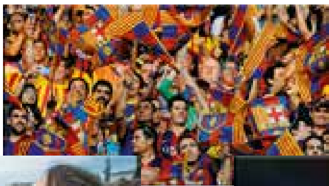
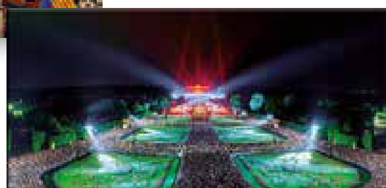
Interim Report as of June 30, 2015





Celebrations in Munich:
At the German premiere of the Constantin Film co-production "Ostwind 2," the stars were greeted by countless excited fans.

At a glance: Events in the second quarter of 2015

APRIL At the beginning of April 2015, the Constantin Film Group secures first place in the distribution category for the eleventh time in a row when the German Federal Film Board awards reference funding for 2014. This award comes with reference funding of around EUR 544,000. The Group also receives funding of around EUR 582,000 for third place in the production category.

On April 15, Highlight Communications AG announces the streamlining of its management body. In the context of this reorganization, the Board of Directors members Antonio Arrigoni, Dr. Erwin V. Conradi, Dr. Ingo Mantzke, and Martin Wagner no longer stand for re-election at the company's upcoming Annual General Meeting.

At the "Romy" award ceremony – the top awards for film and TV productions in Austria – the Constantin Film comedy "Frau Müller muss weg!" wins the prize in the "Best Feature Film" category on April 25.

MAY On May 22, 2015, Ferdinand von Schirach (novel) and André Georgi (screenplay) are awarded the Bavarian TV Award for the episode "Volksfest" of the series "Schuld," made by Moovie GmbH on behalf of ZDF. In addition, Mario Barth wins an award for the comedy show "Mario Barth deckt auf!", produced by Constantin Entertainment GmbH for RTL.

At the end of May, the Constantin Film co-production "The Famous Five 4" crosses the magic line of one million viewers in German movie theaters. With this attendance figure, the adaptation of the books by Enid Blyton seamlessly continues the excellent performance of the first three instalments.

JUNE At the renowned Banff World Media Festival in early June 2015, "The Witness House" – a TV service production by Moovie GmbH for ZDF – wins the "Rockie Award" in the "Best TV Movie" category. This festival, which has been taking place since 1979, presents around 1,000 TV productions from all around the world each year.

On June 12, the Highlight shareholders approve all motions of the Board of Directors at the Annual General Meeting for fiscal year 2014. The resolutions include the payment of a dividend of CHF 0.20 per bearer share and the election of Peter von Büren (CFO of Highlight Communications AG) and Hanns Beese (CFO of Constantin Medien AG and Constantin Film AG) as new members of the Board of Directors.

At the Munich Film Festival at the end of June, the Constantin Film youth adventure movie "Ostwind 2" is awarded the children's media prize "White Elephant".

Members of the Highlight Group

Constantin Film · RAINBOW HOME ENTERTAINMENT · TEAM MARKETING · HIGHLIGHT EVENT & ENTERTAINMENT

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PREFACE

Dear shareholders and other interested parties,

In the first half of 2015, the Highlight Group generated sales and earnings that were in line with expectations for the current year.

Compared to the first six months of the previous year, however, our company's results of operations were significantly impacted by the sharp appreciation of the Swiss franc against the euro. Whereas in the first half of 2014 the exchange rate between these two currencies had averaged 1.22 EUR/CHF, in the current year it fell to an average of 1.06 EUR/CHF as a result of the cap of 1.20 EUR/CHF having been lifted by the Swiss National Bank. In the Highlight Group's financial statements for the first half of the year, this change in the currency relation was reflected in a CHF 5.0 million rise in financial expenses, among other effects.

At CHF 126.7 million, our consolidated sales were down on the previous year's level (CHF 216.3 million), mainly due to lower sales in the Film segment. This decline reflects the fact that – in contrast to the previous year – no international Constantin Film production was released in the first half of 2015. In addition, the Film segment had benefited in the previous year from extremely high sales figures for the blockbuster "Fack Ju Göhte" in home entertainment exploitation.

Consolidated operating expenses decreased by CHF 87.0 million to CHF 151.8 million, particularly due to considerably lower amortization and impairment, while EBIT posted a decline of CHF 2.5 million to CHF 7.2 million. Despite this development, the EBIT margin (EBIT as a percentage of sales) improved from 4.5 % in the first half of 2014 to currently 5.7 %.

Consolidated net profit for the period, which was affected by the significant rise in financial expenses among other factors, amounted to CHF 0.6 million (previous year's period: CHF 5.9 million). This pronounced decline was mainly attributable to the change in the EUR/CHF currency relation as described above. CHF 0.8 million of this profit is attributable to Highlight shareholders (previous year's period: CHF 5.6 million), corresponding to earnings per share of CHF 0.02 (previous year's period: CHF 0.13).

The Constantin Film Group's distribution slate achieved good results in the first half of this year. After the surprise hit "Frau Müller muss weg!", the two sequels "The Famous Five 4" and "Ostwind 2" also attracted audiences of more than a million people, with the effect that the Constantin Film Group achieved a market share of 4.5 % in terms of revenues in the first half of 2015.

On the German home entertainment market, which recorded an overall decline in the first six months of 2015, we kept our market position virtually constant with attractive new releases under the Constantin Film label.

Overall, the Film segment generated external sales of CHF 102.7 million – a decrease of CHF 87.3 million compared to the first half of 2014 (CHF 190.0 million). Other income of CHF 29.5 million was only slightly lower than in the previous year (CHF 32.3 million), while segment expenses fell by CHF 87.2 million to CHF 131.3 million. Both the lower external sales and the decrease in costs are primarily due to the absence of an international release of a production in the first half of this year. As a result of these developments, segment earnings declined from CHF 3.8 million to CHF 0.9 million.

Following the early contract extension with UEFA at the end of March 2015, the TEAM Group secured further major deals in the marketing process for the commercial rights of the UEFA Champions League and the UEFA Europa League (for the 2015/16 to 2017/18 seasons respectively).

External sales in the Sports- and Event-Marketing segment posted a decline of CHF 2.7 million to CHF 22.1 million in the first half of 2015. At the same time, segment expenses climbed by CHF 1.1 million to CHF 15.8 million, while other income marked a significant rise of CHF 3.1 million to CHF 3.3 million. At CHF 9.7 million, segment earnings were therefore down slightly on the corresponding figure for the first six months of the previous year (CHF 10.2 million).

The activities of Highlight Event AG were initially focused on the open-air Summer Night Concert of the Vienna Philharmonic Orchestra, which was broadcast on TV or radio in more than 80 countries worldwide.

External sales of the Other Business Activities segment rose slightly from CHF 1.5 million to CHF 1.8 million, while segment expenses were reduced from CHF 3.2 million to CHF 2.5 million. As a result, the segment loss shrank from CHF 1.4 million to CHF 0.6 million.

Based on the positive operating prospects in the second half of the year, particularly with regard to the theatrical releases of "Fack Ju Göhte 2" and "Er ist wieder da", we are continuing to forecast consolidated sales of between CHF 310 million and CHF 330 million and a consolidated net profit for the period attributable to shareholders of between CHF 14 million and CHF 16 million for the Highlight Group in 2015 as a whole.

HIGHLIGHT STOCK

Development of the capital markets

After the generally very positive development of global stock markets in the first three months of this year, the second quarter was rather dominated by setbacks and consolidation. There were various reasons for this: At the end of April, US economic data that fell well short of expectations triggered significant losses on the stock markets worldwide. On top of this, the rest of the quarter saw increasing conflicts in the Middle East and a dramatic, global collapse in bond prices. However, the overriding topic was the steadily escalating debt crisis in Greece and thus the increasing likelihood of the state going bankrupt or exiting the euro zone ("Grexit").

Against this backdrop, the Dow Jones Industrial Average Index for example fell another 0.9 % in the period from April to June 2015 (1.1 % since the start of the year) and closed at 17,620 points on June 30. In contrast, the Japanese Nikkei 225 continued to benefit from a weak yen and the still ultra-expansionary monetary policy of the Bank of Japan. Closing at 20,236 points, it again added 5.4 % in the second quarter, up 16.0 % since the start of the year.

The DAX, which had impressed in the first quarter with growth by a double-digit percentage, dropped 8.5 % from April to June and closed at 10,945 points. On a half-year basis, however, this still equates to an 11.6 % rise. In contrast, the SDAX small cap index climbed to 8,587 points – a growth of 1.9 % in the second quarter or 19.4 % since the start of the year. The index for German media stocks (DAXsector Media) closed the second quarter virtually unchanged at 420 points, thereby gaining 20.1 % in the first half of 2015.

The Swiss Market Index (SMI), which closed at 8,781 points on June 30, lost 3.8 % in the second quarter of 2015 (–2.3 % since the start of the year). This decline resulted primarily from the export-focused companies listed in the SMI, which since mid-January have been faced with the strong appreciation of the Swiss franc against the euro.

Performance of Highlight stock in the second quarter of 2015

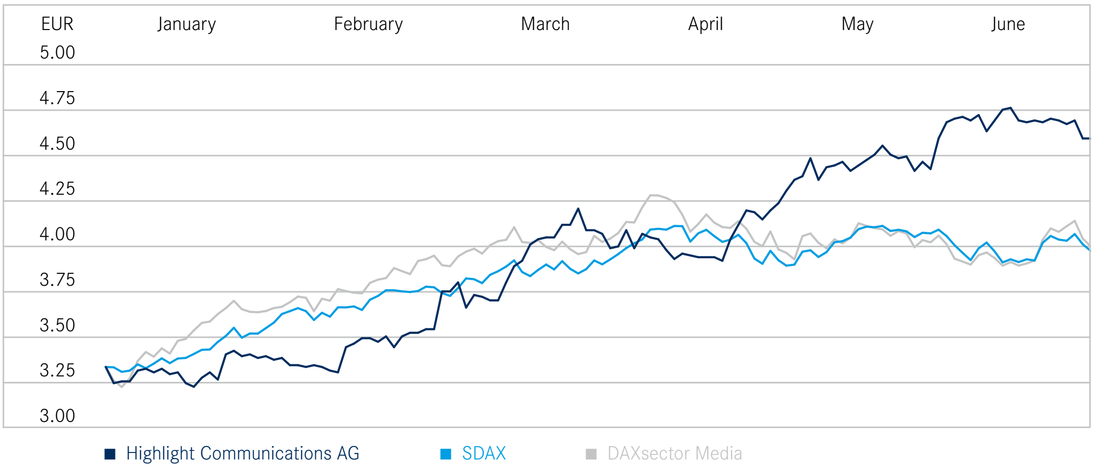
Despite the turbulent market conditions described above, Highlight stock performed very well in the period from April to June 2015. Having begun the quarter under review at its closing price of EUR 4.07, the stock tracked sideways in the first three weeks of trading, fluctuating within a corridor of between EUR 3.92 and EUR 4.09. A steep ascent then set in at the end of April, which persisted until mid-May and brought the price to a peak of EUR 4.56.

After a brief downward phase, the stock again climbed sharply in the first two weeks of June, reaching its highest closing price for the year so far at EUR 4.77 on June 16. As a result of the general market weakness resulting from the marathon of negotiations regarding Greek sovereign debt, the Highlight stock could not maintain this level. On June 30, it closed Xetra trading at EUR 4.60, having gained 13.0 % in the second quarter or 38.1 % since the start of the year. As of the end of the first half of the year, the 52-week high was EUR 4.78 (June 16, 2015), while the 52-week low was EUR 2.97 (October 29, 2014).

In the second quarter of 2015, around 1.68 million Highlight shares were traded on the Xetra trading system of Deutsche Börse AG (second quarter of 2014: 1.07 million). The average per trading day therefore increased significantly to 27,500 shares (second quarter of 2014: around 17,300 shares). This also applies to the half-year period, during which the trading volume climbed by more than 12 % from nearly 2.5 million shares (around 19,800 per trading day) to nearly 2.8 million (around 22,600 per trading day). In Deutsche Börse AG's trading volume ranking for the segments below the DAX, Highlight stock was consequently placed 126th as of June 30, 2015 (March 31, 2015: 127th). It ranked 115th (March 31, 2015: 116th) in terms of free float market capitalization.

Xetra closing prices of Highlight stock compared to SDAX and DAXsector Media

Indices indexed at Highlight closing price as of December 31, 2014 for comparison.



Subscribed capital and shareholder structure

As of June 30, 2015, the subscribed capital of Highlight Communications AG was unchanged at CHF 47.25 million. It is divided into 47.25 million bearer shares with a nominal value of CHF 1.00 per share. There were no treasury stock transactions in the period under review, and therefore the number of treasury shares without voting rights was still around 2.82 million as of the end of the first half of 2015. These account for 5.96 % of the subscribed capital. Not including these shares, there were 44.43 million shares in circulation.

52.39 % of Highlight's shares are still held by Constantin Medien AG. Further significant share packages are held by members of the Board of Directors as well as private and institutional investors. As of June 30, 2015, the free float amounted to 41.65 % as per Deutsche Börse AG's index weighting.

Investor relations activities

From the start, the Highlight Group's strategy has been focused on sustainably increasing enterprise value. Ongoing and open communication with capital market participants forms a key element of this strategy. We therefore provide the target group of financial analysts, fund managers and institutional investors with comprehensive information at a large number of individual meetings in order to help them to assess our current business situation and the future prospects of the Highlight Group. In addition, we conduct roadshows and presentations at key financial centers.

However, our website (www.highlight-communications.ch) is still the main information tool for all interested parties. Based on the principle of fair disclosure, all relevant information on the company is published there in a timely manner. This primarily relates to our press releases and ad-hoc disclosures, as well as our annual and interim reports, which can either be read online or requested from us in printed form free of charge at any time. The dates for the most important publications and events have been clearly compiled in our financial calendar.

A large number of research institutions currently track Highlight stock. Currently, the following studies with price targets have been compiled:

Oddo Seydler	Rating: Buy	Price target: EUR 5.50
DZ BANK	Rating: Buy	Price target: EUR 5.40

Information on Highlight stock as of June 30, 2015

ISIN/ticker	CH 000 653 9198/HLG
Index	DAXsector Media
Closing price	EUR 4.60
52-week high	EUR 4.78
52-week low	EUR 2.97
Subscribed capital	CHF 47.25 million
Shares in circulation	44.43 million
Market capitalization (in relation to shares in circulation)	EUR 204.4 million

Directors' dealings/shareholdings of executive bodies as of June 30, 2015

In April 2015, the Chairman and Delegate of the Board of Directors Bernhard Burgener purchased a total of 200,000 Highlight shares and thus increased his holding to 2.2 million shares. Also in April 2015, the Managing Director Dr. Paul Graf acquired 50,000 shares. We did not receive any notifications from the other members of the Board of Directors or the Group management concerning acquisitions or disposals subject to reporting in the second quarter.

As of June 30, 2015, both Mr. Burgener and the Board of Directors members René Camenzind and Dr. Dieter Hahn each held direct or indirect shareholdings in Highlight amounting to more than 1 % of the subscribed capital. The shareholdings and share interest from options of the individual members of the Board of Directors and the Group management (including related parties) were as follows as of the end of the period under review:

Board of Directors	Share-holdings	Share interest from options
Bernhard Burgener, Chairman and Delegate, executive member	2,200,000	–
Hanns Beese, non-executive member	2,500	–
René Camenzind, non-executive member	628,715	–
Dr. Dieter Hahn, non-executive member	1,499,802	–
Martin Hellstern, non-executive member	200,000	–
Peter von Büren, executive member	–	–
Group management		
Dr. Paul Graf, Managing Director	50,000	–

INTERIM MANAGEMENT REPORT

BASIC INFORMATION ON THE GROUP

Highlight Communications AG, listed on the Frankfurt stock exchange since May 1999, is an internationally oriented strategic and financial holding company based in Pratteln near Basel. It acts through its operational subsidiaries in the Film, Sports- and Event-Marketing and Other Business Activities segments.

As of June 30, 2015, Group structure, operating activities, main sources of financing, control system and performance indicators, legal influencing factors as well as market research and development correspond to the presentation provided in the report on the Highlight Group's situation in the annual report 2014 (see annual report 2014, page 40f) or the details given in the interim management report as of March 31, 2015 (see interim report as of March 31, 2015, page 7f).

Highlight Communications AG's Board of Directors is responsible for the strategic orientation and management of the Highlight Group. It currently consists of the two executive members Bernhard Burgener (Chairman and Delegate) and Peter von Büren (CFO), plus the four non-executive members Hanns Beese, René Camenzind, Dr. Dieter Hahn and Martin Hellstern. Mr. Antonio Arrigoni, Dr. Erwin V. Conradi, Dr. Ingo Mantzke and Mr. Martin Wagner left the Board of Directors after the end of the Annual General Meeting of the company on June 12, 2015.

REPORT ON BUSINESS PERFORMANCE AND THE SITUATION IN THE FILM SEGMENT

Theatrical distribution

The German movie market closed the first half of 2015 with highly encouraging growth. Revenues climbed by 22.9 % year-on-year to EUR 519.7 million. Attendance figures were up by 20.2 % to 62.6 million. Never before have theater proceeds amounted to more than half a billion euro in the first half of a year. This upswing is primarily attributable to the good performance of a whole series of movies. Of the new releases in the first half of 2015, a total of 18 were seen by more than a million people (including previews). The most successful of these were "Fifty Shades of Grey" with around 4.4 million moviegoers, "Fast & Furious 7" (approximately 4.2 million) and "Jurassic World" (approximately 2.9 million).

The attendance market share for German productions, which had been 31 % in the first three months of the current year, declined to 24 % in the first half of the year; however, though six movies attracted audiences of more than a million people. The undisputed frontrunner was still the Til Schweiger blockbuster "Honig im Kopf", which was released at the end of December 2014 and was seen by 5.9 million people, followed by the comedies "Traumfrauen" (approximately 1.7 million) and "Der Nanny" (more than 1.6 million).

Home entertainment

The overall German home entertainment market posted a decline of 5.9 % to EUR 595 million in the period from January to May 2015*) (same period of 2014: EUR 632 million). This decrease mostly resulted from falling sales and rentals of physical media (DVD and Blu-ray) to a total of EUR 519 million (same period of 2014: EUR 569 million). By contrast, sales and rentals of digital formats continued to perform very well with growth from EUR 63 million (January to May 2014) to a total of EUR 76 million in the first five months of 2015. However, this did not offset the decline in sales of physical media.

**) Data for the first half of 2015 was not yet available on the editorial closing date.*

Operational development

Filming begins on two movies

Directed by Doris Dörrie, filming began on “Grüsse aus Fukushima”, starring Rosalie Thomass in the leading role, in Japan in the middle of April 2015. This Olga Film production is scheduled for release in March 2016. Munich and the surrounding region saw the start of filming on the crime comedy “Schweinskopf al Dente” at the start of June. This third movie based on the bestselling books by Rita Falk about the country policeman Franz Eberhofer is expected to be released in mid-August 2016.

In the area of third-party productions, in the middle of June 2015 the Constantin Film Group secured the German-language exploitation rights for the biopic “Florence Foster Jenkins” about the life of probably the worst opera singer of all time. The US production has a star cast led by Meryl Streep and Hugh Grant, and is expected to hit German theaters in 2016. In the reporting quarter, exploitation rights were also acquired for the thriller “Extortion” and the adaptation of the novel “Molly Moon”. As yet, there is no release date for these two productions.

“Ostwind 2” performs well in theatrical distribution

As in the first quarter of 2015, the Constantin Film Group released three movies in German theaters in the period from April to June as well, the co-productions “Mara und der Feuerbringer”, “Ostwind 2” and “Abschussfahrt”. The sequel to the youth adventure movie “Ostwind” performed particularly well, while the adaptation of the young adult’s book “Mara und der Feuerbringer” fell short of expectations.

Successful new home entertainment releases

In home entertainment exploitation, the Highlight Group’s releases in the second quarter of 2015 included the licensed title “The Rewrite” and the Constantin Film co-production “Love, Rosie”. The Cecelia Ahern adaptation “Love, Rosie” did especially well, going straight to a high spot on the sales charts on its release.

Significant deals in license trading/TV exploitation

In the second quarter of 2015, the start of the free-TV licenses for the movies “Step Up Revolution” and “Resident Evil: Retribution” (both ProSiebenSat.1) affected sales in particular. In pay-TV, the licenses for the movies “Irre sind männlich” (Sky), “Pompeii” (Teleclub) and “Need for Speed” (Teleclub and ProSiebenSat.1) all began in the period from April to June 2015.

New national and international TV productions underway

On the German TV market, Constantin Entertainment GmbH was commissioned by SAT.1 to produce three dailies (“Schicksale”, “Im Namen der Gerechtigkeit” and “In Gefahr – Ein verhängnisvoller Moment”) and by RTL to produce the daily “Verdachtsfälle Spezial – Verbrechen aus Leidenschaft” in the second quarter of 2015. RTL II commissioned 20 new episodes of the scripted reality “All About Love”, six episodes of “The Real Life of ...” and 25 episodes of the scripted reality “Hilf mir!”.

The enduringly successful daily series “Dahoam is Dahoam” was commissioned by Bayerisches Fernsehen for further seasons (10 and 11).

Internationally, the Constantin Film Group has been producing the fantasy series “Shadowhunters” (13 episodes of 50 minutes each) for the US network ABC Family since May 2015. The series is a TV adaptation of the

Constantin Film movie production “The Mortal Instruments” and is based on the bestselling series of novels by Cassandra Claire.

Analysis of non-financial performance indicators

Three Constantin Film productions seen by more than a million moviegoers

In its theatrical distribution business area, the Constantin Film Group had four movies in the top ten most-watched German productions in the period from January to June 2015. Fourth place went to the comedy “Frau Müller muss weg!”, which was seen in theaters by around 1.1 million people. Places five and six went to the sequels “The Famous Five 4” and “Ostwind 2”, each of which was seen by more than a million moviegoers. The positive report is rounded off by the teen comedy “Abschussfahrt”, which drew an audience of more than 300,000 by the end of the first half of the year.

In the distributor rankings for the first six months of 2015, the Constantin Film Group was therefore sixth in terms of both revenues and attendance figures behind Universal, Warner, Disney, Fox and Studiocanal.

Consolidation of market position in home entertainment

In the first five months of 2015*), the Highlight Group achieved a share of 8 % on the video sell-through market with its sales partner Paramount Home Entertainment. Its market position therefore remained virtually constant as against the same period of the previous year (9 %). As a result, the Highlight Group was ranked fourth among home entertainment providers on the physical sell-through market as of the end of May 2015.

**) Data for the first half of 2015 was not yet available on the editorial closing date.*

TV exploitation at good level

There were good ratings again in license trading/TV exploitation in the second quarter of 2015 and expectations were met. For example, the road movie “Vincent will Meer” achieved a market share of 7.0 % (overall market) with 1.96 million viewers for a broadcast on SAT.1 on June 16. The repeat of the Bully Herbig classic “Der Schuh des Manitu” was seen by 1.6 million viewers on ProSieben on June 5 (6.9 % market share of total audience). 1.48 million people watched the horror movie “Resident Evil: Retribution” on ProSieben on June 28, garnering it a market share of 7.3 % of the overall market.

Ongoing ratings hits in TV service production

The episode “Der Wald” of the popular ZDF crime series “Kommissarin Lucas”, which was broadcast on April 25, 2015, was seen by an audience of 6.29 million, corresponding to a good market share of 21.2 % (overall market). The ZDF service production “Familie Sonntag auf Abwegen” was seen by 3.69 million viewers on June 4, a market share of 14.3 % of the total audience. The daily formats produced by Constantin Entertainment GmbH for SAT.1 were stable on average in the second quarter with double-digit percentage market shares.

REPORT ON BUSINESS PERFORMANCE AND THE SITUATION IN THE SPORTS- AND EVENT-MARKETING SEGMENT

Sector-specific situation

With regard to the sale of rights for sporting events, there is an increasing trend towards longer term broadcasting deals, as partners look to develop strategic relationships and increase financial stability. Notably, Discovery Communications and Eurosport have secured rights to broadcast the next four Olympic Games from

2018 to 2024, in a deal worth USD 1.46 billion. The longevity of the deal was described as "crucial" to its value – facilitating longer term planning and investment, allowing the broadcasters to generate significant return.

A similar trend can be seen with the All England Lawn Tennis and Croquet Club: The owner of the rights to the Wimbledon tennis tournament has announced its intention to only award transmission rights for at least five years in the future, in order to achieve higher investment and more competitive prices. This approach can also be seen in the sponsorship agreements with Slazenger and Britvic, both of which the Club recently extended by five years.

Operational development

Further successful deals in TV and sponsorship rights

In the marketing process for the commercial rights of the UEFA Champions League and the UEFA Europa League (for the 2015/16 to 2017/18 seasons respectively), the TEAM Group again concluded key deals for TV rights in the second quarter of 2015. In the current selling phase, the finals proved an ideal platform to hold talks with existing and potential partners on possible cooperations.

In terms of sponsorship rights, TEAM was able to bring on new partners for elite European club football. For example, the drinks manufacturer Pepsi-Cola will be a new sponsor of the UEFA Champions League from the 2015/16 season. Moreover, the courier and logistics firm FedEx and the US car rental agency Enterprise Rent-A-Car have been acquired as sponsors for the UEFA Europa League.

Thrilling finals

In the reporting quarter, the operating activities of the TEAM Group centered on the successful handling of the UEFA Champions League and UEFA Europa League finals, focusing on the active support of commercial partners and UEFA.

The final of the UEFA Europa League, which was broadcast in more than 100 countries, was held in Warsaw between FC Dnipro Dnipropetrovsk and Sevilla FC on May 27. In a gripping and tense match, Sevilla FC just won out and thus secured a starting place in the UEFA Champions League for the 2015/16 season.

The UEFA Champions League final in which Juventus Turin faced off against FC Barcelona was held in Berlin's Olympic Stadium on June 6. FC Barcelona deservedly won the electrifying final 3:1 to lift the most coveted trophy in European club football for the fifth time.

Analysis of non-financial performance indicators

Huge global audiences for the UEFA Champions League final

The 23rd battle for the crown of European club football was aired in more than 200 countries to an estimated global average audience in the region of 180 million viewers and an estimated global unique reach of 400 million viewers. These figures once again confirmed the status of the UEFA Champions League final as the world's most watched annual sporting event.

In Italy, 11.5 million viewers (46.7 % market share) watched the football broadcast and in Spain, 8.5 million football fans (60.5 % market share) watched FC Barcelona's victory on their TV sets at home.

REPORT ON BUSINESS PERFORMANCE AND THE SITUATION IN THE OTHER BUSINESS ACTIVITIES SEGMENT

Sector-specific situation

There has been no significant change in the sector-specific situation for the Other Business Activities segment since the presentation in the report on the Highlight Group's situation in the annual report 2014.

Operational development

Impressive 2015 Summer Night Concert

Highlight Event AG initially focused on the 2015 Summer Night Concert by the Vienna Philharmonic Orchestra on May 14, under the musical direction of the renowned conductor Zubin Mehta. The open-air event at the gates of Vienna was a big success in the impressive ambience of the gardens of Schönbrunn Palace, with free admission.

Successful handling of the Eurovision Song Contest

Also in Vienna, Highlight Event AG assisted the European Broadcasting Union (EBU) in the successful handling of the 60^{th} Eurovision Song Contest, which was held from May 19 (first semifinal) to May 23, 2015 (final). Sales activities for the next contest, which will be held in Stockholm from May 10 to 14, 2016, have already begun.

Analysis of non-financial performance indicators

Strong audience interest in Vienna Philharmonic Orchestra and Eurovision Song Contest

As a result of the successful marketing activities of Highlight Event AG, the Vienna Philharmonic Orchestra's Summer Night Concert was broadcast on TV or radio in more than 80 countries around the world. And, with the excellent weather, the event delighted a live audience of more than 100,000 people in the palace gardens.

The same applies to the 2015 Eurovision Song Contest, events of which were attended by around 65,000 fans in total and watched on TV by more than 100 million viewers worldwide. The grand final was broadcast in 45 countries, including Australia, New Zealand and – via streaming – China. With this coverage, the Eurovision Song Contest once again impressively demonstrated its status as Europe's most-watched entertainment format.

RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL SITUATION OF THE HIGHLIGHT GROUP

Results of Group operations

Consolidated sales of the Highlight Group amounted to CHF 126.7 million in the first half of 2015, which was in line with expectations. The decline of CHF 89.6 million or 41.4 % as against the same period of the previous year (CHF 216.3 million) essentially resulted from the Film segment. Capitalized film production costs and other own work capitalized decreased by CHF 3.9 million to CHF 20.5 million (previous year's period: CHF 24.4 million), with the result that the Group's total output was down from CHF 240.6 million to CHF 147.2 million. By contrast, other operating income rose by CHF 4.1 million to CHF 11.9 million (previous year's period: CHF 7.8 million).

Consolidated operating expenses declined by CHF 87.0 million or 36.4 % from CHF 238.8 million in the first six months of the previous year to CHF 151.8 million. This decrease was primarily due to amortization, depreciation and impairment, which fell by CHF 55.6 million to CHF 21.2 million (previous year's period: CHF 76.8 million). Furthermore, the cost of materials and licenses declined by CHF 22.8 million due to productions to CHF 56.9 million (previous year's period: CHF 79.7 million). Personnel expenses declined by CHF 3.2 million year-on-year to CHF 45.7 million, while other operating expenses were reduced by CHF 5.3 million to CHF 28.0 million.

As the decline in consolidated operating expenses was weaker overall than the reduction in total output, EBIT remained below the previous year's level (CHF 9.7 million) at CHF 7.2 million. The EBIT margin (EBIT as a percentage of consolidated sales) for the first half of the year improved despite this decline from 4.5 % in the previous year to currently 5.7 %.

The earnings from investments in associated companies and joint ventures improved by CHF 0.6 million in the reporting period to CHF 0.7 million (previous year's period: CHF 0.1 million). By contrast, the financial result – owing to currency effects in particular – contracted by CHF 4.0 million to CHF –5.7 million (previous year's period: CHF –1.7 million). An increase in financial income of CHF 1.0 million to CHF 2.6 million was offset by a rise in financial expenses of CHF 5.0 million to CHF 8.3 million.

After deducting tax expenses (income taxes and deferred taxes) of CHF 1.7 million (previous year's period: CHF 2.2 million), the Highlight Group generated a consolidated net profit for the first half of 2015 of CHF 0.6 million (previous year's period: CHF 5.9 million). Of this amount, a loss of CHF 0.2 million (previous year's period: profit of CHF 0.3 million) is attributable to non-controlling interests, hence a profit of CHF 0.8 million is attributable to Highlight shareholders (previous year's period: CHF 5.6 million). Based on the average number of shares in circulation, this corresponds to earnings per share of CHF 0.02 (previous year's period: CHF 0.13).

Results of segment operations

The Film segment generated external sales of CHF 102.7 million in the period from January to June 2015 and was therefore down on the figure for the previous year (CHF 190.0 million) by CHF 87.3 million. The decline firstly resulted from the theatrical distribution and license trading business areas, which achieved high income from minimum guarantees in the first half of 2014 – owing to the global release of the Constantin Film own production "Pompeii". Secondly, in the first six months of the previous year, the Film segment benefitted from the extraordinarily good performance of the hit comedy "Fack Ju Göhte" in home entertainment exploitation.

Other segment income, which is largely influenced by capitalized film production costs, declined by CHF 2.8 million to CHF 29.5 million (previous year's period: CHF 32.3 million), while segment expenses decreased significantly by CHF 87.2 million to CHF 131.3 million (previous year's period: CHF 218.5 million). This reduction is essentially due to the fact that the costs in the first half of 2014 were heavily influenced by the amortization of the capitalized production costs of the movie "Pompeii" and impairment losses on the CGI title "Tarzan". As a result of these developments, segment earnings were below the figure for the same period of the previous year (CHF 3.8 million) at CHF 0.9 million.

External sales of the Sports- and Event-Marketing segment amounted to CHF 22.1 million, a slide of CHF 2.7 million compared to the same period of the previous year (CHF 24.8 million). By contrast, other income – which was influenced in particular by high exchange rate gains from the measurement of balance sheet items as a result of the appreciation of the Swiss franc against the euro – climbed significantly by CHF 3.1 million to CHF 3.3 million (previous year's period: CHF 0.2 million). Segment expenses rose by CHF 1.1 million to CHF 15.8 million (previous year's period: CHF 14.7 million), resulting in segment earnings slightly below the previous year's level (CHF 10.2 million) at CHF 9.7 million.

The Other Business Activities segment generated external sales of CHF 1.8 million – an increase of CHF 0.3 million compared to the first half of 2014 (CHF 1.5 million). Other income decreased from CHF 0.3 million to CHF 0.1 million, while segment expenses were down by CHF 0.7 million at CHF 2.5 million (previous year's period: CHF 3.2 million). As a result, the segment loss shrank by CHF 0.8 million to CHF 0.6 million (previous year's period: CHF 1.4 million).

The costs of holding activities were reduced slightly to CHF 2.7 million in the first six months of the current year (previous year's period: CHF 2.8 million).

Net assets situation

Total assets of the Highlight Group as of June 30, 2015 amounted to CHF 373.7 million, an increase of CHF 12.1 million as against the end of 2014 (CHF 361.6 million). On the assets side of the balance sheet, this increase resulted from current assets, which climbed by CHF 23.0 million to CHF 185.2 million (December 31, 2014: CHF 162.2 million). There was a clear rise in cash and cash equivalents of CHF 57.3 million to CHF 102.1 million, primarily due to advance payments received from customers in the Sports- and Event-Marketing segment. By contrast, trade accounts receivable and other receivables due from third parties were down by CHF 34.8 million at CHF 60.6 million.

Non-current assets decreased by CHF 10.7 million to CHF 188.6 million (December 31, 2014: CHF 199.3 million). The decline is primarily due to film assets, the value of which was CHF 151.6 million as of the end of the reporting period. This marks a reduction of CHF 8.8 million compared to the end of 2014 (CHF 160.4 million), essentially as a result of the lower euro/Swiss franc exchange rate at the end of the reporting period. CHF 118.5 million of this total related to in-house productions (December 31, 2014: CHF 119.3 million) and CHF 33.1 million to third-party productions (December 31, 2014: CHF 41.1 million).

In particular, there were notable increases on the equity and liabilities side of the balance sheet in current and non-current advance payments received from customers, which rose by a total of CHF 87.1 million to CHF 141.2 million. By contrast, financial liabilities declined by CHF 20.8 million to CHF 60.5 million and trade accounts payable and other liabilities due to third parties were down by CHF 23.1 million at CHF 66.2 million. Furthermore, income tax liabilities dropped by CHF 4.6 million to CHF 3.7 million.

At CHF 81.9 million, consolidated equity (including non-controlling interests) was CHF 25.0 million lower than as of the end of 2014 (CHF 106.9 million). This decline is firstly due to exchange rate differences of CHF 14.4 million resulting from the translation of the equity of those subsidiaries whose functional currency is not the Swiss franc. Secondly, dividends totaling CHF 10.3 million were distributed in the reporting period.

In relation to the now higher total assets, the notional equity ratio as of June 30, 2015 was solid at 21.9 % (December 31, 2014: 29.6 %). The adjusted equity ratio (after netting cash and cash equivalents against financial liabilities and advance payments received against film assets) was 42.5 % (December 31, 2014: 40.7 %).

Financial situation

Cash and cash equivalents of the Highlight Group amounted to CHF 102.1 million as of June 30, 2015, an increase of CHF 57.3 million as against the end of 2014 (CHF 44.8 million). As financial liabilities were reduced by CHF 20.8 million to CHF 60.5 million (December 31, 2014: CHF 81.3 million) at the same time, there was net liquidity of CHF 41.6 million as of the end of the first half of 2015 after a net debt of CHF 36.5 million as of December 31, 2014.

The operating activities of the Highlight Group generated a net cash inflow of CHF 122.7 million, up CHF 35.3 million as against the same period of the previous year (CHF 87.4 million). This development essentially resulted from changes in net working capital.

Net cash used in investing activities fell by CHF 6.0 million as against the same period of the previous year (CHF 39.3 million) to CHF 33.3 million. This decrease is primarily due to lower payments for film assets, which were CHF 3.9 million lower than in the previous year's period (CHF 35.5 million) at CHF 31.6 million. Furthermore, payments for intangible assets, property, plant and equipment and financial assets fell by a total of CHF 1.3 million to CHF 2.6 million (previous year's period: CHF 3.9 million).

The financing activities of the Highlight Group resulted in a cash outflow of CHF 28.7 million in the reporting period (previous year's period: CHF 56.5 million), which was largely due to the dividend distributions of CHF 10.3 million (previous year's period: CHF 8.9 million) and the net repayment of debt of CHF 16.5 million (previous year's period: CHF 47.6 million).

On the basis of the level of cash and cash equivalents and credit facilities available, the Highlight Group was able to meet its payment obligations at all times in the period under review.

PERSONNEL REPORT

As of June 30, 2015, the Highlight Group had a total of 1,023 employees (June 30, 2014: 878). This figure includes employees on non-permanent, project-related contracts.

EVENTS AFTER THE REPORTING PERIOD

On July 2, 2015, Constantin Entertainment GmbH increased its shareholding in Constantin Entertainment Polska Sp. z o.o., Warsaw, which was already fully consolidated, from 75 % to 100 %.

REPORT ON RISKS AND OPPORTUNITIES

The Highlight Group's risk and opportunity profile for the coming months generally corresponds to the assessments contained in the consolidated financial statements as of December 31, 2014. A detailed presentation of the business risks can be found in the report on risks and opportunities in the annual report 2014 of Highlight Communications AG.

Significant changes in risks and opportunities in the reporting period

The following changes arose in the reporting period compared with the risks and opportunities set out in the report on risks and opportunities in the annual report 2014:

The risk "The Highlight Group is exposed to currency risks as part of its operating activities" is now classified as a medium risk bearing in mind the effects of the countermeasures. A comprehensive presentation of the currency risks of Highlight Communications AG is provided in note 8.6, currency risk, of the notes to the consolidated financial statements.

The opportunity "The Highlight Group sees opportunities in making use of synergies by optimizing internal processes" is now classified as a medium opportunity.

The assessment of the other existing opportunity and risk factors was updated. Individual expected values resulting from the product of the absolute level of loss and the probability of occurrence changed slightly. However, the effect of the reassessment of factors has not led to any further impact on the classification of individual opportunities and risks. No new opportunities or risks were identified in the reporting period. The current assessment of risk factors by those responsible supports the classification of risks and opportunities provided in the report on risks and opportunities in the annual report 2014 of Highlight Communications AG.

Summary of the risk and opportunity situation

Based on the available information and estimates, particularly for probabilities of occurrence, maximum losses and the effect of the countermeasures taken, the Group management of Highlight Communications AG has come to the conclusion that these factors do not represent a threat to the existence of the Group as a going concern.

FORECAST

Sector-specific situation

Compared to the presentation of the sector-specific situation in the forecast of the report on the Highlight Group's situation in the annual report 2014 or the details given in the interim management report as of March 31, 2015, there were no material changes in the continuing development of the individual markets in the respective segments.

Focal points in fiscal year 2015

Film segment

Quality optimization and productions with winning concepts and a strong emotional connection with audiences are still at the forefront of Constantin Film AG's theatrical production/acquisition of rights business area – for both low and high budget projects. It is also continuing to focus on creating a portfolio of strong brands that – based on the model of the "Resident Evil" series – can be successfully exploited on all relevant movie markets around the world. Against this backdrop, film rights have been acquired for a range of attractive source material. Overall, the creativity level is to be raised further in order to produce an even more comprehensive product range for all exploitation formats.

According to current planning, at least seven promising movie projects are in the production pipeline for the next six months of 2015, including "Timm Thaler", "Resident Evil 6", "In Deinen Augen", "Jugend ohne Gott" and "Fixi".

Theatrical distribution is still pursuing the combination of national and international own and co-productions with a handful of high-quality third-party titles. This is aided by adequate and cost-effective press and marketing activities.

As things stand, the theatrical slate for the second half of 2015 contains a total of four new releases. In the next few months, these include the national own and co-productions "Fack Ju Göhte 2" and "Er ist wieder da".

The declining trend on the overall home entertainment market is also affecting the Highlight Group's product range. Nonetheless, good sales are expected in this business area from the releases of Constantin Film's hit movies "The Famous Five 4" and "Ostwind 2" in particular. The productions "Abschussfahrt" and "Fantastic Four" could also spark positive stimulus in the home entertainment business area.

In license trading/TV exploitation, free-TV exploitation will essentially be dominated by sales for "Movie 43", "Wrong Turn 5" and "Ostwind" in the third quarter of 2015. Pay-TV exploitation will focus on "The Famous Five 3", "Irre sind männlich" and "Step Up: All In" among others.

In the TV service production business area, the subsidiaries of Constantin Film AG are constantly working to develop innovative TV formats, particularly in the area of creative new developments. For example, TV series with a consecutive story arc will be developed at both national and international level. Besides the establishment of the existing "Shadowhunters" ("The Mortal Instruments") brand, which has been in TV production since May of this year, other similarly oriented products and adaptations of Constantin cinema films will be developed.

The Constantin Film subsidiaries are preparing a host of projects for the second half of 2015, including the three-part miniseries "Winnetou" and the title "Branka Maric".

Overall, the good performance is expected to continue both in TV service production and in TV exploitation.

Sports- and Event-Marketing segment

In the current fiscal year, the TEAM Group remains focused on optimum marketing of the remaining TV and sponsorship rights for the UEFA Champions League and the UEFA Europa League for the 2015/16 to 2017/18 seasons. After this, TEAM will concentrate on the 2018/19 to 2020/21 marketing cycle newly commissioned by UEFA.

Other Business Activities segment

In the event and entertainment business, the activities of Highlight Event AG will mainly be geared towards the Vienna Philharmonic Orchestra, as some of the TV and sponsorship rights for this project are also up for renewal for the period from 2018 to 2022. This will involve renegotiating a very large number of agreements. Operations in the second half of 2015 will be focused on successful handling of the orchestra's special events in Helsinki, Seoul and Singapore.

Financial targets of the Highlight Group

On the basis of these activities, we are still assuming consolidated sales of between CHF 310 million and CHF 330 million as well as a consolidated net profit for the period attributable to shareholders of CHF 14 million to CHF 16 million for 2015 as a whole.

Forward-looking statements

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

Forward-looking statements are not historical facts. These are subject to risks, uncertainties and factors, of which most are difficult to assess and which in general are beyond the control of the Group management. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove to be incorrect, the actual results, performance or achievements of the Highlight Group may differ significantly from those described explicitly or implicitly in the forward-looking statements. Highlight Communications AG does not intend to continuously update the forward-looking statements contained in this report.

Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations are reasonable, no liability or warranty as to the completeness, correctness, adequacy and/or accuracy of any forward-looking statements in this report is assumed.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as of June 30, 2015 of Highlight Communications AG, Pratteln

The information within our interim report is originally published in German. Discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes. If any questions arise related to the accuracy of the information contained in the translation, please refer to the German version of our interim report, which is the official and only binding version.

CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2015 (unaudited)

Highlight Communications AG, Pratteln

ASSETS (TCHF)	June 30, 2015	Dec. 31, 2014
Non-current assets		
In-house productions	118,505	119,298
Third-party productions	33,082	41,087
Film assets	151,587	160,385
Other intangible assets	720	1,145
Goodwill	16,736	17,492
Property, plant and equipment	4,623	5,112
Investment property	3,900	3,900
Investments in associated companies and joint ventures	318	489
Non-current receivables due from third parties	728	1,666
Receivables due from associated companies and joint ventures	4,410	2,971
Other financial assets	1,714	1,802
Deferred tax assets	3,847	4,364
	188,583	199,326
Current assets		
Inventories	4,768	5,152
Trade accounts receivable and other receivables due from third parties	60,598	95,428
Receivables due from related parties	–	6
Receivables due from associated companies and joint ventures	2,072	3,371
Other financial assets	14,065	13,186
Income tax receivables	1,550	316
Cash and cash equivalents	102,102	44,773
	185,155	162,232
Total assets	373,738	361,558

The notes on page 25–33 are an integral part of the consolidated interim financial statements.

EQUITY AND LIABILITIES (TCHF)	June 30, 2015	Dec. 31, 2014
Equity		
Subscribed capital	47,250	47,250
Treasury stock	–2,816	–2,816
Capital reserve	–105,317	–104,560
Other reserves	–41,993	–27,836
Retained earnings	177,559	184,494
Equity attributable to shareholders	74,683	96,532
Non-controlling interests	7,220	10,348
	81,903	106,880
Non-current liabilities		
Advance payments received	62,484	–
Pension liabilities	11,264	10,674
Deferred tax liabilities	4,793	5,495
	78,541	16,169
Current liabilities		
Financial liabilities	60,520	81,279
Advance payments received	78,722	54,148
Trade accounts payable and other liabilities due to third parties	66,201	89,278
Liabilities due to related parties	192	137
Liabilities due to associated companies and joint ventures	–	700
Provisions	3,961	4,624
Income tax liabilities	3,698	8,343
	213,294	238,509
Total equity and liabilities	373,738	361,558

The notes on page 25–33 are an integral part of the consolidated interim financial statements.

CONSOLIDATED INCOME STATEMENT JANUARY 1 TO JUNE 30, 2015 (unaudited)

Highlight Communications AG, Pratteln

(TCHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014	April 1 to June 30, 2015	April 1 to June 30, 2014
Sales	126,657	216,261	62,392	90,530
Capitalized film production costs and other own work capitalized	20,507	24,385	12,818	16,584
Total output	147,164	240,646	75,210	107,114
Other operating income	11,851	7,848	3,905	3,245
Costs for licenses, commissions and materials	-8,903	-13,002	-4,060	-6,734
Costs for purchased services	-48,044	-66,728	-27,429	-40,991
Cost of materials and licenses	-56,947	-79,730	-31,489	-47,725
Salaries	-39,847	-43,259	-20,841	-22,939
Social security, pension costs	-5,811	-5,650	-2,880	-2,967
Personnel expenses	-45,658	-48,909	-23,721	-25,906
Amortization and impairment on film assets	-19,695	-74,952	-8,374	-10,682
Amortization, depreciation and impairment on intangible assets and property, plant and equipment	-1,459	-1,870	-706	-892
Amortization, depreciation and impairment	-21,154	-76,822	-9,080	-11,574
Other operating expenses	-28,007	-33,305	-12,529	-16,367
Profit from operations	7,249	9,728	2,296	8,787
Earnings from investments in associated companies and joint ventures	724	122	-30	61
Financial income	2,613	1,638	1,161	-740
Financial expenses	-8,291	-3,349	-2,334	-1,105
Financial result	-5,678	-1,711	-1,173	-1,845
Profit before taxes	2,295	8,139	1,093	7,003
Current taxes	-1,399	-11,112	-416	-4,767
Deferred taxes	-299	8,867	-716	2,628
Taxes	-1,698	-2,245	-1,132	-2,139
Net profit	597	5,894	-39	4,864
thereof shareholders' interests	843	5,596	147	4,919
thereof non-controlling interests	-246	298	-186	-55

(CHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014	April 1 to June 30, 2015	April 1 to June 30, 2014
Earnings per share				
Earnings per share attributable to shareholders, basic	0.02	0.13	0.00	0.11
Earnings per share attributable to shareholders, diluted	0.02	0.13	0.00	0.11
Weighted average number of shares (basic)	44,434,350	44,534,350	–	–
Weighted average number of shares (diluted)	44,434,350	44,534,350	–	–

The notes on page 25–33 are an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/LOSS JANUARY 1 TO JUNE 30, 2015 (unaudited)

Highlight Communications AG, Pratteln

(TCHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014
Net profit	**597**	**5,894**
Currency translation differences	–14,385	–880
Gains/losses from cash flow hedges	–146	–
Items that may be reclassified to the income statement in future	**–14,531**	**–880**
Actuarial gains and losses of defined benefit obligation plans	–23	–1,315
Gains/losses from financial assets at fair value through other comprehensive income/loss	1,132	–4,165
Items that will not be reclassified to the income statement in future	**1,109**	**–5,480**
Other comprehensive income/loss, net of tax	**–13,422**	**–6,360**
Total comprehensive income/loss	**–12,825**	**–466**
thereof shareholders' interests	–12,205	–669
thereof non-controlling interests	–620	203

The notes on page 25–33 are an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY JANUARY 1 TO JUNE 30, 2015 (unaudited)

Highlight Communications AG, Pratteln

(TCHF)	Equity Subscribed capital	 Treasury stock
Balance as of January 1, 2015	47,250	–2,816
Currency translation differences	–	–
Gains/losses from cash flow hedges	–	–
Items that may be reclassified to the income statement in future	–	–
Actuarial gains and losses of defined benefit obligation plans	–	–
Gains/losses from financial assets at fair value through other comprehensive income/loss	–	–
Items that will not be reclassified to the income statement in future	–	–
Other comprehensive income/loss, net of tax	–	–
Net profit	–	–
Total comprehensive income/loss	–	–
Purchase of treasury stock	–	–
Sale of treasury stock	–	–
Dividend payments	–	–
Change in non-controlling interests	–	–
Other changes	–	–
Balance as of June 30, 2015	47,250	–2,816
Balance as of January 1, 2014	47,250	–2,716
Currency translation differences	–	–
Items that may be reclassified to the income statement in future	–	–
Actuarial gains and losses of defined benefit obligation plans	–	–
Gains/losses from financial assets at fair value through other comprehensive income/loss	–	–
Items that will not be reclassified to the income statement in future	–	–
Other comprehensive income/loss, net of tax	–	–
Net profit	–	–
Total comprehensive income/loss	–	–
Purchase of treasury stock	–	–
Sale of treasury stock	–	–
Dividend payments	–	–
Change in non-controlling interests	–	–
Other changes	–	–
Balance as of June 30, 2014	47,250	–2,716

The notes on page 25–33 are an integral part of the consolidated interim financial statements.

attributable to the shareholders

Captial reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
-104,560	-27,836	184,494	96,532	10,348	106,880
–	-14,011	–	-14,011	-374	-14,385
–	-146	–	-146	–	-146
–	-14,157	–	-14,157	-374	-14,531
–	–	-23	-23	–	-23
–	–	1,132	1,132	–	1,132
–	–	1,109	1,109	–	1,109
–	-14,157	1,109	-13,048	-374	-13,422
–	–	843	843	-246	597
–	-14,157	1,952	-12,205	-620	-12,825
–	–	–	–	–	–
–	–	–	–	–	–
–	–	-8,887	-8,887	-1,414	-10,301
-757	–	–	-757	-1,094	-1,851
–	–	–	–	–	–
-105,317	-41,993	177,559	74,683	7,220	81,903
-104,534	-26,187	182,862	96,675	10,573	107,248
–	-859	–	-859	-21	-880
–	-859	–	-859	-21	-880
–	–	-1,241	-1,241	-74	-1,315
–	–	-4,165	-4,165	–	-4,165
–	–	-5,406	-5,406	-74	-5,480
–	-859	-5,406	-6,265	-95	-6,360
–	–	5,596	5,596	298	5,894
–	-859	190	-669	203	-466
–	–	–	–	–	–
–	–	–	–	–	–
–	–	-7,571	-7,571	-1,326	-8,897
-7	–	–	-7	-18	-25
–	–	–	–	–	–
-104,541	-27,046	175,481	88,428	9,432	97,860

CONSOLIDATED STATEMENT OF CASH FLOWS JANUARY 1 TO JUNE 30, 2015 (unaudited)

Highlight Communications AG, Pratteln

(TCHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014
Net profit	597	5,894
Deferred taxes	299	–8,867
Current taxes	1,399	11,112
Financial result (without currency result)	499	1,275
Earnings from investments in associated companies and joint ventures	–724	–122
Amortization, depreciation and impairment on non-current assets	21,154	76,822
Gain (–)/loss (+) from disposal of non-current assets	17	11
Other non-cash items	1,625	–86
Increase (–)/decrease (+) in inventories, trade accounts receivable and other assets not classified to investing or financing activities	27,289	26,694
Decrease (–)/increase (+) in trade accounts payable and other liabilities not classified to investing or financing activities	77,482	–22,394
Dividends received from associated companies and joint ventures	200	302
Interest paid	–844	–1,562
Interest received	73	152
Income taxes paid	–6,648	–3,586
Income taxes received	249	1,710
Cash flow from operating activities	**122,667**	**87,355**
Change in cash and cash equivalents due to acquisitions of companies/shares in companies (net)	65	–
Payments for intangible assets	–44	–227
Payments for film assets	–31,615	–35,500
Payments for property, plant and equipment	–1,004	–1,040
Payments for financial assets	–1,506	–2,607
Proceeds from/payments for sale of companies/shares in companies, net	724	–
Proceeds from disposal of property, plant and equipment	108	52
Cash flow for investing activities	**–33,272**	**–39,322**
Payment for purchase of non-controlling interests	–1,916	–25
Repayment of current financial liabilities	–16,463	–66,825
Proceeds from receipt of current financial liabilities	–	19,227
Dividend payments	–10,301	–8,897
Cash flow for financing activities	**–28,680**	**–56,520**
Cash flow from/for the reporting period	**60,715**	**–8,487**
Cash and cash equivalents at the beginning of the reporting period	44,773	44,259
Effects of currency differences	–3,386	–198
Cash and cash equivalents at the end of the reporting period	102,102	35,574
Change in cash and cash equivalents	**60,715**	**–8,487**

The notes on page 25–33 are an integral part of the consolidated interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2015

Highlight Communications AG, Pratteln

1. General information on the Group

The parent company Highlight Communications AG is based at Netzibodenstrasse 23b, Pratteln, Switzerland.

Highlight Communications AG's Board of Directors authorized the publication of these unaudited, condensed consolidated interim financial statements on August 10, 2015.

2. Accounting and valuation principles

The unaudited, condensed consolidated interim financial statements for the period from January 1 to June 30, 2015 have been prepared in accordance with the International Accounting Standard on Interim Financial Reporting (IAS 34).

The condensed consolidated interim financial statements do not include all explanations and disclosures required for the financial statements for the full fiscal year and should be read in conjunction with the consolidated financial statements of the company as of December 31, 2014.

The accounting and valuation policies applied in the consolidated financial statements for fiscal year 2014 remained consistent with those applied in the condensed consolidated interim financial statements (see annual report 2014, notes to the consolidated financial statements, note 4) except for the first-time adoption of new or revised standards and interpretations explained below.

The condensed consolidated interim financial statements have been prepared in Swiss francs, which is the functional and reporting currency of the Group's parent company. In general, the amounts are reported in thousands of Swiss francs (TCHF) unless stated otherwise. For calculation-related reasons, rounding differences of +/- one unit (TCHF) may arise and the percentages shown may not precisely reflect the absolute figures to which they relate.

The Film segment is subject to seasonal fluctuations, as sales depend on the respective theatrical release dates and the subsequent exploitation chain. This leads to fluctuations in terms of sales and segment earnings in the quarters of the fiscal year.

When preparing the condensed consolidated interim financial statements, the management is required to make estimates and assumptions that affect the reported assets, liabilities, contingent liabilities and contingent assets at the balance sheet date, as well as income and expenses of the reporting period. These estimates and assumptions represent the management's best estimate based on historical experience and other factors, including estimates about future events. Estimates and assumptions are reviewed on an ongoing basis. Changes to estimates are required if the circumstances on which they are based have changed or new or additional information has become available. Such changes are recognized in the reporting period in which the estimate is modified. For additional information, please refer to the annual report 2014, notes to the consolidated financial statements, note 5.

3. Changes in accounting principles

The mandatory adoption of the following accounting standards and interpretations had no material effect on these condensed consolidated interim financial statements respectively no material changes are anticipated for the consolidated financial statements as of December 31, 2015.

Standards/amendments/interpretations	Mandatory application for fiscal years starting on or after
Annual IFRS improvement process (2010–2012)*	July 1, 2014
Annual IFRS improvement process (2011-2013)**	July 1, 2014
IAS 19 Employee Benefits – Accounting for Employee Contributions (amendment)	July 1, 2014

* *This specifically relates to the following standards and interpretations: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38.*
** *This specifically relates to the following standards and interpretations: IFRS 1, IFRS 3, IFRS 13, IAS 40.*

Highlight Communications AG waived early adoption of further new and revised standards and interpretations whose mandatory effective date is not yet binding on Highlight Communications AG. For additional information, please refer to the annual report 2014, notes to the consolidated financial statements, note 2.

4. Changes in scope of consolidation

Kuuluu Playground GmbH, Hamburg, a 51 % equity investment of the associated company Kuuluu Interactive AG, Pratteln, was sold on January 17, 2015. The effects on these consolidated interim financial statements were not significant.

On January 23 and January 30 as well as on April 30, 2015, Highlight Communications AG gradually increased its shareholding in Highlight Event & Entertainment AG, Lucerne, which was already fully consolidated, from 68.986 % to 74.988 %. The purchase price for the new shares was TCHF 1,916.

On February 13, 2015, Constantin Film AG sold 90 % of the shares it had previously held in the joint venture Mister Smith Entertainment Ltd., London, which was accounted for using the equity method as of December 31, 2014. The buyer has also assumed the pro-rata assets and liabilities of this company. A 5 % stake in the company has been retained. This will now be accounted for under other non-current financial assets.

Comosa AG, Zurich, was established on March 31, 2015. 56.665 % of the shares are held by Rainbow Home Entertainment AG. The company is fully consolidated and allocated to the Sports- and Event-Marketing segment. The effect of this transaction on these consolidated interim financial statements is insignificant.

The fully consolidated company Constantin Entertainment Turkey TV Prodüksiyon Limited Sirketi, Istanbul, was liquidated on May 21, 2015. The effect on these consolidated interim financial statements was not significant.

Rainbow Home Entertainment AG acquired an investment of 33.64 % or TCHF 67 in the newly founded Holotrack AG, Pratteln, on June 22, 2015. The company is carried as an associated company and included in the consolidated financial statements using the equity method.

5. Explanatory notes to selected items of the balance sheet and the income statement

The balance sheet total amounted to TCHF 373,738 as of June 30, 2015 after TCHF 361,558 as of December 31, 2014. While non-current assets declined by TCHF 10,743 in total as a result of a drop in film assets in particular, current assets increased by a total of TCHF 22,923 as of June 30, 2015. The increase in current assets largely results from the TCHF 57,329 increase in cash and cash equivalents, which is primarily attributable to advance payments received from customers. This was partly offset by the reduction in trade accounts receivable and other receivables from TCHF 95,428 to TCHF 60,598. On the equity and liabilities side, non-current liabilities increased by TCHF 62,372, largely as a result of the advance payments received from customers. Current liabilities decreased by TCHF 25,215. In addition, equity was down by TCHF 24,977 at TCHF 81,903.

Film assets

As of June 30, 2015, film assets decreased by TCHF 8,798 compared to December 31, 2014. In-house productions declined by TCHF 793 and third-party productions decreased by a total of TCHF 8,005. The decline in film assets largely results from the lower EUR/CHF exchange rate as of the reporting date.

Investment property

The investment property is a property of Highlight Event & Entertainment AG in Düdingen, which is predominantly held for generating rental income. Valuation is performed using the fair value model (see note 7).

Current assets

As against December 31, 2014, current receivables were down by TCHF 36,135 at the end of the reporting period. This is because trade accounts receivable fell by TCHF 12,242 and other receivables by TCHF 22,588, while receivables due from related parties were down by TCHF 6 and receivables due from associated companies and joint ventures by TCHF 1,299.

Other current financial assets increased by TCHF 879 to TCHF 14,065. The change is mainly due to the effect of the increase in value of the shares held in Constantin Medien AG, which is shown in the statement of other comprehensive income/loss.

Cash and cash equivalents rose from TCHF 44,773 to TCHF 102,102 as of June 30, 2015. Financing activities resulted in a cash outflow of TCHF 28,680, due mainly to the repayment of financial liabilities as well as the distribution of dividends. The Group's investing activities used cash of TCHF 33,272, which was essentially due to payments for film assets. Operating activities had a positive cash flow of TCHF 122,667, most of which stemmed from the increase in advance payments received from customers.

Equity

As of June 30, 2015, the number of directly and indirectly held non-voting treasury shares in Highlight Communications AG was 2,815,650 (December 31, 2014: 2,815,650).

Equity fell by TCHF 24,977 from TCHF 106,880 to TCHF 81,903 as of June 30, 2015. The remeasurement of the pension obligation reduced retained earnings by TCHF 23, on account of an actuarial loss in particular. The increase in shares in Highlight Event & Entertainment AG also led to a TCHF 757 decrease in capital reserves and a TCHF 1,159 decrease in non-controlling interests. The initial consolidation of the newly founded Comosa AG increased non-controlling interests by TCHF 65. The reduction in other reserves of TCHF 14,157 essentially results from the translation of the equity of companies that do not use the Swiss franc as their functional currency. The increase in the value of Constantin Medien shares of TCHF 1,132 recognized in retained earnings and the net profit for the period of TCHF 843 contributed to a positive effect. Dividends of TCHF 10,301 were also distributed.

Liabilities

While non-current liabilities increased by TCHF 62,372 compared to the end of the year, current liabilities fell by a total of TCHF 25,215. Financial liabilities declined by TCHF 20,759 to TCHF 60,520. At the same time, trade accounts payable were down by TCHF 7,236 and other liabilities reduced by a total of TCHF 15,841. Non-current and current advance payments received rose by a total of TCHF 87,058.

Sales and other income

Sales amounted to TCHF 126,657 in the reporting period after TCHF 216,261 in the same period of the previous year. Sales in the Sports- and Event-Marketing segment decreased by TCHF 2,681 and those in the Film segment reduced by TCHF 87,225. Capitalized film production costs and other own work capitalized decreased by TCHF 3,878 year-on-year.

Operating expenses

The cost of materials and licenses declined by TCHF 22,783 year-on-year. The reduction is primarily due to the lower production volume in the Film segment compared to the first half of 2014.

Personnel expenses amounted to TCHF 45,658 in the reporting period and were thus down by TCHF 3,251 compared to the level of the previous year's period.

Amortization, depreciation and impairment on film assets, intangible assets and property, plant and equipment totaling TCHF 21,154 (previous year's period: TCHF 76,822) comprise scheduled amortization and depreciation of TCHF 19,329 (previous year's period: TCHF 70,999) and impairment of TCHF 1,825 (previous year's period: TCHF 5,823), which relates in full to film assets.

Unrecognized pro rata loss of companies accounted for using the equity method

The unrecognized pro-rata loss of companies accounted for using the equity method was TCHF 103 in the period under review (previous year's period: TCHF 784). The cumulative unrecognized pro-rata loss was TCHF 1,929 (December 31, 2014: TCHF 3,253). The unrecognized pro-rata losses are losses exceeding the value of the Group's holding in an associated company or joint venture.

Financial result

In the reporting period, the financial result was down by a total of TCHF 3,967 compared to the same period of the previous year, mainly as a result of exchange rate effects.

6. Dividend

Proposed dividends are only recognized after the motion for the appropriation of retained earnings has been approved by the Annual General Meeting. For fiscal year 2014, the Board of Directors proposed to the Annual General Meeting that took place on June 12, 2015 a dividend distribution of CHF 0.20 per share from legal reserves from capital contributions. The dividend was approved by the Annual General Meeting and distributed from June 22, 2015.

7. Financial risk management

The Group is exposed to various financial risks resulting from its operating and financing activities. Financial risks of relevance to the Group arise from changes in foreign exchange rates, from market risks for financial assets, changes in interest rates, liquidity, credit quality and the solvency of the Group's business partners. There have been no changes in the allocation of financial assets and liabilities to the individual classes compared with the annual consolidated financial statements. For additional information, please refer to the annual report 2014, notes to the consolidated financial statements, note 8.

Fair value of financial assets and liabilities

The table below shows the allocation of financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy:

June 30, 2015 (TCHF)		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	FVPL/without category	–	4,956	–	4,956
Financial assets at fair value through profit or loss	FVPL	98	–	2,987	3,085
Financial assets (equity instruments)	FVOCI	12,694	–	–	12,694
Financial liabilities measured at fair value					
Derivative financial instruments	FLPL/without category	–	1,417	–	1,417

Disclosures on level 3 financial instruments:

Designation of the financial instrument	Long-term shares	Short-term shares
Fair value January 1, 2015	1,712	1,624
Gains/losses through profit or loss	–96	–
Currency translation differences through equity	–	–180
Sale	–	–73
Fair value June 30, 2015	**1,616**	**1,371**

December 31, 2014 (TCHF)		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	FVPL/without category	–	3,624	–	3,624
Financial assets at fair value through profit or loss	FVPL	90	–	3,336	3,426
Financial assets (equity instruments)	FVOCI	11,562	–	–	11,562
Financial liabilities measured at fair value					
Derivative financial instruments	FLPL/without category	–	250	–	250

The financial assets measured at fair value through profit or loss and included in level 1 are measured using market prices. The derivative financial instruments in level 2 are measured at current market rates. A discounted cash flow method was used to determine the fair value of level 2 financial instruments. The change in the fair value of the financial assets shown in level 3 is due to sales in the amount of TCHF 73 and currency translation effects totaling TCHF -276. The currency effects recognized in profit or loss are reported under "financial expenses".

There were no reclassifications between the individual levels of the fair value hierarchy.

Financial assets and liabilities at amortized cost

Given the short remaining term, the carrying amounts of current financial receivables and liabilities as of the end of the reporting period are approximately the fair value. Non-current receivables are discounted according to their remaining term. Their carrying amounts are therefore also approximately their fair value.

Fair value of non-financial assets and liabilities

With the exception of the investment property measured at fair value (see note 5), no non-financial assets or non-financial liabilities were measured at fair value as of June 30, 2015. As was the case as of December 31, 2014, the property measured at fair value is assigned to level 3. The measurement parameters have not changed as against December 31, 2014 (see annual report, notes to the consolidated financial statements, note 8). The fair value as of June 30, 2015 corresponds to the previous carrying amount.

8. Segment reporting

The following segment information is based on what is commonly known as the management approach.

The management of the company as the chief operating decision maker makes decisions on the allocation of resources to the segments and assesses their success on the basis of key indicators for sales and segment result. The Group's management does not rate the segments on the basis of their assets and liabilities.

Based on the internal management reporting system and the underlying organizational structure of internal reporting, the Group is still divided into the three operating segments Film, Sports- and Event-Marketing and Other Business Activities. The administrative functions of the Highlight Communications AG holding company are reported under Other. The elimination of inter-segment transactions is reported in the reconciliation column.

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

Sales and service transactions between the segments are performed as arm's length transactions.

Segment informationen January 1 to June 30, 2015

(TCHF)	Film	Sports- and Event-Marketing	Other Business Activities	Other	Recon-ciliation	Group
External sales	102,739	22,119	1,799	–	–	126,657
Other segment income	29,466	3,329	76	–	–513	32,358
Segment expenses	–131,344	–15,755	–2,491	–2,689	513	–151,766
thereof amortization, depreciation	*–18,686*	*–421*	*–222*	–	–	*–19,329*
thereof impairment	*–1,825*	–	–	–	–	*–1,825*
Segment result	**861**	**9,693**	**–616**	**–2,689**	**–**	**7,249**
Non-allocable items:						
Earnings from investments in associated companies and joint ventures						724
Financial income						2,613
Financial expenses						–8,291
Profit before taxes						**2,295**

Segment informationen January 1 to June 30, 2014

(TCHF)	Film	Sports- and Event-Marketing	Other Business Activities	Other	Recon-ciliation	Group
External sales	189,964	24,800	1,497	–	–	216,261
Other segment income	32,279	153	300	–	–499	32,233
Segment expenses	–218,484	–14,728	–3,218	–2,835	499	–238,766
thereof amortization, depreciation	*–70,015*	*–415*	*–569*	–	–	*–70,999*
thereof impairment	*–5,823*	–	–	–	–	*–5,823*
Segment result	**3,759**	**10,225**	**–1,421**	**–2,835**	**–**	**9,728**
Non-allocable items:						
Earnings from investments in associated companies and joint ventures						122
Financial income						1,638
Financial expenses						–3,349
Profit before taxes						**8,139**

9. Financial commitments, contingent liabilities and other financial obligations

Compared to the consolidated financial statements as of December 31, 2014, financial commitments, contingent liabilities and other financial obligations decreased by TCHF 7,144 to TCHF 61,597 as of June 30, 2015.

10. Related party disclosures

As part of its normal business activities, the company maintains relations with associated companies, joint ventures, the major shareholder and its subsidiaries in addition to companies controlled by members of the Board of Directors. In some cases, the receivables due from associated companies and joint ventures also include loans that arise from the non-binding financing of operative projects.

The table below shows the scope of the transactions performed in the reporting period:

Joint ventures

(TCHF)	June 30, 2015	Dec. 31, 2014
Receivables	2,072	3,371
Liabilities	–	700

(TCHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014
Sales and other income	4,045	4,547
Cost of materials and licenses and other expenses	3,783	4,154

Associated companies

(TCHF)	June 30, 2015	Dec. 31, 2014
Receivables	4,410	2,971
Liabilities	–	–

(TCHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014
Sales and other income	–	45
Cost of materials and licenses and other expenses	–	46

Other related parties

(TCHF)	June 30, 2015	Dec. 31, 2014
Receivables	–	–
Liabilities	144	36

(TCHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014
Sales and other income	–	–
Cost of materials and licenses and other expenses	135	359

Parent company and its direct subsidiaries

(TCHF)	June 30, 2015	Dec. 31, 2014
Receivables	–	6
Liabilities	48	101

(TCHF)	Jan. 1 to June 30, 2015	Jan. 1 to June 30, 2014
Sales and other income	32	130
Cost of materials and licenses and other expenses	122	155

Other related party transactions essentially include the relations to various members of the Board of Directors and Managing Directors, which resulted in liabilities of TCHF 144 as of June 30, 2015 (December 31, 2014: TCHF 36).

Related parties include the members of the Board of Directors, the members of Group management and their relatives.

Highlight Communications AG did not perform significant services for companies controlled by related parties in the reporting period or in the same period of the previous year.

All transactions with related parties are carried out at arm's length conditions.

11. Events after the reporting period

On July 2, 2015, Constantin Entertainment GmbH increased its shareholding in Constantin Entertainment Polska Sp. z o.o., Warsaw, which was already fully consolidated, from 75 % to 100 %.

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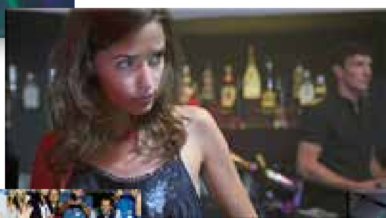
Triumph in Berlin:
With its victory in the 2015 UEFA Champions League final, FC Barcelona landed the coveted trophy for the fifth time.

Events 2015

Cinema	Locarno Film Festival	August 5–15
	Venice Film Festival	September 2–12
	Toronto Film Festival	September 10–20
Football	UEFA Super Cup	August 11
Events	WTA Finals	October 26–November 1
Investor Relations	Interim report	November
	German Equity Forum	November 23–25



Highlight Communications AG · Netzibodenstr. 23 b · 4133 Pratteln BL, Switzerland · info@hlcom.ch
Phone +41 (0) 61-816 96 96 · Fax +41 (0) 61-816 67 67 · **www.highlight-communications.ch**