

Q2 2017

Interim Financial Report

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Forward-looking statements

This document contains forward-looking statements that are based on estimates and expectations of the Management Board. Words such as anticipate, intend, expect, can/could, plan, provided, further improvement, target is and similar expressions are intended to identify forward looking statements.

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Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations are reasonable,

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Important notice

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

Imprint

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Key Figures

in EUR million

	<u>6/30/2017</u>	<u>12/31/2016</u>
Non-current assets	165.9	212.0
Film assets	0.0	118.7
Other intangible assets	3.9	32.3
Balance sheet total	265.9	469.5
Subscribed capital	93.6	93.6
Equity	71.3	98.1
Equity ratio (in percent)	26.8%	20.9%
Net debt	-46.8	-7.4
	<u>1/1 to 6/30/2017</u>	<u>1/1 to 6/30/2016</u>
Sales	200.3	264.0
Sports	75.6	75.6
Film	100.3	161.4
Sports- and Event-Marketing	24.4	26.8
Other Business Activities	0.0	0.2
Profit from operations (EBIT)	43.3	11.0
Net profit/loss	36.4	1.0
Earnings attributable to shareholders	34.8	-1.4
Cash flow from operating activities	15.0	45.2
Cash flow for investing activities	-119.4	-35.3
Cash flow from/for financing activities	17.5	-6.7
	<u>6/30/2017</u>	<u>12/31/2016</u>
Shares outstanding in million	93.6	93.6
Share price in EUR	2.05	2.07
Market capitalization (based on shares outstanding)	191.9	193.8
	<u>1/1 to 6/30/2017</u>	<u>1/1 to 6/30/2016</u>
Average number of shares outstanding (basic) in million	93.6	89.1
Earnings per share (basic) in EUR	0.37	-0.02
Earnings per share (diluted) in EUR	0.37	-0.02
Employees (at closing)	574	1,460

Business performance

Constantin Medien AG is an internationally operating media company based in Ismaning near Munich. The business operations include the Segment Sports. Until June 12, 2017, its portfolio also encompassed the Segments Film and Sports- and Event-Marketing, through the majority holding in Highlight Communications AG, Pratteln/Switzerland. Since the deconsolidation of Highlight Communications AG, June 12, 2017, the business operations of Constantin Medien AG include the activities of the companies in the Segment Sports with Sport1 GmbH, Sport1 Media GmbH, and PLAZAMEDIA GmbH with its subsidiary LEITMOTIF Creators GmbH.

In the first half of 2017 the earnings performance of Constantin Medien Group was characterized by the deconsolidation of Highlight Communications AG effective June 12, 2017. This led to non-cash, non-recurring income of EUR 37.3 million and consequently to a significantly improved EBIT, Group net profit for the period, and earnings attributable to shareholders.

- **Group sales** in the first half of 2017 amounted to EUR 200.3 million (6M 2016: EUR 264.0 million). The 24.1 percent fall in sales is largely attributable to the Segment Film, due to lower income in Home Entertainment compared with the same period last year.
- **Profit from operations (EBIT)** rose to EUR 43.3 million (6M 2016: EUR 11.0 million).
- The **Group net profit** for the period improved by EUR 35.4 million to EUR 36.4 million (6M 2016: EUR 1.0 million). This included **earnings attributable to shareholders** of EUR 34.8 million (6M 2016: EUR -1.4 million).
- In the absence of full consolidation, the investment of Highlight Communications AG is recognized as non-current other financial asset.
- Since September 26, 2017, Constantin Medien AG can again freely dispose of 20.6 million Highlight Communications AG shares.
- **Expectations for the 2017 full-year adjusted**
As a result of the deconsolidation of Highlight Communications AG and the below-target performance of the Segment Sports as well as unplanned costs, the Management Board is currently assuming Group sales of between EUR 250 million and EUR 280 million (previously between EUR 480 million and EUR 520 million). Taking into account the holding costs as well as the financial expenses and taxes, the Management Board expects in total a higher Group result attributable to shareholders of between EUR 7.0 million and EUR 10.0 million (previously between EUR 0.5 million and EUR 3.5 million). If the general meeting of Highlight Communications AG decides on a dividend, the Group result attributable to shareholders will increase by the dividend right of Constantin Medien AG if business performance remains the same.

Interim Group Management Report

1. Financial performance indicators

For the 2017 financial year, sales and earnings attributable to shareholders are used as key performance indicators. In addition, the key figures profit from operations (EBIT) and net debt (cash and cash equivalents less financial liabilities) are regularly determined for controlling and managing the segments.

2. Business performance in the first half of 2017

2.1 Overall economic conditions in the first half of 2017

- In the H1 2017, the global economy enjoyed a positive development in line with the expectations of the International Monetary Fund (IMF) from January this year.
- The German economy recorded moderate growth. According to the Federal Statistics Office, the gross domestic product (GDP) for Q2 2017 was 0.6 percent higher than the previous quarter. At an increase of 0.7 percent, the GDP had grown a little more strongly in Q1 2017.
- The main positive domestic impulses in Q2 came from a significant rise in private and state consumer spending and from greater investments in equipment and construction. Foreign trade had a contrary effect, with imports significantly in excess of exports compared to the previous quarter.

Sources: International Monetary Fund (IMF), World Economic Outlook, Update for July 2017; Federal Statistics Office (Destatis), press release on August 15, 2017

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

2.2.1 Sector-specific general conditions in the Segment Sports

- According to the information and media company Nielsen Media Research, in the H1 2017, the German gross advertising market reached a total of EUR 14.6 billion – a rise of 1.0 percent compared to the same period in 2016.
- The media group cinema saw the strongest growth with an increase of 36.5% compared to the same period in 2016 (total volume H1 2017: EUR 0.066 billion), followed by advertising on mobile devices which experienced a growth of 29.2% and advertising spending of EUR 0.246 billion, whereas advertising spending on the internet was regressive compared to the H1 2016 by -3.3% (total volume of the H1 2017: EUR 1.3 billion).
- In the H1 2017, TV reached nearly EUR 7.0 billion, growing by 1.6% compared to the H1 2016 – therefore, TV was the key medium for German advertisers in the reporting period based on advertising spending.

Sources: Quellen: Nielsen Media Research GmbH, press release “Gesamtmarkt verzeichnet im 1. Halbjahr 2017 ein Plus von 1,0 Prozent gegenüber Vorjahr“, July 27, 2017

- Since live sports events continue to be an ideal platform for forward-looking technologies in the production area, the main challenge in 2017 also is to integrate new production technologies, such as 4K/UHD productions, into existing technical infrastructures. Special attention was paid to ensuring high quality and keeping these technologies affordable.
- This year's NAB Show, the world's largest trade fair for electronic media, which is held in Las Vegas each year, was dominated not just by the topics virtual and augmented reality, OTT and UHD/4K, but also by IP-based technologies and cloud services as well as online live streaming.

Sources: www.professional-system.de, “4K-HDR Content: Das sind die Herausforderungen an Live-Produktionen“, July 20, 2017; www.ibc.org, “Flexibility and scale: vendors tout the promise of the cloud“, May 3, 2017; www.shutterstock.com, “NAB 2017 Puts the Focus Back on Live Broadcasting“, May 1, 2017.

2.2.2 Operating performance in the Segment Sports

- H1 2017 with attractive new sports rights: Thus, SPORT1 acquired amongst others the rights to Major League Baseball, the Champions Hockey League, the UEFA Women's Champions League, the Intel® Extreme Masters Katowice 2017 for the eSports area rights to the World Games 2017 in Wroclaw in July as well as new in its “Home of Motorsport” the FIA World Endurance Championship (WEC). Based on an agreement with MOTORVISION.TV SPORT1 will be presenting in 2017 and 2018 selected races of the Monster Energy NASCAR Cup and the automotive “Motorvision.TV – #spotted”.

- Newcomers to the program are the Friday-night talk format “Warm-up – Die Fußballvorschau” which started at the beginning of the Bundesliga second leg and also the format “Die PS PROFIS – Im Einsatz”, a further addition the on-air presence of the “PS PROFIS” formats which started in June.
- As part of a cooperation with SportA, SPORT1 also secured the broadcasting rights to selected matches and highlights of the 2017 FIFA Confederations Cup (June 17 to July 2 in Russia) and the 2017 UEFA U-21 European Championship (June 16 to 30 in Poland).
- In the eSports area, SPORT1 continued its media partnership with EA SPORTS, and in mid-May showed live the season finale of the FIFA 17 Ultimate Team Championship Series following the Championship final of the TAG Heuer Virtual Bundesliga in mid-April.
- Free-TV and pay-TV distribution expanded: Since the launch of DVB-T2 HD at the end of March, SPORT1 HD has also been available via the new digital antenna TV in the program offer of freenet TV. Since the end of May, Zattoo has been the first TV-streaming provider in Germany to broadcast SPORT1 US.
- In the H1 2017, PLAZAMEDIA assumed the central production handling of around 51 matches of the Handball World Championship in January for Deutsche Kreditbank AG (DKB), including e.g. satellite downlinks of worldfeed signals from the host broadcaster, scoring, graphics, encoding and feeding or delivery of the signals.
- For “ZDF Mediathek” PLAZAMEDIA was responsible for live sound recording, graphics creation as well as highlights of various races of the FIS Ski Cross World Cup and the Freestyle World Championship in February.
- In the reporting period, PLAZAMEDIA furthermore provided comprehensive production services for various customers as part of the broadcasting of the UEFA Champions League, UEFA Europa League, Bundesliga and 2nd Bundesliga and made available extensive production capacities for DAZN, the live sports streaming offer of the Perform Group.
- As part of the 2017 IIHF Ice Hockey World Championship in Cologne and Paris, PLAZAMEDIA realized the production and distribution of the unilateral feed including highlight editing in cooperation with other service providers.
- Since February, PLAZAMEDIA subsidiary LEITMOTIF Creators under the brand LEITMOTIF Consultants has been providing media advisory and communication services for companies.

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

- SPORT1 was able to slightly expand its free-TV market shares of viewers overall (Z3+) in the H1 2017 and to keep market shares in the core target of men aged 14 to 49 years (M14-49) at the high level.
- In the H1 2017, free-TV rating successes were particularly delivered by the semi-finals and the final of the Darts World Championship at the start of January, the UEFA Europa League – especially the German round of sixteen between Schalke 04 and Borussia Mönchengladbach, “Der Volkswagen Doppelpass”, the FIFA Confederations Cup and the UEFA U-21 European Championship as well as the Home Ice Hockey World Championship in May.

SPORT1 | Free-TV in %

	H1 2017	H1 2016	Change
Market share/Z3+ (Ø/month)	1.0	0,9	+11%
Market share/M14-49 (Ø/month)	1.6	1,6	+/-0%

Source: AGF/GfK Fernsehforschung (TV Scope) January 1 to June 30, 2016/2017

- Pay-TV distribution remained at high level as at June 30, 2017: SPORT1+ recorded 2.15 million subscribers (comparative period 2016: 2.08 million subscribers) and SPORT1 US had 1.47 million subscribers (comparative period 2016: 1.53 million subscribers) – excluding those subscribers reached via the Sky platform.
- In the 1 HY 2017 page Impressions (PIs) in the mobile area remained at the same high level of the previous-year period despite the increasing competition by other providers. This is due to the continuous further development and optimization of the SPORT1 mobile offers. Nevertheless, in the H1 2016 SPORT1 recorded positive rating effects, amongst others due to the Australian Open in tennis, the Men’s Handball European Championship in January as well as the UEFA EURO 2016™ in June 2016. Visits fell slightly in half-year comparison.

SPORT1 | Mobile in million

	H1 2017	H1 2016	Change
Page Impressions/Pis (Ø/month)	682.2	682.2	+/-0%
Visits (Ø/month)	65.1	66.8	-3%

Sources: IVW, Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V. (German Information Association for the Ascertainment of Distribution of Advertising Media e.V.) January to June 2016/2017; Ø/reporting period; Mobile: MEW, SPORT1 News App, Manager App until 05/2016, Video App, SPORT1.fm App and Darts App

- Coverage in the online area were declining compared to last year's half-year both for Pis and visits, which was due to the continued fall in the use of stationary offers and ad-blocker solutions.

SPORT1 | Online in million

	H1 2017	H1 2016	Change
Page Impressions/Pis (Ø/month)	96.8	145.7	-34%
Visits (Ø/month)	17.2	19.0	-9%

Sources: IVW, Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V. (German Information Association for the Ascertainment of Distribution of Advertising Media e.V.) Ø/reporting period; Online: Since 01/2016, the IVW has listed SPORT1.de; tv.sport1.de; video.sport1.de, bundesligamanager.sport1.de and SPORT1.fm; SPORT1.de and SPORT1.fm under one ID and presented their results together each month.

- Compared to previous-year's period, in the H1 2017 video views on the SPORT1 YouTube channels improved significantly due to process and structure optimizations on all SPORT1 social platforms and the expansion of video and especially live streaming offers on YouTube.
- Video views on the SPORT1 platforms (including live streaming, excluding YouTube) reached 10.0 million*. High access figures were particularly generated with the UEFA Europa League round of sixteen matches between Schalke 04 and Borussia Mönchengladbach, the Premier League Darts as well as "Doppelpass" and international football.

SPORT1 | Video in million

	H1 2017	H1 2016	Change
Video Views (Ø/month)			
SPORT1 platforms without YouTube	10.0	12.1	–*
Video Views (Ø/month)			
SPORT1 YouTube channels only	6.7	4.1	+64%

Sources: Video views on SPORT1 platforms excluding YouTube: DoubleClick January to June 2016/2017; Livestream: Akamai January to June 2016; DoubleClick January to June 2017; YouTube Content Management System January to June 2016/2017

*Since November 2016, the video view livestream data are received from DoubleClick; a comparison to previous period is therefore not possible.

2.2.4 Sector-specific general conditions in the Segment Film

- **Theatrical distribution** – In the H1 2017, revenues on the German movie market amounted to around EUR 483.6 million – an increase of 12.1% compared with the first six months of 2016 (around EUR 431.4 million). Attendance figures rose by 10.4% to around 56.1 million (same period of 2016: around 50.8 million). The main reason for the significant increase in both of these areas was an extremely strong second quarter that included a number of high-profile new theatrical releases.
- The most-attended movie in the H1 2017 was the sequel "Fifty Shades Darker" with around 3.4 million viewers, followed by the remake of the classic fairytale "Beauty and the Beast" (around 3.3 million viewers), the action franchise "Fast & Furious 8"

(around 3.2 million viewers), “Guardians of the Galaxy 2” (around 2.5 million viewers) and “Pirates of the Caribbean: Salazar’s Revenge” (around 2.4 million viewers).

Source: Highlight Communications AG, Interim Financial Report as of June 30, 2017, August 31, 2017

- **Home Entertainment** – The declining trend on the German home entertainment market continued. Sales of EUR 593 million were generated in the period from January to June 2017, down 8.6% on the same period of 2016 (EUR 649 million). However, these figures do not include SVoD (subscription video-on-demand), an area that is experiencing substantial growth.
- As previously, the downturn was attributable to falling proceeds from the sale and rental of physical media (DVD and Blu-ray), which declined by 13.1% to EUR 479 million (same period of 2016: EUR 551 million). By contrast, digital exploitation (electronic sell-through and transactional video-on-demand) continued to perform positively, with sales up 16.3% year-on-year to EUR 114 million (same period of 2016: EUR 98 million).

Source: Highlight Communications AG, Interim Financial Report as of June 30, 2017, August 31, 2017

2.2.5 Operational development in the Segment Film

– In early April, the Constantin Film group extended the existing framework license agreement with ProSiebenSat.1 Media SE. The new exploitation rights encompass all national and international Constantin Film theatrical productions with filming commencing in 2017 and 2018, which will be broadcast on the ProSiebenSat.1 group’s TV stations in the coming years.

- **Theatrical production** – The H1 2017 saw the start of filming for the third part of the successful “Fack Ju Göhte” series as well as “Gorillas”, the adaptation of a short story by the best-selling author Ferdinand von Schirach and “Benjamin Blümchen” and “Fünf Freunde: Im Tal der Dinosaurier” – the reboot of the very successful theatrical production with a new, younger cast.
- In the same period, the Constantin Film group acquired the exploitation rights for movies including the rapper biopic “All Eyez on Me”, the remake of the classic “Papillon” and the war drama “The 12th Man”.

– **Theatrical distribution** – Six Constantin Film group movies were released in German theaters in the first six months of the current year: the licensed titles “A Dog’s Purpose” and “All Eyez on Me” and the in-house and co-productions “Resident Evil: The Final Chapter”, “Timm Thaler”, “Tiger Girl” and “Axolotl Overkill”. “Tiger Girl” and “Axolotl Overkill” are the results of Constantin Film’s “Alpenrot” initiative, which aims to promote talented young filmmakers and help them to bring their creative projects to the big screen.

– **Home Entertainment** – Notable new releases in the H1 2017 included the licensed titles “The Light Between Oceans”, “Girl on the Train”, “Dirty Office Party” and “Florence Foster Jenkins”, the Constantin Film co-production “Verrückt nach Fixi”, as well as the first season of the international Constantin Film TV series “Shadowhunters”.

– **License trading/TV exploitation** – The second season of “Shadowhunters”, which was broadcast in the USA in the H1 2017, also achieved very good ratings. Due to this success, the US cable broadcaster Freeform has already commissioned a third season. In German TV exploitation, sales in the second quarter were generated in particular by the license starts for the theatrical movies “Step Up All In” (ProSieben) and “Männerhort” (SAT.1) on free-TV. In pay-TV exploitation, notable license starts included “Fack Ju Göhte 2”, “Gut zu Vögeln” and “Dirty Grandpa” (all on Teleclub).

– **TV service production** – The daily shows produced by Constantin Entertainment GmbH in Q2 2017 included “Schicksale” and “Schulexperten – Jugendhelfer im Einsatz” (both for SAT.1), “Das Modegesicht” (for RTL) and “Work Out” (for RTL 2). Moovie GmbH began filming the high-profile five-part ZDF detective series “Die Protokollantin”, starring Iris Berben and Moritz Bleibtreu in the leading roles. Constantin Television GmbH filmed the thirteenth season of the daily show “Dahoam is Dahoam”. This series will continue to run until at least mid-2018.

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

– **Theatrical distribution** – Of the Constantin Film titles released in German theaters in the H1 2017, only the franchise “Resident Evil: The Final Chapter” met expectations, attracting an audience of around 320,000 viewers (including previews). In the

distributor rankings for the first six months of the current year, the Constantin Film group therefore placed twelfth in terms of both sales and attendance figures (previous year: sixth).

Source: Highlight Communications AG, Interim Financial Report as of Juni 30, 2017, August 31, 2017

- **Home Entertainment** – In the period from January to June 2017, the Highlight Communications group achieved a share of 3% on the German video sell-through market without its sales partners Paramount Home Entertainment and Universal Home Entertainment. As expected, the market position in the same period of the previous year (5%), which was largely driven by the exceptionally high sales figures for the blockbuster “Fack Ju Göhte 2”, was not held.

Source: Highlight Communications AG, Interim Financial Report as of June 30, 2017, August 31, 2017

- **License trading/TV exploitation** – The area of TV exploitation again enjoyed good ratings in the second quarter of 2017 and expectations were met. In particular, this was due to the first runs of the movies “Fack Ju Göhte 1” on SAT.1 (4.08 million viewers, 12.8% share of overall market) and “Männerhort” on SAT.1 (1.84 million viewers, 5.9 % share of overall market).

Source: Highlight Communications AG, Interim Financial Report as of June 30, 2017, August 31, 2017

- **TV service production** – The daily show “Dahoam is Dahoam” achieved a near-constant market share of 15% (overall market) for episodes of the thirteenth season. On average, the daily formats produced by Constantin Entertainment GmbH for SAT.1 also recorded stable double-digit market shares in Q2 2017.

Source: Highlight Communications AG, Interim Financial Report as of June 30, 2017, August 31, 2017

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

- In the media sector, the market for virtual reality (VR) in the ten biggest markets – including the USA, Japan, China, Germany and Russia – is expected to reach a volume of USD 15 billion by 2021. This corresponds to an annual growth of 77% from 2016 onwards. Considerable global sports organizations are increasingly recognizing the value of this technology and are trialing corresponding services. VR was also a central topic at the finals of this year’s UEFA Europa League and UEFA Champions League. For example, an initiative by the sports network BT Sport allowed fans in the United Kingdom to watch both matches free of charge in VR and 4K ultra-HD across various channels – including YouTube and the BT Sport channels – and experience the action as if they were sitting in the stadium themselves. In Germany, a cooperation between Sky Deutschland and Sony allowed PlayStation Plus subscribers to enjoy a VR broadcast of the UEFA Champions League final.
- On the sponsorship side, European football clubs are increasingly engaging in eSports, purchasing teams whose players take part in official tournaments, wear the club colors and attend fan events. In this way, clubs including VfL Wolfsburg, Manchester City, Paris Saint-Germain, PSV Eindhoven and Sporting Lisbon are enhancing their brand and the football sector beyond the traditional experience by offering innovative content with the aim of actively addressing and involving young fans.

Source: Highlight Communications AG, Interim Financial Report as of June 30, 2017, August 31, 2017

2.2.8 Operational development in the Segment Sports- and Event-Marketing

- In Q2 2017, the TEAM group focused in particular on sales negotiations for the current marketing of rights (TV and sponsorship rights) for the UEFA Champions League and the UEFA Europa League for the 2018/19 to 2020/21 seasons. In the area of TV rights, contracts have already been concluded for key markets including the United Kingdom, Germany, Italy and France.
- The TEAM group also supported commercial partners and UEFA in the successful staging of the finals of both competitions, which took place in Stockholm on May 24 (UEFA Europa League) and Cardiff on June 3 (UEFA Champions League). Manchester United defeated Ajax Amsterdam in the UEFA Europa League final, while Real Madrid CF triumphed over Juventus in the UEFA Champions League final. This made Real Madrid CF the first team in the Champions League history to retain the coveted title.

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

- The final of the UEFA Champions League was again broadcast in more than 200 countries and seen by around 160 million viewers worldwide, with viewing figures peaking at roughly 350 million. This again underlines its status as the world’s most viewed annual sporting event.
- In Spain, 13.8 million viewers tuned in to the match, corresponding to a market share of 58.1% – a similar level to the 2015 final between FC Barcelona and Juventus Turin.

- An average of some 62 million football fans watched the final of the UEFA Europa League, which was broadcast in more than 100 countries. This represents a year-on-year increase of 24% (previous year: around 50 million). Similarly, viewing figures peaked at around 180 million compared with approximately 160 million in the previous year.

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

2.3.1 Overall assessment of the reporting period

- As of June 12, 2017, Constantin Medien AG thus no longer has the power that gives it the current ability to direct the relevant activities of Highlight Communications AG, i.e. the activities that significantly affect the investees' returns. Due to the discontinuation of control over Highlight Communications AG, the Highlight Communications group was deconsolidated as of June 12, 2017 (see notes, chapter 3, changes in the scope of consolidation).
- The consolidated balance sheet as well as the balances of the consolidated statement of changes in equity as of June 30, 2017 therefore no longer include any values of the Highlight Communications group. However, the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and segment results comprise the period from January 1, 2017 to June 12, 2017. Therefore, these do include the Highlight Communications group as well as the segments Film and Sports- and Event-Marketing.
- Since Highlight Communications AG is no longer fully consolidated, it is now shown under non-current other financial assets. At initial valuation, it was recognized at fair value based on the stock market price of EUR 5.070 per share as at June 12, 2017. Initial valuation as a non-current other financial asset results in a non-cash amount of EUR 145.0 million.
- The deconsolidation resulted in a non-recurring amount of EUR 37.3 million, which is reported under other operating income.
- Group sales in the first half-year of 2017 were EUR 200.3 million (6M 2016: EUR 264.0 million). The decline in sales by 24.1 percent is primarily due to lower sales in the Home Entertainment area of the Segment Film compared to the prior year period.
- The significantly improved EBIT, net profit for the period and result attributable to shareholders is due to the non-recurring effect of the gain from the deconsolidation of the Highlight Communications AG of EUR 37.3 million.
- The operating result (EBIT) went up to EUR 43.3 million (6M 2016: EUR 11.0 million), the net profit for the period improved by EUR 35.4 million to EUR 36.4 million (6M 2016: EUR 1.0 million), the result attributable to shareholders was EUR 34.8 million (6M 2016: EUR -1.4 million).

2.3.2 Segment performance

Segment performance January 1 to June 30, 2017 in EUR '000

	1/1 to 6/30/2017	1/1 to 6/30/2016	Change
Sales			
Sports	75,581	75,552	29
Film*	100,320	161,411	-61,091
Sports- and Event-Marketing*	24,369	26,822	-2,453
Other Business Activities	0	209	-209
Others	0	0	0
Total sales	200,270	263,994	-63,724
Segment result			
Sports	1,930	3,580	-1,650
Film*	-3,859	-364	-3,495
Sports- and Event-Marketing*	9,610	10,611	-1,001
Other Business Activities	0	1,203	-1,203
Others	35,621	-4,023	39,644
Total segment result	43,302	11,007	32,295

*Includes the period 1/1 to 6/12/2017

Segment Sports

- Sales in the first six months of 2017 reached prior year level at EUR 75.6 million (6M 2016: EUR 75.6 million).
- Free-TV market shares in the core target group of men aged 14 to 49 years remained unchanged in the first half year of 2017 at 1.6 percent (6M 2016: 1.6 percent).
- Online/mobile access figures and video views remained high, but below expectations.
- Existing partnerships with advertisers were expanded and new advertising customers were acquired.
- The segment result in the first half year of 2017 decreased to EUR 1.9 million due to higher cost of materials and licenses (e.g. UEFA Europa League) (6M 2016: EUR 3.6 million).

Segment Film

- Sales in the first six months of 2017 were at EUR 100.3 million (6M 2016: EUR 161.4 million).
- Sales declined by 37.9 percent, which reflects the fact that the unusually high sales which Home Entertainment area realized during the first half year of 2016 could not be achieved again in the first six months of 2017 as had been expected.
- Segment result in the first half year of 2017 deteriorated, reaching EUR -3.9 million (6M 2016: EUR -0.4 million).
- Segment expenses fell by EUR 41.2 million to EUR 175.4 million (6M 2016: EUR 216.6 million), but this was unable to fully compensate for the sales reduction.

Segment Sports- and Event-Marketing

- Sales in the first half year of 2017 fell by 9.0 percent to EUR 24.4 million (6M 2016: EUR 26.8 million).
- Segment result fell by 9.4 percent reaching EUR 9.6 million (6M 2016: EUR 10.6 million).

Others

- Six-months operating result of the holding company Constantin Medien AG was EUR 35.6 million (6M 2016: EUR -4.0 million).
- This includes the gain from the deconsolidation of the Highlight Communications AG of EUR 37.3 million.
- The result of the Others division also benefited from lower personnel costs as a result of dismissals as well as reduced severance payments and expenses for stock appreciation rights.

2.3.3 Sales and earnings performance

In addition to the sales development outlined in Chapter 2.3.2, the earnings performance of the Constantin Medien Group in the first six months was largely influenced by the following factors:

- Drop in total output (sales plus capitalized film production costs and other own work capitalized) by EUR 46.4 million to EUR 267.5 million (6M 2016: EUR 313.9 million) and higher cost of materials and licenses (EUR 6.3 million) result in an improved operating result by EUR 32.3 million to EUR 43.3 million, in spite of lower exploitation-related amortization and impairment on film assets (EUR 39.2 million) as well as lower personnel costs (EUR 3.2 million). This was thanks to the sharp increase in other operating income of EUR 43.1 million. This includes the non-recurring gain from the deconsolidation of Highlight Communications AG in the amount of EUR 37.3 million.
- The increase in the cost of materials and licenses to EUR 130.7 million in the first six months of 2017 (6M 2016: EUR 124.4 million) was nearly equally due to the higher cost of materials and licenses in the segments Sports and Film.
- The reduction in personnel costs by EUR 3.2 million to EUR 65.5 million was caused on the one hand by the Segment Film and on the other hand by dismissals and the lower costs of severance payments and stock appreciation rights at Constantin Medien AG (Others division).
- Profit from operations (EBIT) increased by EUR 32.3 million to EUR 43.3 million in the first half year of 2017 (6M 2016: EUR 11.0 million). This includes EUR 37.3 million income from the deconsolidation of the Highlight Communications AG.
- The financial result of the first six months of 2017 amounted to EUR -5.6 million, after EUR -7.9 million in the same period last year. The prior year period had been characterized by the impairment of a loan (EUR -1.9 million).
- The net profit for the period improved by EUR 35.4 million to EUR 36.4 million (6M 2016: EUR 1.0 million) particularly due to the gain from the deconsolidation of Highlight Communications AG (EUR 37.3 million).
- The result attributable to shareholders was EUR 34.8 million (6M 2016: EUR -1.4 million). This includes the gain from the deconsolidation of the Highlight Communications AG (EUR 37.3 million).

2.3.4 Net asset position

Consolidated balance sheet (abbreviated version) as of June 30, 2017 in EUR '000

	6/30/2017	12/31/2016	Change
Non-current assets	165,915	212,022	-46,107
Current assets	99,939	257,471	-157,532
Total assets	265,854	469,493	-203,639

- The deconsolidation of Highlight Communications AG resulted in film assets no longer being included (EUR -118.7 million), other intangible assets decreased by EUR 28.4 million particularly due to the trademark name “Constantin” being eliminated (EUR -28.0 million) and goodwill decreasing by EUR 39.7 million, particularly as the goodwill for the Segment Sport- and Event-Marketing was eliminated.
- Other financial assets increased due to the initial inclusion of Highlight Communications AG as an investment (initial valuation: EUR 145.0 million; value as at June 30, 2017: EUR 147.7 million).
- All current assets as at June 30, 2017 reduced in value, particularly due to the deconsolidation of Highlight Communications AG.
- Cash and cash equivalents include earmarked cash and cash equivalents in the amount of EUR 36.0 million (December 31, 2016: EUR 0 million).

2.3.5 Financial position

Consolidated balance sheet (abbreviated version) as of June 30, 2017 in EUR '000

	6/30/2017	12/31/2016	Change
Equity attributable to the shareholders	71,347	43,800	27,547
Non-controlling interests	0	54,314	-54,314
Total equity	71,347	98,114	-26,767
Non-current liabilities	1,934	104,495	-102,561
Current liabilities	192,573	266,884	-74,311
Total equity and liabilities	265,854	469,493	-203,639

- The principles of Group financing and Group financial risks are the same as during the 2016 financial year, taking into account the deconsolidation of Highlight Communications AG (see 2016 Annual Report, consolidated group management and management report, chapter 2.4.5).
- The equity of the Constantin Medien Group as at June 30, 2017 fell by EUR 26.8 million to EUR 71.3 million (December 31, 2016: EUR 98.1 million). Since Highlight Communications AG was deconsolidated, the Constantin Medien Group no longer held any non-controlling interests as at June 30, 2017.
- The equity ratio (total equity in relation to the balance sheet total) as at June 30, 2017 was 26.8 percent after 20.9 percent as at December 31, 2016.
- Non-current liabilities fell by EUR 102.6 million to EUR 1.9 million (December 31, 2016: EUR 104.5 million) primarily due to the deconsolidation of Highlight Communications AG and the reclassification of the corporate bond 2013/2018 to current liabilities due to its maturity date on April 23, 2018.
- Current liabilities decreased by EUR 74.3 million to EUR 192.6 million (December 31, 2016: EUR 266.9 million) due to the deconsolidation of Highlight Communications AG. The reclassification of the corporate bond 2013/2018 had the opposite effect (EUR +63.7 million), as did the loan from UniCredit Bank AG (EUR +36.0 million), whose purpose was to repay the Stella loan through an escrow agreement.

2.3.6 Liquidity development

- In the first six months of 2017, the Constantin Medien Group achieved a positive cash flow from operating activities of EUR 15.0 million (6M 2016: EUR 45.2 million). The reduction was caused primarily by the change in net working capital.
- Investing activities resulted in a cash outflow of EUR 119.4 million (6M 2016: cash outflow of EUR 35.3 million), particularly due to ongoing production activities in the Segment Film (EUR -57.1 million; 6M 2016: EUR -26.8 million) and the reduction in cash and cash equivalents due to the deconsolidation of Highlight Communications AG (EUR -60.3 million).
- The cash inflow from financing activities was EUR 17.5 million (6M 2016: cash outflow of EUR 6.7 million). This change was primarily due to cash inflow from the net short-term bank loans for projects in the Segment Film.
- In total, this resulted in a negative cash flow in the first six months of 2017 of EUR 86.9 million (6M 2016: EUR +3.2 million).
- Net debt of the Constantin Medien Group went up by EUR 39.4 million to EUR 46.8 million in the first six months of 2017, mainly because of the deconsolidation of Highlight Communications AG (elimination of liquid funds).

Net debt as of June 30, 2017 in EUR '000

	6/30/2017	12/31/2016	Change
Cash and cash equivalents	52,893	104,830	-51,937
Current financial liabilities	99,663	48,750	50,913
Non-current financial liabilities	0	63,466	-63,466
Net debt	-46,770	-7,386	-39,384

3. Risk and opportunities report

For detailed description of the risk management system and the risk and opportunities profile, see chapters 7.2.1 or 7.3.1 of the combined Group management and management report of the 2016 annual report of Constantin Medien AG.

Detailed information to the individual risks and opportunities of Constantin Medien AG in chapters 7.2.2 or 7.2.3 and description of the internal control and risk management system in relation to the group accounting process in chapter 7.5 of the combined Group management and management report of the 2016 annual report of Constantin Medien AG.

Changes in the risks and opportunities in the reporting period compared to the presentation in the combined Group management and management report of the 2016 annual report of Constantin Medien AG:

– Specific individual risks and opportunities in the segments Film as well as Sports- and Event-Marketing

As a result of the deconsolidation of Highlight Communications AG on June 12, 2017, the specific individual risks and opportunities in the segments Film as well as Sports- and Event-Marketing are eliminated.

– The Constantin Medien Group is dependent on customers and business partners

Sport1 GmbH has significant cooperations with companies from the automotive industry. Due to the current Dieselgate scandal, the advertising investments of the automotive industry could decline or lead to declining prices in advertising time and advertising space marketing. This could have a significant impact on the development of sales and earnings.

Overall, the risk of dependency on customers and business partners is still considered to be substantial.

– Procedure against the resolutions of the Board of Directors of Highlight Communications AG to the disadvantage of Constantin Medien AG

Subsequent to the General Meeting of Highlight Communications AG on December 30, 2016, Constantin Medien AG raised an

objection against any registration in the commercial register on March 27, 2017. On April 6, 2017, Constantin Medien AG applied to the District Court of Basel-Landschaft Ost to obligate and instruct the commercial register office of the Canton of Basel-Landschaft not to enter a capital increase with a restriction or an exclusion of the subscription rights of existing shareholders in the commercial register to at least a legal decision on the question relating the valid election of the current members of the Board of Directors of Highlight Communications AG. By decision of May 16, 2017, the president of the District Court of Basel-Landschaft Ost rejected the corresponding request. On June 1, 2017, Highlight Communications AG submitted a protective letter with regard to the application for suspensive effect with the Cantonal Court of Basel-Landschaft, Civil Law Division. On June 6, 2017, Constantin Medien AG appealed the Cantonal Court of Basel-Landschaft, Civil Law Division, against the decision of the District Court of Basel-Landschaft Ost from May 16, 2017.

The Board of Directors of Highlight Communications AG had resolved on June 12, 2017 to increase the share capital to a total of CHF 63.0 million by issuing 15.75 million new shares to Highlight Event and Entertainment AG using the authorized capital. The capital increase has not yet been registered in the commercial register. After the registration of this increase in share capital, the share of Constantin Medien AG in Highlight Communications AG would be still around 45.4% (60.53% as at March 31, 2017) – including the pledged shares.

On July 4, 2017, the Cantonal Court of Basel-Landschaft ruled that the enforceability of the ruling from May 16, 2017 regarding the commercial register block remains deferred and rejected the application for the provision of security as a condition for the suspensive effect of the counterparty.

On September 26, 2017, the Management Board of Constantin Medien AG has decided to terminate all legal disputes at Swiss courts with the affiliated company Highlight Communications AG within the scope and as part of an overall pacification of the significant disputes with Highlight Communications AG, Highlight Event and Entertainment AG as well as Stella Finanz AG. Highlight Communications AG has agreed to reverse the foundation structures installed as means of defense against hostile takeovers, which had been granted options for the temporary purchase of the majority of the common shares and particularly the voting rights in TEAM group as well as Constantin Film AG. No further legal proceedings are taken against the execution of the capital increase at Highlight Communications AG resolved in June 2017, through which the stake of Constantin Medien AG will be reduced from currently circa 43.6% to circa 32.7% after register entry (taking into account the repayment of a loan of Stella Finanz AG by transfer of shares of Constantin Medien AG in Highlight Communications AG

Accordingly, the deconsolidation of the fully consolidated subsidiary Highlight Communications AG (segments Film as well as Sports- and Event-Marketing), including its subsidiaries (see chapter 3 of notes of the consolidated financial statements), was performed on June 12, 2017. The risk of deconsolidation has thus been incurred and taken into account in the half-year interim financial statements as of June 30, 2017. The termination of the legal disputes in Switzerland with Highlight Communications now eliminates this legal risk.

– Disputes with Stella Finanz AG

For purpose of the fastest possible settlement of the loan, which had already been terminated several times and which had a term until June 30, 2017 according to the original loan agreement, on June 26, 2017 Constantin Medien AG concluded an escrow agreement with the solicitors Nater Dallafior Rechtsanwälte AG in Zurich and transferred the repayment amount including interest to the bank account of the escrow agent on June 27, 2017. The escrow agent was ordered to transfer the loan plus interest to Stella Finanz AG in return for a written statement from the Bank Julius Bär & Co. AG, Zurich, according to which the latter agrees irrevocably, unconditionally, as well as waiving any objections and pleas, to transfer the 24.75 million shares of Highlight Communications AG without any obligation to a deposit account of Constantin Medien AG within two bank working days upon receiving the required amount. For this, a call-off term until July 10, 2017 was granted to Stella Finanz AG, which it let expire however. It neither instructed the Bank Julius Bär & Co. AG to submit the above-mentioned statement nor demanded Constantin Medien AG in writing to make a repayment.

Through its lawyers Stella Finanz AG rather has informed, that it insists on an “advance performance obligation” by Constantin Medien AG and that any transaction effected by an escrow agent is conditional that the escrow agent shall monitor that at the upcoming General Meeting of Constantin Medien AG no “lawfully identified shareholders will be arbitrarily excluded from their voting right”.

For the Management Board of Constantin Medien AG, due to its duty of care – among others, against the backdrop of the rescission agreement of June 7/8, 2016 – the repayment of the loan by way of advance payment without security for the restitution of the pledged 24.75 million shares in Highlight Communications AG or the without legal base argued linkage of the loan settlement with the General Meeting of Constantin Medien AG on August 23, 2017 as well as the complex issues of the German stock corporation act and their assessment by the escrow agent are out of the question.

Since Stella Finanz AG has not been engaged in the settlement of the loan by way of the above-mentioned escrow agreement, the restitution of the 24.75 million shares in Highlight Communications AG against the repayment of the loan has now to be achieved in court proceedings. Accordingly, on July 27, 2017, at the Cantonal Court of Glarus in Switzerland a suit for the issuance of the shares / precautionary measures was filed. On August 3, 2017, the Cantonal Court of Glarus ruled that Stella Finanz AG is prohibited from disposing of the 24.75 million shares of Highlight Communications AG, which are deposited in Julius Baer & Co. AG's securities account and transfer this to a person other than Constantin Medien AG.

On September 20, 2017, Constantin Medien AG concluded a repayment and settlement agreement with Stella Finanz AG. This agreement regulates the modalities of the repayment of a loan granted by Stella Finanz AG with a nominal value of EUR 12.25 million and CHF 26.00 million and the termination of litigations between the two companies. The loan including all interest accrued thereon is now repaid by 8.0 million shares of Highlight Communications AG, which have been pledged to Stella Finanz AG. In return, the remaining 16.75 million of the shares pledged to Stella Finanz AG will be released by Stella Finanz AG so that overall 20.6 million shares in Highlight Communications AG are at the free disposal of Constantin Medien AG. As a result of the execution of the agreement with Stella Finanz AG the shareholding in Highlight Communications AG will be reduced to approx. 43.6 percent (or approx. 32.7 percent taking into account the resolved capital increase at Highlight Communications AG which has not yet been registered in the commercial register).

On the basis of the settlement concluded on September 20, 2017 between Constantin Medien AG and Stella Finanz AG and the consequent termination of legal disputes, this risk no longer exists.

– Risks in the valuation of financial and non-financial assets

As a result of the deconsolidation of Highlight Communications AG, this investment is recognized as another financial asset at the stock exchange rate. The fluctuations in the fair value due to changes in the stock exchange rate are recognized in equity. This can lead to strong fluctuations in equity or the equity ratio. Overall, this risk remains at the medium level.

– Liquidity risks of Constantin Medien AG

With the repayment and settlement agreement between Constantin Medien AG and Stella Finanz AG, the refinancing risk of the Stella loan has been solved.

The Management Board is with a renowned German financial institution and several investors in preparation for a complete refinancing of the EUR 65 million corporate bond expiring in April 2018. The Management Board expects to be able to finalize refinancing with improved conditions by the end of the year. If this planned refinancing is not completed or if the volume is insufficient, the going concern of the company would continue to be jeopardized.

Any liquidity risks that put the company's going concern at risk are major risks by definition. This risk is classified as substantial based on the measures taken or initiated by the Management Board.

Despite the deconsolidation of Highlight Communications AG and the associated elimination of the risks and opportunities arising from the segments Film as well as Sports- and Event-Marketing, the risk and opportunity profile of the Constantin Medien Group for the coming months after the end of the first half-year 2017 of the overall assessment of the individual risk categories essentially correspond to the estimates in the consolidated financial statements as of December 31, 2016. Due to the termination of the numerous legal disputes between Constantin Medien AG and Stella Finanz AG as well as Highlight Communications AG, the risk of legal disputes is now classified as medium (previously substantial level).

4. Outlook

4.1 Economic environment

- In mid-2017, the global economy was in fairly robust shape. In its “World Economic Outlook” in July 2017, the International Monetary Fund (IMF) continued to assume a global growth of 3.5% for 2017 and of 3.6% for the following year. The Monetary Fund reduced its expectations for the USA to +2.1% for each of the two years, stating the development of state spending and state revenues under the new US administration currently as “uncertain”.
- However, the IMF raised its projections for the Euro zone countries: It is predicting an increase of 1.9% for 2017 and of 1.7% for 2018. The reasons given are the economic development in Q1 which was above expectations and indications of a stronger domestic demand in the Euro zone countries than assumed previously.
- The Monetary Fund forecasts a below-average development for the German economy compared to other EU countries with growth of 1.8% (2017) and 1.6% (2018), nevertheless slightly stronger than expected in spring. This was due to the robust domestic demand and stronger export impulses.

Source: International Monetary Fund (IMF), World Economic Outlook, Update for July 2017

4.2 Sector-specific general conditions

Segment Sports

- The media agency Zenith in its September issue of “Advertising Expenditure Forecast” forecasts an increase in global advertising for 2017 of 4.0% to USD 558 billion (in June 2017: +4.2%, USD 559 billion). The reasons were a stronger Euro zone economy, which however had not yet trickled through to the advertising industry. For 2018, Zenith is expecting a growth of 4.2% due to the growth-promoting factors of the Winter Olympics in Korea, the Football World Championship in Russia and the mid-term elections in the USA. The growth drivers are the new digital formats, particularly in the areas social media, online video, paid content and native advertising (advertising in a familiar environment).
- The advertising market in Germany will continue to show only a very moderate growth so that an increase of only 1.3% is expected for 2017 (still 2.5% in the June forecast), with growth for 2018 predicted at 2.3% and for 2019 at 2.1%. Again, digital media will be the main growth driver, which will generate growth of 8.1% in 2017 and of 8% in both 2018 and 2019. Overall, EUR 6.9 billion shall be invested in digital media in 2017.
- In its spring forecast for radio, television and new audio and moving image offers in Germany, the Verband Privater Rundfunk und Telemedien e. V., VPRT (Association of Private Broadcasters) is assuming a continued stable growth, forecasting total sales increases of 3.3% to 4.1% to approx. EUR 6 billion (2016: EUR 5.7 billion, +4.4%) and an advertising market share of more than 38% for the first time (2016: 37.39%).
- TV net advertising revenues in Germany in 2017 will go up by between 2.0% and 2.5% to approx. EUR 4.7 billion (2016: EUR 4.6 billion; + 3.1%). The market share of TV advertising is expected to exceed 30% for the first time (2016: 29.68%). Added to this are the net advertising revenues in the instream video advertising area, which is predicted to see a growth of between 20% and 25% to approx. EUR 0.5 billion. Total revenues from moving image advertising in Germany are expected to go up by between 3.4% and 4.3% to more than EUR 5 billion for the first time.
- Offers such as VoD, Audio-on-Demand, Smart-Radio, Smart-TV or Virtual Reality are also expected to experience a high innovation dynamics and a double-digit percentage sales growth in the next five years. At the same time, VPRT is also assuming continuing high competitive dynamics alongside greater fragmentation and increasing convergence of offer and advertising formats. Data-driven business models (e.g. programmatic advertising) will also gain in importance.

Sources: Press release Zenithmedia, “Weltweiter Werbemarkt profitiert von guter Konjunktur”, June 19, 2017; Horizont, “Deutscher Werbemarkt wächst 2017 stärker als erwartet”, June 20, 2017; Press release Zenithmedia, “Neue digitale Formate sind die Wachstumstreiber für weltweite Werbeausgaben bis 2019”, September 11, 2017; press release Verband Privater Rundfunk und Telemedien e. V., VPRT (Association of Private Broadcasters), “VPRT-Frühjahrsprognose zum Werbemarkt 2017”, May 18, 2017

- VPRT forecasts a growth of pay-TV and paid-VoD offers in the German-speaking region of between 10% and 12% to approx. EUR 3.4 billion in 2017. The number of pay-TV subscribers in Germany, Austria and Switzerland is predicted to rise from 8.4 million in 2016 to 8.7 million in 2017. 103 pay-TV channels, including ten sports channels, are currently available.

Source: Association of Private Broadcasters (VPRT), press release on the study “Pay-TV in Deutschland 2017”, July 25, 2017,

- According to the “2017 OTT Video Services Study”, OTT will pass standard TV based on hours in the next five years. The Ericsson Mobility Report predicts that 70% of mobile traffic by 2021 will be moving images. Services such as SVoD (Subscription-Video-

- on-Demand such as Amazon and Netflix), TVoD (Transactional-Video-on-Demand such as Maxdome) and AVoD (Advertising-Video-on-Demand such as YouTube) offer new business models and as such also broader business approaches on the production market.
- Market penetration of high-resolution technologies such as UHD/4K are currently still facing high investment costs and are so far reaching only a small number of end consumers with corresponding devices. 72% of respondents in the “Focus Forward 2017 Technology Trend Report” are assuming that it will take at least another three years for UHD/4K to pass HD.
 - In the media industry, the readiness to invest in IP-based networks went up by 50% compared to 2016. According to a study by the International Association of Broadcast Meteorology (IABM), cloud services will be used by 85% of media companies in the next two to three years (currently: 28%). However, there are still major reservations against data security.
 - The industry also still takes a sceptical view of the entry of virtual reality/augmented reality technologies into the mass market. However, 25% of respondents in the “Focus Forward 2017 Technology Trend Report” are attributing a significant impact to that technology and therefore investments in the area are considered to be justified.

Sources: www.infosat.de, study: Over-the-Top (OTT) überholt klassisches Fernsehen in fünf Jahren“, April 21, 2017; Imagine Communications, “Focus Forward 2017 Technology Trends Report“, July 2017; www.abc.org, “Flexibility and scale: vendors tout the promise of the cloud“, May 3, 2017; www.rgbbroadcasting.com, “5 Key Broadcast Technology Trends 2017“, February 14, 2017.

4.3 Priorities

Segment Sports

In the 2017 financial year, SPORT1 is focusing on consistent multimedia content use, distribution and capitalization. Its focus continues to be on strengthening its portfolio by acquiring attractive new rights, renewing existing partnerships and developing new content cooperations and business areas, as well as exploiting and implementing established program pillars across platforms. This includes the Bundesliga and 2nd Bundesliga, UEFA Europa League, ice-hockey, motorsports, basketball or darts. Against the background of the massively increasing digital and cross-platform use of media offers, in the 2017 financial year, Sport1 GmbH will further drive the digital diversification of the SPORT1 brand and at the same time create new content and marketing environments, such as with regard to Addressable TV. Priorities include the development of new mobile offers, the further intensification of social media activities and the expansion of the video area via own apps, own video brand channels or the use of new social media video offers, such as Facebook Live. In addition, the activities include own offers and formats in the eSports area, which is also growing rapidly in Germany.

At PLAZAMEDIA, in 2017, the focus will include the implementation of extensive and complex live sports productions and non-live formats, the development and further development of innovative production technologies, content management solutions and production technology content distribution. In the context of expanding the PLAZAMEDIA portfolio, priorities in the 2017 financial year will be on traditional broadcasting activities, particularly the further development and the development of new digital production activities, products and services – with a view on the increasing fragmentation of media distribution channels, e.g. specific OTT or OVP solutions. The distribution partnerships with Tata Communications and Comcast Technology Solutions opened up access to new players and markets. The aim is to expand existing business relationships in the 2017 financial year based on the varied range of services, which has been widened significantly especially in the digital area, to add new business areas and customer groups and to create a much broader basis for the customer portfolio overall.

4.4 Financial targets

Due to the deconsolidation of Highlight Communications AG effective June 12, 2017, the sales as well as the earnings attributable to shareholders of the Highlight Communications group no longer apply from this date. The deconsolidation of Highlight Communications AG resulted in an unscheduled, non-cash, non-recurring income of EUR 37.3 million. An opposite effect was provided by unplanned costs, in particular for severance pay for former Board Members, special expenses for legal advice as well as for the upcoming special audits agreed by the Annual General Meeting and for the special audit on Formula 1. In the Segment Sports, the Management Board now expects a significant decline in sales year-on-year and a negative EBIT, due among other things to the latest indications on the development of the TV and digital advertising business of the SPORT1 platforms and on the business development in the PLAZAMEDIA group.

As a result of the deconsolidation of Highlight Communications AG and the below-target performance of the Segment Sports as well as the aforementioned unplanned costs, the Management Board is currently assuming Group sales of between EUR 250 million and EUR 280 million (previously between EUR 480 million and EUR 520 million). Taking into account the holding costs as well as the financial expenses and taxes, the Management Board expects in total a higher Group result attributable to shareholders of between EUR 7.0 million and EUR 10.0 million (previously between EUR 0.5 million and EUR 3.5 million). If the general meeting of Highlight Communications AG decides on a dividend, the Group result attributable to shareholders will increase by the dividend right of Constantin Medien AG if business performance remains the same.

Ismaning, September 29, 2017

Constantin Medien AG

Olaf G. Schröder
Chief Executive Officer

Dr Matthias Kirschenhofer
Chief Officer Legal and Finance

Consolidated Interim Financial Statements

Consolidated income statement

January 1 to June 30, 2017 in EUR '000

	1/1 to 6/30/2017	1/1 to 6/30/2016
Sales	200,270	263,994
Capitalized film production costs and other own work capitalized	67,199	49,877
Total output	267,469	313,871
Other operating income	55,043	11,942
Costs for licenses, commissions and materials	-26,405	-22,202
Costs for purchased services	-104,319	-102,187
Cost of materials and licenses	-130,724	-124,389
Salaries	-57,852	-60,406
Social security	-6,912	-7,387
Pension costs	-779	-975
Personnel expenses	-65,543	-68,768
Amortization and impairment on film assets	-39,865	-79,078
Amortization/depreciation and impairment on intangible assets and property, plant and equipment	-3,156	-3,651
Impairment on goodwill	0	0
Amortization, depreciation and impairment	-43,021	-82,729
Other operating expenses	-39,922	-38,920
Profit/loss from operations	43,302	11,007
Profit/loss from investments in associated companies	0	34
Financial income	2,872	2,145
Financial expenses	-8,504	-10,014
Financial result	-5,632	-7,869
Profit/loss before taxes	37,670	3,172
Income taxes	-1,644	-1,441
Deferred taxes	349	-710
Taxes	-1,295	-2,151
Net profit/loss	36,375	1,021
thereof non-controlling interests	1,573	2,428
thereof shareholders' interests	34,802	-1,407

January 1 to June 30, 2017

	1/1 to 6/30/2017	1/1 to 6/30/2016
Earnings per share		
Earnings per share attributable to shareholders, basic (in EUR)	0.37	-0.02
Earnings per share attributable to shareholders, diluted (in EUR)	0.37	-0.02
Average number of outstanding shares (basic)	93,599,838	89,113,814
Average number of outstanding shares (diluted)	93,599,838	89,113,814

Consolidated statement of comprehensive income/loss

January 1 to June 30, 2017 in EUR '000

	1/1 to 6/30/2017	1/1 to 6/30/2016
Net profit/loss	36,375	1,021
Foreign currency translation differences	-10,927	-528
Net gains/losses from a net investment hedge	208	60
Change in fair value of available-for-sale financial assets	1,932	-47
Gains/losses from cash flow hedges	1,180	382
Items that probably will be reclassified to profit or loss in subsequent periods	-7,607	-133
Result from remeasurement of defined benefit plans	630	-1,393
Items that will not be reclassified to profit or loss in subsequent periods	630	-1,393
Other comprehensive income/loss, net of tax	-6,977	-1,526
Total comprehensive income/loss	29,398	-505
thereof non-controlling interests	1,851	2,720
thereof shareholders' interests	27,547	-3,225

Assets

Consolidated Balance Sheet as of June 30, 2017 in EUR '000

	6/30/2017	12/31/2016
Non-current assets		
Film assets	0	118,729
Other intangible assets	3,889	32,317
Goodwill	8,707	48,429
Property, plant and equipment	5,140	9,222
Investments in associated companies	304	50
Other financial assets	147,670	428
Deferred tax assets	205	2,847
	165,915	212,022
Current assets		
Inventories	259	2,576
Trade accounts receivable and other receivables	46,629	149,237
Receivables due from associated companies	56	0
Other financial assets	0	192
Income tax receivables	102	636
Cash and cash equivalents	52,893	104,830
	99,939	257,471
Total assets	265,854	469,493

Equity/Liabilities

Consolidated Balance Sheet as of June 30, 2017 in EUR '000

	6/30/2017	12/31/2016
Equity		
Subscribed capital	93,600	93,600
Treasury stock	0	0
Capital reserve	-75,283	-75,283
Other reserves	3,336	3,336
Other components of equity	2,091	9,346
Accumulated gain	12,801	4,527
Shareholders' interests	34,802	8,274
Equity attributable to the shareholders	71,347	43,800
Non-controlling interests	0	54,314
	71,347	98,114
Non-current liabilities		
Financial liabilities	0	63,466
Advance payments received	0	14,642
Other liabilities	82	1,502
Pension liabilities	0	6,204
Provisions	518	293
Deferred tax liabilities	1,334	18,388
	1,934	104,495
Current liabilities		
Financial liabilities	99,663	48,750
Advance payments received	0	47,311
Trade accounts payable and other liabilities	87,417	154,728
Provisions	5,324	11,861
Income tax liabilities	169	4,234
	192,573	266,884
Total equity and liabilities	265,854	469,493

Consolidated statement of cash flows

January 1 to June 30, 2017 in EUR '000

	1/1 to 6/30/2017	1/1 to 6/30/2016
Net profit/loss	36,375	1,021
Deferred taxes	-349	710
Income taxes	1,644	1,441
Financial result	5,611	7,386
Profit (-) / loss (+) from investments in associated companies	0	-34
Amortization, depreciation and impairment and write-ups on film assets, intangible assets and property, plant and equipment	43,021	82,729
Profit (-) / loss (+) from disposal of film assets, intangible assets and property, plant and equipment	0	-1,219
Non-cash gain from the deconsolidation of Highlight Communications AG	-37,280	0
Other non-cash items	-2,598	1,137
Increase (-) / decrease (+) in inventories, trade accounts receivable and other assets not classified to investing or financing activities	-28,861	7,148
Decrease (-) / increase (+) in trade accounts payable and other liabilities not classified to investing or financing activities	7,590	-45,109
Dividends received from associated companies	0	0
Interest paid	-6,100	-6,163
Interest received	27	27
Income taxes paid	-4,329	-6,464
Income taxes received	253	2,549
Cash flow from operating activities	15,004	45,159
Change in cash and cash equivalents due to acquisitions of companies/shares in companies, net	0	0
Payments for intangible assets	-721	-1,054
Payments for film assets	-57,102	-26,808
Payments for property, plant and equipment	-1,303	-1,463
Payments for financial assets	-6	-527
Proceeds/payments due to sale of companies/shares in companies, net	0	-6,844
Disposal of cash and cash equivalents due the deconsolidation of Highlight Communications AG	-60,315	0
Proceeds from disposal of intangible assets and film assets	0	0
Proceeds from disposal of property, plant and equipment	43	46
Proceeds from disposal of financial assets	29	1,332
Cash flow for investing activities	-119,375	-35,318

January 1 to June 30, 2017 in EUR '000

	1/1 to 6/30/2017	1/1 to 6/30/2016
Proceeds from capital increase and from issuance of equity instruments	0	0
Payments for purchase of treasury stock	0	0
Proceeds from sale of treasury stock	0	14,845
Payments for purchase of non-controlling interests	-500	-2,464
Proceeds from sale of non-controlling interests	0	840
Repayment and buy-back of non-current financial liabilities	0	0
Repayment and buy-back of current financial liabilities	-1,800	-45,222
Proceeds from receipt of non-current financial liabilities	0	0
Proceeds from receipt of current financial liabilities	20,779	26,142
Dividend payments	-977	-815
Cash flow from/for financing activities	17,502	-6,674
Cash flow from/for the reporting period	-86,869	3,167
Financial funds at the beginning of the reporting period	104,830	122,445
Effects on foreign currency differences	-1,068	-170
Financial funds at the end of the reporting period	16,893	125,442
Change in financial funds	-86,869	3,167

Composition of financial funds as of June 30, 2017 in EUR '000

	6/30/2017	6/30/2016
Cash and cash equivalents	52,893	161,442
Earmarked cash and cash equivalents	-36,000	-36,000
Total financial funds	16,893	125,442

Consolidated statement of changes in equity

January 1 to June 30, 2017 in EUR '000

	Subscribed capital	Treasury stock	Capital reserve	Other reserves	Foreign currency translation differences
Balance 1/1/2017	93,600	0	-75,283	3,336	10,386
Items that probably will be reclassified to profit or loss in subsequent periods					-10,393
Items that will not be reclassified to profit or loss in subsequent periods					
Other comprehensive income/loss	0	0	0	0	-10,393
Net profit/loss					
Total comprehensive income/loss	0	0	0	0	-10,393
Reclassification of prior year's net result					
Capital increase					
Change in treasury stock					
Dividend payments					
Change in non-controlling interests					
Other changes					
Balance 6/30/2017	93,600	0	-75,283	3,336	-7
Balance 1/1/2016	93,600	-7,422	93,528	5,254	10,234
Items that probably will be reclassified to profit or loss in subsequent periods					-878
Items that will not be reclassified to profit or loss in subsequent periods					
Other comprehensive income/loss	0	0	0	0	-878
Net profit/loss					
Total comprehensive income/loss	0	0	0	0	-878
Reclassification of prior year's net result					
Capital increase					
Change in treasury stock		7,422	4,458	-1,918	
Dividend payments					
Change in non-controlling interests			-5,465		
Other changes					
Balance 6/30/2016	93,600	0	92,521	3,336	9,356

Other components of equity

	Net investment hedge	Available-for-sale financial assets	Cash flow hedges	Remeasurement of defined benefit plans	Accumulated gain/loss	Shareholders' interests	Equity attributable to shareholders	Non-controlling interests	Total
	-208	0	-715	-117	4,527	8,274	43,800	54,314	98,114
	208	1,932	715				-7,538	-69	-7,607
				283			283	347	630
	208	1,932	715	283	0	0	-7,255	278	-6,977
						34,802	34,802	1,573	36,375
	208	1,932	715	283	0	34,802	27,547	1,851	29,398
					8,274	-8,274	0		0
							0		0
							0		0
							0	-977	-977
							0		0
							0	-55,188	-55,188
	0	1,932	0	166	12,801	34,802	71,347	0	71,347
	-268	61	-1,304	-988	-184,329	12,380	20,746	36,846	57,592
	60	-39	-22				-879	746	-133
				-939			-939	-454	-1,393
	60	-39	-22	-939	0	0	-1,818	292	-1,526
						-1,407	-1,407	2,428	1,021
	60	-39	-22	-939	0	-1,407	-3,225	2,720	-505
					12,380	-12,380	0		0
							0		0
							9,962	4,883	14,845
							0	-815	-815
							-5,465	-8,479	-13,944
							0	-3,029	-3,029
	-208	22	-1,326	-1,927	-171,949	-1,407	22,018	32,126	54,144

Notes

1. General information about the Group

The Group parent company, Constantin Medien AG (HRB 148760), has its registered office in Münchener Straße 101g, Ismaning, Germany. Constantin Medien AG's Management Board authorized the publication of the accompanying unaudited, condensed consolidated interim financial statements at its meeting on September 29, 2017.

2. Accounting and valuation principles

The accompanying unaudited, condensed consolidated interim financial statements for the period from January 1, 2017 to June 30, 2017 have been prepared according to International Accounting Standard Interim Financial Reporting (IAS 34). The condensed consolidated interim financial statements do not include all explanations and disclosures required for annual reports and should be read in conjunction with the consolidated financial statements as of December 31, 2016 published by the Company.

The accounting and valuation principles used in the condensed consolidated interim financial statements correspond with those applied in the consolidated financial statements as of December 31, 2016 (refer to the annual report 2016, notes to the consolidated financial statements, note 4). The mandatory adoption of new or amended standards and interpretations has no significant impact on these condensed consolidated interim financial statements (refer also to the annual report 2016, notes to the consolidated financial statements, note 2.3).

The condensed consolidated interim financial statements are presented in Euros, which represent the functional and reporting currency of the Group parent company. In principle, the amounts are stated in thousands of Euros (EUR thousand or EUR '000), unless otherwise noted.

The segments Sports and Film are subject to seasonal fluctuations. In the summer months, sales in the Segment Sports are lower due to lower advertising income, which is dependent on broadcasting rights to sports events. Sales in the Segment Film depend on the theatrical releases and the subsequent exploitation chain. This leads to fluctuations in sales and segment results in the quarters of the financial year.

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period (refer to the annual report 2016, notes to the consolidated financial statements, note 5).

3. Changes in the scope of consolidation

Deconsolidation of Highlight Communications AG

On June 12, 2017, Highlight Communications AG announced that the Board of Directors has resolved to increase the share capital to a total of CHF 63.0 million by issuing 15.75 million new shares to Highlight Event and Entertainment AG using the authorized capital. In spite of the commercial register block by Constantin Medien AG, the newly issued shares by Highlight Communications AG have the full voting rights in accordance with Swiss Code of Obligation. Constantin Medien AG's share of the voting rights in Highlight Communications AG thus still stands at around 45.4% (previously around 60.5%). Furthermore, due to the postponement of the Annual General Meeting of Highlight Communications AG for an undefined period, no de facto control can be demonstrated. On June 12, 2017, the fully consolidated subsidiary Highlight Communications AG (Segments Film as well as Sports- and Event-Marketing), including its subsidiaries, was therefore deconsolidated.

As of June 12, 2017, Constantin Medien AG thus no longer has the power that gives it the current ability to direct the relevant activities of Highlight Communications AG, i.e. the activities that significantly affect the investee's returns. Due to the discontinuation

of control over Highlight Communications AG, the Highlight Communications group was deconsolidated as of June 12, 2017. The consolidated balance sheet as well as the balances of the consolidated statement of changes in equity as of June 30, 2017 therefore no longer include any values of the Highlight Communications group. However, the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and segment results comprise the period from January 1, 2017 to June 12, 2017, i.e. the values of the Highlight Communications group are still included herein until June 12, 2017.

The deconsolidation was performed on June 12, 2017, whereby the balance sheet items and the profit and loss items were approximately determined.

Due to the lack of the exercise of the voting rights in the pledged Highlight Communications AG shares and the fact that Constantin Medien AG has no seat in the Board of Directors of Highlight Communications AG, there is also no significant influence within the meaning of IAS 28. As a result, the accounting as an associated company using the equity method is not given. The 45.4% interest in Highlight Communications AG is recognized as a non-current other financial asset. As a result of the repayment of the Stella loan by means of 8.0 million Highlight Communications AG shares on September 20, 2017, the share of voting rights in Highlight Communications AG has now fallen to 32.7% (see chapter 9, events after the reporting period).

The classification is carried out in the category "financial assets available for sale". The initial measurement is done at fair value, which corresponds to the stock exchange rate of EUR 5.070 per share as of June 12, 2017 (fair value hierarchy level 1). From the initial measurement as non-current other financial asset a non-cash amount of EUR 145,002 thousand resulted.

The deconsolidation resulted in an outflow of cash of EUR 60,315 thousand due to the disposal of cash and cash equivalents. The deconsolidation resulted in income of EUR 37,280 thousand, which is reported under other operating income (income from deconsolidation). At the time of the deconsolidation, the net assets amounted to EUR 170,719 thousand. In addition to the goodwill of Sports- and Event-Marketing (EUR 37,652 thousand) as well as the brand name Constantin (EUR 28,000 thousand), this mainly includes film assets (EUR 135,599 thousand), trade accounts receivable and other receivables (EUR 127,589 thousand), deferred tax assets (EUR 2,790 thousand), cash and cash equivalents (EUR 60,315 thousand), financial liabilities (EUR 67,169 thousand), advance payments received (EUR 48,932 thousand), pension liabilities (EUR 5,851 thousand), deferred tax liabilities (EUR 17,778 thousand) and trade accounts payable and other liabilities (EUR 85,269 thousand). At the time of the deconsolidation, EUR 8,317 thousand was recycled from other equity to the income statement. These mainly relate to positive foreign currency differences of EUR 9,349 thousand. The write-off of reserves for cash flow hedges and hedging of net investment of EUR -1,032 thousand had an opposite effect.

Acquisitions

On February 2, 2017, Sport1 GmbH participated with 20.0% respectively EUR 304 thousand in the Nachspielzeit Marketing GmbH, Ismaning. The company is managed as an associated company and is included in the consolidated financial statements using the equity method.

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

Sales

In the Segment Sports sales from barter transactions involving dissimilar advertising services amount to EUR 2,638 thousand (6M 2016: EUR 1,855 thousand) as well as in the Segment Film to EUR 200 thousand (6M 2016: EUR 0 thousand) in the reporting period.

Other operating income

Other operating income includes, among other things, the profit from the deconsolidation of Highlight Communications AG in the amount of EUR 37,280 thousand.

Amortization, depreciation and impairment

Amortization, depreciation and impairment in EUR '000		
	1/1 to 6/30/2017	1/1 to 6/30/2016
Scheduled amortization of film assets	38,920	78,107
Scheduled amortization of intangible assets	957	1,159
Scheduled depreciation of property, plant and equipment	2,199	2,492
Impairment on film assets	945	971
Total	43,021	82,729

Financial result

Financial income in EUR '000		
	1/1 to 6/30/2017	1/1 to 6/30/2016
Foreign currency exchange gains	1,734	1,582
Gains from changes in the fair value of financial instruments	1,110	480
Accretion of discount for receivables	1	6
Other interests and similar income	27	77
Total	2,872	2,145

Financial expenses in EUR '000		
	1/1 to 6/30/2017	1/1 to 6/30/2016
Interest expense corporate bond	2,418	2,412
Foreign currency exchange losses	1,755	2,065
Loss from changes in the fair value of financial instruments	1,631	809
Write-down on non-current financial assets and non-current securities	0	1,860
Accretion of discount for liabilities and provisions	1	0
Other interests and similar expenses	2,699	2,868
Total	8,504	10,014

Other non-current financial assets

Other non-current financial assets in EUR '000

	6/30/2017	12/31/2016
Investment Highlight Communications AG	147,662	–
Investment Geenee, Inc	0	0
Investment Mr Smith Entertainment Ltd.	–	0
Investment real estate fund	–	88
Non-current receivables	–	331
Others	8	9
Total	147,670	428

Due to the loss of control and the absence of a significant influence, Highlight Communications AG was deconsolidated as of June 12, 2017. Accordingly, this investment has since been held as “available-for-sale financial asset” and measured at fair value. The valuation at the balance sheet date was determined on the stock exchange rate as of June 30, 2017 with a value of EUR 5.163 per share or EUR 147,662 thousand (December 31, 2016: EUR 0 thousand). The difference to the stock exchange price of EUR 2,660 thousand on June 12, 2017 (EUR 5.070 per share) was recognized directly in equity in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include earmarked cash and cash equivalents totaling EUR 36,000 thousand (December 31, 2016: EUR 0 thousand).

Equity

As of June 30, 2017 the number of directly and indirectly held non-voting treasury shares stood at 162 Constantin Medien AG shares (December 31, 2016: 162 shares).

As a result of the deconsolidation of Highlight Communications AG, non-controlling interests decreased by EUR 54,680 thousand. As of June 30, 2017, Constantin Medien Group no longer holds any non-controlling interests.

Share-based payment

In the reporting period EUR 260 thousand (6M 2016: EUR 489 thousand expenses) income from share-based payment with cash-settlement (stock appreciation rights) have been recognized. The carrying amount of debts from share-based payments amount to EUR 236 thousand as of June 30, 2017 (December 31, 2016: EUR 496 thousand). In the first six months 2017 no stock appreciation rights have been issued, exercised, forfeited or expired. The fair value of stock appreciation rights granted as of June 30, 2017 was determined using the following factors (for further information refer to the annual report 2016, notes to the consolidated financial statements, note 7.14):

Disclosures about the valuation of the stock appreciation rights

	6/30/2017		12/31/2016	
	Constantin Medien AG stock appreciation rights	Highlight Communications AG stock appreciation rights	Constantin Medien AG stock appreciation rights	Highlight Communications AG stock appreciation rights
Option pricing model	Binomial model	Binomial model	Binomial model	Binomial model
Expected volatility	34.43%	17.65%	39.57%	23.52%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected life	3 years	3 years	3 years	3 years
Risk-free interest rate	-0.66%	-0.66%	-0.84%	-0.84%
Exercise price in EUR	1.80/2.10/2.50	5.00	1.80/2.10/2.50	5.00
Weighted average exercise price in EUR	2.13	5.00	2.13	5.00

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

	6/30/2017	12/31/2016
Corporate bond 2013/2018	0	63,466
Total	0	63,466

Due to the maturity date of the corporate bond 2013/2018 as of April 23, 2018, it was reclassified to the current section.

Current financial liabilities**Current financial liabilities** in EUR '000

	6/30/2017	12/31/2016
Corporate bond 2013/2018	63,663	0
Earmarked loan	36,000	0
Liabilities due to banks	0	48,750
Total	99,663	48,750

The earmarked loan was repaid to UniCredit Bank AG on July 12, 2017.

5. Financial instruments

Fair value hierarchy

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

Fair value hierarchy as of June 30, 2017 in EUR '000

	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Derivative financial instruments	8		8		8
Financial assets at fair value through profit or loss					
Available-for-sale financial assets	147,662	147,662		0	147,662
Financial liabilities					
Current financial liabilities	63,663	64,928			64,928
Non-current financial liabilities					
Derivative financial instruments	63		63		63

Fair value hierarchy as of December 31, 2016 in EUR '000

	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Derivative financial instruments	2,311		2,311		2,311
Financial assets at fair value through profit or loss	88	88			88
Available-for-sale financial assets	0			0	0
Financial liabilities					
Non-current financial liabilities	63,466	64,960			64,960
Derivative financial instruments	3,201		3,201		3,201

Disclosures on level 3 financial instruments in EUR '000

Description of the financial instrument	Investment Geenee, Inc.
Fair value at January 1, 2016	2,525
Acquisition	0
Impairment recognized in the income statement	-2,451
Foreign currency exchange differences directly recognized in equity	-74
Fair value at December 31, 2016	0
Foreign currency exchange differences directly recognized in equity	0
Fair value at June 30, 2017	0

Fair value of financial assets and liabilities

Financial assets measured at fair value through profit or loss, which are included in level 1, are determined by means of stock prices. Derivative financial instruments included in level 2 are measured at current market values. To determine the fair value of derivative financial instruments in level 2, a discounted cash flow method has been applied. The investment in Highlight Communications AG (available-for-sale financial assets) is valued at the stock exchange rate. The investment in Geenee, Inc. was fully impaired as of December 31, 2016.

Financial assets and liabilities measured at amortized cost

The carrying amounts of current financial assets and liabilities at the reporting date almost correspond to their fair value due to the short-term maturity of these instruments. A difference between the amortized costs and fair value exists for the corporate bond 2013/2018. The fair value of the corporate bond 2013/2018 accounted for at amortized cost is equivalent to the closing rate of the Frankfurt Stock Exchange at the balance sheet date, and is thus included in level 1.

Fair value of non-financial assets and liabilities

As of June 30, 2017 no non-financial assets and non-financial liabilities have been measured at fair value.

6. Segment reporting

As a result of the deconsolidation of Highlight Communications AG as of June 12, 2017, the reporting period of the segments Film as well as Sports- and Event-Marketing relates to the period from January 1, 2017 to June 12, 2017.

Segment reporting January 1 to June 30, 2017 in EUR '000

	Sports	Film	Sports- and Event- Marketing	Other Business Activities	Others	Recon- ciliation	Group
External sales	75,581	100,320	24,369	0	0	0	200,270
Intercompany sales	218	274	0	0	0	-492	0
Total sales	75,799	100,594	24,369	0	0	-492	200,270
Other segment income	3,133	70,923	64	0	50,144	-2,022	122,242
Segment expenses	-77,002	-175,376	-14,823	0	-14,523	2,514	-279,210
thereof scheduled amortization and depreciation	-2,212	-39,409	-398	0	-57	0	-42,076
thereof impairments	0	-945	0	0	0	0	-945
Segment result	1,930	-3,859	9,610	0	35,621	0	43,302
Non-allocated items							
Earnings from investments in associated companies							0
Financial income							2,872
Financial expenses							-8,504
Profit before taxes							37,670

Segment reporting January 1 to June 30, 2016 in EUR '000

	Sports	Film	Sports- and Event- Marketing	Other Business Activities	Others	Recon- ciliation	Group
External sales	75,552	161,411	26,822	209	0	0	263,994
Intercompany sales	73	19	0	0	0	-92	0
Total sales	75,625	161,430	26,822	209	0	-92	263,994
Other segment income	1,870	54,796	37	4,124	3,378	-2,386	61,819
Segment expenses	-73,915	-216,590	-16,248	-3,130	-7,401	2,478	-314,806
thereof scheduled amortization and depreciation	-2,311	-78,973	-411	-1	-62	0	-81,758
thereof impairments	0	-971	0	0	0	0	-971
Segment result	3,580	-364	10,611	1,203	-4,023	0	11,007
Non-allocated items							
Earnings from investments in associated companies							34
Financial income							2,145
Financial expenses							-10,014
Profit before taxes							3,172

7. Financial commitments, contingent liabilities, other financial commitments and contingent assets

Financial commitments, contingent liabilities and other financial commitments decreased by EUR 86,828 thousand to EUR 118,097 thousand as of June 30, 2017 compared to the consolidated financial statements as of December 31, 2016.

8. Transactions with related companies and persons

Between the Constantin Medien Group and associated companies sales of EUR 99 thousand (6M 2016: EUR 0 thousand) were generated in the first six months. Transactions with other related companies and persons include mainly the following relationships:

From an agreement with Houlihan Lokey GmbH in the first six months 2017 consulting fees of EUR 0 thousand were incurred (6M 2016: EUR 205 thousand). Liabilities (including for services not yet billed) amount to EUR 0 thousand as of June 30, 2017 (December 31, 2016: EUR 25 thousand).

Constantin Medien AG is part of the civil rights association of former shareholders of the Formel Eins GbR ("civil rights association"). Constantin Medien AG has indirectly commissioned the co-partner, KF 15 GmbH, as a part of an agency agreement, making claims out of court and/or in court resulting from a debtor warrant as part of an agreement from February 17, 2003 with BayernLB Motorsport Ltd. and Bayerische Landesbank about the sale of the investment in Speed Investments Ltd. Between the shareholders of the civil rights association it was agreed that the costs of proceedings in this regard will be covered by Constantin Medien AG and KF 15 GmbH. In the event of a successful recovery of claims an arrangement for the distribution of proceeds after deducting the costs of asserting the rights was concluded between the shareholders of the civil rights association. The previous legal proceedings in London against Mr Ecclestone and others were terminated in 2014. In Q2 2017 all legal disputes were settled by means of a settlement in this context. In the reporting period expenses of EUR 9.347 thousand (6M 2016: EUR 285 thousand) were recognized from the aforementioned cost allocation agreement of the civil rights association as well as of the balance sheet date June 30, 2017 liabilities (including for services not yet billed) due to KF 15 GmbH of EUR 1,885 thousand (December 31, 2016: receivables of EUR 25 thousand) were recorded.

9. Events after the reporting period

Stella Finanz AG has not been engaged in the settlement of the loan by way of the escrow agreement and let expire the call-off term for the repayment amount from the bank account of the escrow agent until July 10, 2017. The loan of EUR 36,000 thousand from UniCredit Bank AG drawn on June 26, 2017 was therefore transferred back to UniCredit Bank AG on July 12, 2017.

The Annual General Meeting of Constantin Medien AG on August 23, 2017 did a complete restaffing of the six-strong Supervisory Board. With a 76.1 percent presence of its share capital, the shareholders of the media company elected Thomas von Petersdorff-Campen, Markus Prazeller, Edda Kraft, Dr Gero von Pelchrzim, Andreas Benz and Dr Paul Graf as new Members to the Board. In the subsequent constitutive meeting Dr Paul Graf was appointed as the new Chairman of the Supervisory Board, Thomas von Petersdorff-Campen Deputy Chairman. Previously at the Annual General Meeting, the previous Chairman of the Supervisory Board, Dr Dieter Hahn, had declared himself unavailable for re-election, as had the previous Member Jean-Baptiste Felten. The other Members of the Supervisory Board Andrea Laub, Stefan Collorio, Jörn Arne Rees and Jan P. Weidner resigned from their office after the close of the Annual General Meeting.

Furthermore, Chief Executive Officer Fred Kogel announced that he will resign from his office as Chief Executive Officer and Member of the Management Board with effect from September 22, 2017.

As a result, the Supervisory Board committees are now composed as follows:

Committees of the Supervisory Board

Audit Committee	Thomas von Petersdorff-Campen	Chairman
	Andreas Benz	Deputy Chairman
	Dr Paul Graf	Member
Nominations and Legal Committee	Dr Paul Graf	Chairman
	Thomas von Petersdorff-Campen	Deputy Chairman
	Markus Prazeller	Member

On August 25, 2017 the Supervisory Board revoked the appointment of Chief Executive Officer Fred Kogel with immediate effect and suspended him from all duties. The Supervisory Board appointed Management Board Member Olaf Gerhard Schröder, until then Chief Operating Officer Sports of Constantin Medien AG, as Chief Executive Officer of the Management Board.

Dr Peter Braunhofer, Member of the Management Board of Constantin Medien AG since December 21, 2016, has informed the Company's Supervisory Board on September 7, 2017 that he is exercising a special right of termination agreed with the previous Supervisory Board and will step down from the Management Board with effect from October 7, 2017.

On September 11, 2017 the Supervisory Board of Constantin Medien AG has appointed Dr Matthias Kirschenhofer, Managing Director of Sport1 Media GmbH, as a Board Member with immediate effect. Dr Kirschenhofer is since then responsible for the Legal and Finance department. On September 11, 2017 the Supervisory Board has revoked with immediate effect the appointment of Dr Peter Braunhofer as a Board Member.

On September 20, 2017, Constantin Medien AG concluded a repayment and settlement agreement with Stella Finanz AG. This agreement regulates the modalities of the repayment of a loan granted by Stella Finanz AG with a nominal value of EUR 12,250 thousand and CHF 26,000 thousand and the termination of litigations between the two companies. The loan including all interest accrued thereon is now repaid by 8.0 million shares of Highlight Communications AG, which have been pledged to Stella Finanz AG. In return, the remaining 16.75 million of the shares pledged to Stella Finanz AG will be released by Stella Finanz AG so that overall 20.6 million shares in Highlight Communications AG are at the free disposal of Constantin Medien AG. As a result of the execution of the agreement with Stella Finanz AG the shareholding in Highlight Communications AG is reduced to approximately 43.6 percent (or approximately 32.7 percent taking into account the in June 2017 resolved capital increase at Highlight Communications AG which has not yet been registered in the commercial register). With regard to the dividend rights to the redemption shares, the parties have agreed that the dividends and other distributions for financial year 2016 and previous years (in particular the dividend or capital distribution expected for the 2017 Annual General Meeting of Highlight Communications AG for the financial year 2016) will remain with Constantin Medien AG and should be entitled to it. For the results of operations, net assets and financial position of the Constantin Medien AG this means that other current liabilities are reduced by EUR 37,362 thousand as well as the carrying amount of the investment Highlight Communications AG (other financial assets) by EUR 40,400 thousand. From the other comprehensive income, EUR 3,198 thousand will be recycled to financial expenses in the income statement. Furthermore, a liability from a derivative financial instrument in the amount of EUR 1,288 thousand will be derecognized.

On May 11, 2017 Constantin Medien AG signed a settlement agreement with the Bayerische Landesbank, from which Constantin Medien AG received proceeds of EUR 10,129 thousand. Of this, EUR 9,464 thousand net was transferred to KF 15 GmbH for the period from January 1, 2017 through August 31, 2017. The Supervisory Board of Constantin Medien AG decided on September 20, 2017 to form a special auditing committee regarding the audit of the circumstances surrounding the settlement in respect of Formula 1, in particular with regard to the role of KF 15 GmbH, the bodies of the Company, and related parties.

On September 26, 2017, the Management Board of Constantin Medien AG has decided to terminate all legal disputes at Swiss courts with the affiliated company Highlight Communications AG within the scope and as part of an overall pacification of the significant disputes with Highlight Communications AG, Highlight Event and Entertainment AG as well as Stella Finanz AG. Highlight Communications AG has agreed to reverse the foundation structures installed as means of defense against hostile takeovers, which had been granted options for the temporary purchase of the majority of the common shares and particularly the voting rights in TEAM group as well as Constantin Film AG. No further legal proceedings are taken against the execution of the capital increase at Highlight Communications AG resolved in June 2017, through which the stake of Constantin Medien AG will be reduced from currently approximately 43.6% to approximately 32.7% after register entry (taking into account the repayment of a loan of Stella Finanz AG by transfer of shares of Constantin Medien AG in Highlight Communications AG).

The Management Board of Constantin Medien AG has on September 29, 2017 decided to end the structured, competitive bidding process regarding a possible sale of Sport1 GmbH and Sport1 Media GmbH with immediate effect. As the Constantin Medien Group concentrates on the Segment Sports, its focus lies particularly on the strategic and operative further development of the 360° sports platform SPORT1 and the production company PLAZAMEDIA.

Ismaning, September 29, 2017

Constantin Medien AG

Olaf G. Schröder

Chief Executive Officer

Dr Matthias Kirschenhofer

Chief Officer Legal and Finance

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Constantin Medien Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Constantin Medien Group, together with a description of the principal opportunities and risks associated with the expected development of the Constantin Medien Group in the remainder of the financial year."

Ismaning, September 29, 2017

Constantin Medien AG

Olaf G. Schröder

Chief Executive Officer

Dr Matthias Kirschenhofer

Chief Officer Legal and Finance

CONSTANTIN

MEDIEN AG

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