international activities, potential conflicts of interest, the number of independent members of the Supervisory Board within the meaning of Clause 5.4.2 DCGK, an age limit to be specified for the member of the Supervisory Board as well as diversity. These concrete goals are in particular to provide for a sufficient number of female members. Against the backdrop of these specifications, the Supervisory Board strives for compliance with the following criteria in terms of the composition of the body:

- At least one member of the Supervisory Board should have international experience.
- At least one member of the Supervisory Board should be a woman.
- The term of a member of the Supervisory Board should end upon completion of the 75th year of age.

All three goals have been implemented.

Share ownership of board members

Stock option programs and similar securities-based incentive schemes of the company do not exist. The member of the Executive Board Professor Peter L.H. Schwenkow held a total of 1,241,915 shares of the company on December 31, 2014. The member of the Executive Board Christian Diekmann held a total of 2,400 shares of the company on December 31, 2014.

Compensation system for the Executive Board and the Supervisory Board

Explanations on the compensation system and the individual compensation of the members of the Executive Board and the Supervisory Board can be found in the compensation report under Item 2.7 of the combined management report and group management report and under Item 30 of the notes to the consolidated financial statement of this annual report.

During fiscal 2014 the Supervisory Board members received compensation (in kEUR) for their activity as follows:

Board Member	Fixed Compensation	Variable Compensation	Other Benefits	Total Emoluments (in kEUR)
Wolf-D. Gramatke	29	15	1	45
Christian Angermayer	19	10	-	29
Martina Bruder	10	5	2	17
Total	**58**	**30**	**3**	**91**

The other remunerations of the members of the Supervisory Board include refunded travel expenses in the amount of kEUR 3.

Declaration on Corporate Governance

The declaration on corporate governance in accordance with § 289a para 2 HGB (German Commercial Code) is reproduced in Item 2.10 of the Combined Management Report and Group Management Report.

Risk management

As far as risk management is concerned, we refer to the detailed explanations in the risk report under Section 4 of the Combined Management Report and Group Management Report.

Berlin, April 2015

DEAG Deutsche Entertainment Aktiengesellschaft

For the Supervisory Board

Wolf-D. Gramatke
Chairman of the Supervisory Board

For the Executive Board

Prof. Peter L.H. Schwenkow
CEO

IMPRINT

Editing and Coordination

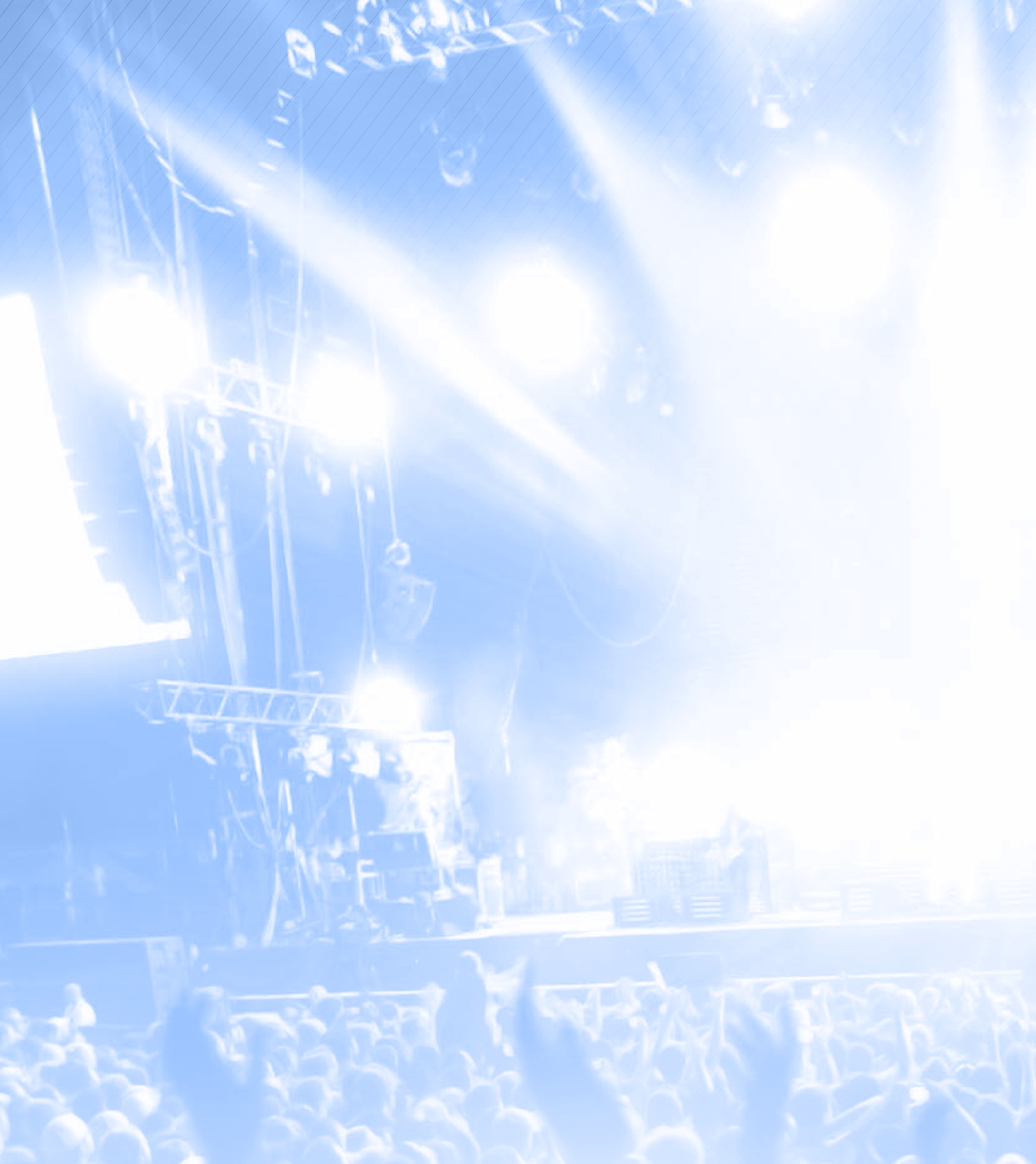
DEAG Deutsche Entertainment Aktiengesellschaft
edicto GmbH

Further information for analysts and investors:
Investor Relations: deag@edicto.de

The Annual Report and current information on DEAG are posted on the internet at http://www.deag.de/ir

edicto GmbH
Eschersheimer Landstraße 42-44, 60322 Frankfurt/Main, Germany
Telephone: +49 69 90 55 055-0
Telefax: +49 69 90 55 055-77
www.edicto.de

DEAG Deutsche Entertainment Aktiengesellschaft
Potsdamer Straße 58, 10785 Berlin, Germany
Telephone: +49 30 810 75-0
Telefax: +49 30 810 75-5 19
info@deag.de
www.deag.de



DEAG Deutsche Entertainment Aktiengesellschaft
Potsdamer Strasse 58 // 10785 Berlin // Germany

TEL: +49-30-810 75-0
FAX: +49-30-810 75-519
EMAIL: deag@edicto.de
www.deag.com