

Press release

Fiscal year 2010

Tipp24 posts record earnings again in 2010

- **First time: sales exceed EUR 100 million – EBIT over EUR 30 million**
- **Success driven by Abroad segment**
- **Resumption of German operations at planning stage**

(Hamburg, 30 March 2011) Tipp24 SE posted the best result in its history in fiscal year 2010. Consolidated revenue grew by 16.5% to EUR 104.4 (prior year: 89.6) million - thus exceeding EUR 100 million for the first time. Consolidated earnings before interest and taxes (EBIT) climbed to EUR 30.3 (23.1) million, corresponding to growth of 31.3%. Consolidated net profit rose to EUR 19.6 (17.5) million. As a result, earnings per share amounted to EUR 2.53 (2.26). Available funds at the end of the year amounted to EUR 90.9 million.

The company easily exceeded its most recent forecasts for fiscal 2010. In August 2010, Tipp24 downgraded its original forecast for consolidated revenue from EUR 100 million to EUR 90 million and for EBIT from EUR 40 million to EUR 20 million.

In the Abroad segment, there was strong growth in revenue to EUR 103.7 (88.5) million and a corresponding rise in EBIT to EUR 40.2 (32.7) million.

Revenue in Germany reached EUR 3.1 (3.3) million. As a result, EBIT in the Germany segment amounted to EUR -8.8 (-11.3) million. Tipp24 SE had to bear considerable running costs in Germany, mainly for administration and legal advice. Earnings were also burdened by start-up losses in the Skill Based Games division. Business activities in Germany are still heavily restricted by the State Treaty on Games of Chance (Glücksspiel-Staatsvertrag - GlüStV).

Dr. Hans Cornehl, CEO of Tipp24 SE, states: "The Abroad segment once again more than compensated for the negative effects of the GlüStV in Germany during 2010. After being forced to discontinue our German business in 2009, the excellent overall development of business proves once more that Tipp24 is capable of generating reliable results in a frequently changing environment. In view of the current political signals, it appears realistic that we can soon return to the German market with a long-term perspective for the future."

Significant regulations of German State Treaty on Games of Chance not applicable according to ECJ

Tipp24 SE is planning a swift return to the German market. In September 2010, the European Court of Justice (ECJ) had questioned Germany's monopoly regulations as they were neither coherent nor systematic. The regulations for dangerous games, such as commercial gambling machines, are much more relaxed than for harmless lotteries such as "Lotto 6 from 49". It would be more coherent to regulate various gaming offers according to their potential dangers.

The ECJ's doubts have since been confirmed by Germany's Federal Administrative Court and Federal Supreme Court. The verdicts of several recent principal proceedings in Germany have confirmed that as far as lotteries are concerned, in particular the obligation of brokers to seek permission from federal states, the prohibition of online gaming and the restriction and prohibition of advertising are all not applicable. The country's federal states are currently discussing changes to the GlüStV; the Minister Presidents will convene again in April for an extraordinary conference.

Dr. Cornehl: "The aim must be to create sensible and forward-looking conditions for the online brokerage of harmless lotteries, also on the Internet." A new, systematic and coherent State Treaty would mean that taxes and special-purpose duties which the German states have lost as a result of the current State Treaty, could finally be used once more for social and cultural institutions, as well as for popular sports. Tipp24 SE aims to make its own contribution again as soon as possible.

"Justifying the current lottery monopoly with the prevention of gambling addiction is neither credible nor necessary. There simply is no such thing as lottery addiction," says Dr. Cornehl. This was proven by an enquiry conducted by the Administrative Court of Halle, amongst others, which questioned all guardianship courts and around 100 addiction clinics in Germany with regard to the relevance of lotteries for gambling addiction.

Outlook

For its fiscal year 2011, Tipp24 expects revenue and EBIT to reach at least the level of last year: EUR 104 million and EUR 30 million, respectively. This forecast takes into consideration uncertainties regarding negative statistical fluctuations and increased costs for re-establishing business in Germany of up to EUR 10 million.

Fiscal year Q.I-IV		2010	2009
Revenues	€ thsd.	104,370	89,551
- Germany	€ thsd.	3,125	3,256
- Abroad	€ thsd.	103,733	88,537
EBIT	€ thsd.	30,258	23,052
- Germany	€ thsd.	-8,808	-11,344
- Abroad	€ thsd.	40,202	32,708
Net profit	€ thsd.	19,551	17,482

(Rounding differences possible due to presentation in EUR thousand)

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About Tipp24 SE: Tipp24 SE (formerly Tipp24 AG) was founded in September 1999 and holds equity interests in a number of companies in Spain, Italy and the UK, which enable participation in lottery-based games via the Internet, especially via the websites www.ventura24.es, www.giochi24.it, www.mylotto24.co.uk and www.tipp24.com. In Germany, Tipp24 Entertainment GmbH operates the games platform www.tipp24games.de. From its foundation to the end of 2008, Tipp24 SE brokered tickets worth over 1.5 billion euros to the state lottery companies – in recent years over 330 million euros annually. Following its successful IPO in 2005 (Prime Standard), the company was admitted to the SDAX index in June 2009 and has been trading as a European public limited company since December 2009.