

## Press release

Report on the first six months of 2011

### **Tipp24 continues success story**

- **Consolidated revenue up by over 70 percent to EUR 70.1 million**
- **Consolidated EBIT grows by factor of five to EUR 33.8 million**
- **Favourable statistics and litigation settlement drive leap in growth**

(Hamburg, 5 August 2011) Following record earnings in fiscal 2010 and a very good first quarter, Tipp 24 SE continued its success story in the second quarter of 2011. In the first six months of 2011, consolidated revenue rose by 72.4 percent to EUR 70.1 (prior year: 40.6) million – the company's Abroad segment once again contributing the lion's share. Consolidated EBIT reached EUR 33.5 (6.5) million with a rise in the EBIT margin from 16.1 to 47.8 percent. This growth in EBIT by a factor of over five resulted mainly from a more favourable payout statistic compared to last year, as well as from the settlement of a legal dispute of MyLotto24 Limited concerning the payment of an insurance amount.

This success of Tipp24 SE was once again driven by the Abroad segment. Revenue rose to EUR 69.8 (40.3) million, while EBIT improved to EUR 38.3 (10.0) million in the first six months.

Key factors for business in the German segment were the significant regulatory restrictions imposed on lottery activities as well as start-up losses in the Skill-Based Games division. Revenue in Germany reached EUR 1.8 (1.6) million in the period under review, while EBIT amounted to EUR -3.8 (-4.0) million.

### **European Commission demands federal states make sweeping changes to current draft of new State Treaty on Games of Chance**

On 18 July 2011, the European Commission issued a statement regarding the draft of Germany's 15 federal states for a revised State Treaty on Games of Chance. In its "Detailed Opinion", the Commission criticised in unusually clear terms the restrictions contained in the draft. The Commission stated it could not detect any "coherent and systematic limitation" and that the current draft failed to provide adequate reasoning. The federal states were strongly recommended "not to accept" the draft in its current form.

Dr. Hans Cornehl, CEO of Tipp24 SE, states: "The Commission's unequivocal criticism forces the states to substantially improve the proposed restrictions – such as the lack of permission criteria for the brokerage and marketing of lotteries. We continue to appeal to Germany's political leaders to develop EU-compliant legislation which takes into account that there is simply no such thing as lottery addiction. Following the necessary legal amendments, Tipp24 is prepared to resume its activities in Germany with immediate effect."

## Forecast

After notification from MyLotto24 Limited that an insurance payment had been received, the company upgraded its forecast for the year. Tipp24 SE increased its forecast for consolidated EBIT in fiscal year 2011 to EUR 40 million. Revenue is still expected to reach at least the prior-year level of EUR 104 million. 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.

### Quarter comparison: Q.II 2011 / Q.II 2010

in EUR thsd.	2011	2010
Revenue	35,799	15,646
- Germany	832	720
- Abroad	35,664	15,488
EBIT	22,238	-1,523
- Germany	-1,872	-2,175
- Abroad	24,674	644
Net profit	15,774	-1,625

### Half-year comparison: 2011 / 2010

in EUR thsd.	2011	2010
Revenue	70,073	40,636
- Germany	1,750	1,555
- Abroad	69,768	40,299
EBIT	33,522	6,540
- Germany	-3,807	-4,030
- Abroad	38,278	10,039
Net profit	23,329	3,699

(Possible rounding differences due to presentation in EUR thousand)

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](http://www.ventura24.es), [www.giochi24.it](http://www.giochi24.it), [www.mylotto24.co.uk](http://www.mylotto24.co.uk) and [www.tipp24.com](http://www.tipp24.com). In Germany, Tipp24 Entertainment GmbH operates the games platform [www.tipp24games.de](http://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.

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