

Press release

Fiscal year 2011

Tipp24: best-ever results for twelfth year running

- **EBIT grows to EUR 51.9 million**
- **Consolidated revenues reach all-time-high of EUR 139.3 million**

(Hamburg, 27 March 2012) For the twelfth consecutive year, Tipp24 SE 2011 posted the best annual results in the company's history: consolidated revenue with grew by 36.7% to a record EUR 139.3 (prior year: EUR 101.9) million. There was a disproportionately strong increase in earnings before interest and taxes (EBIT), which climbed 58.8% to EUR 51.9 (32.7) million. The EBIT margin was up 5.2 %-points from 32.1% to 37.3%. Consolidated net profit rose by 85.9% to EUR 36.3 (19.6) million. Earnings per share from continued operations amount to EUR 4.80 (2.85). Available funds at the end of the year amounted to around EUR 129 million.

As in the previous years, the Abroad segment was largely responsible for the development of business with revenue of EUR 141.5 (103.7) million and an EBIT result of EUR 60.0 (40.2) million. The Germany segment contributed just EUR 0.6 (0.6) million to Group revenue and EUR -8.8 (-6.4) million to EBIT.

The Skill-Based Games business model in Germany proved unable to match the profitability of Tipp24's core lottery brokerage business over the long term. In order to focus on its lottery business in future, Tipp24 has decided to sell its Skill-Based Games activities.

Light on the regulatory horizon – no green light for gaming legislation of 15 federal states

Schleswig-Holstein played a pioneering role in re-opening the German market for online brokerage at the beginning of the year – on the basis of the only German gaming law notified by the EU. There has been no green light so far however for the draft legislation of Germany's other 15 federal states. In its latest statement last week, the EU Commission criticized the large number of permits required for online lottery brokerage. It repeated that restrictions must only serve to prevent addiction and crime.

Dr. Hans Cornehl, CEO of Tipp24 SE, states: "Using the risk of addiction to justify extensive bans for private lottery providers is no longer tenable. There is simply no such thing as lottery addiction – a fact which has since been confirmed in court. Moreover, it was neglected to notify the implementation laws of the 15 states which are still seeking to restrict our basic freedoms – thus making them inapplicable. It is high time that commercial lottery brokers were once again granted non-discriminatory market access in line with EU legislation."

Lotto24: relaunch on German market

In view of what the company regards as highly promising regulatory prospects, Tipp24 relaunched its activities on the German market this year – and from a position of strength, as it dominated the German online lottery market until the introduction of the last State Treaty on Games of Chance in early 2009.

As Petra von Strombeck, Marketing Director of Tipp24 SE, explains: "Within the framework of the Schleswig-Holstein gaming laws, lottery players can conveniently submit their tickets online and round the clock via the www.lotto24.de website as of February. We are convinced that we can successfully utilize the considerable opportunities which this market offers and establish a strong and distinctive brand with Lotto24.de."

Ongoing internationalisation

Tipp24 will continue to focus on the further expansion of its international lottery business in future. Dr. Hans Cornehl, CEO of Tipp24 SE: “In addition to the existing growth activities of our minority shareholdings in Spain and the UK, we plan to establish a new business field in the medium term which will offer Internet services for international lottery organizers. Initial market feedback has strengthened our view that this is a promising international business for us in an attractive growth market for which we are excellently placed.”

Outlook

Against a backdrop of frequent change in its operating environment, Tipp24 has succeeded in generating sustainable growth in both revenue and earnings. The encouraging development of the past years has given the company a solid platform on which to reach its core strategic targets: the re-establishment of its activities in Germany and the growth of its international business, especially as a service provider for lottery companies.

2012 will therefore be a year of sweeping change and the economic potential ahead is still difficult to forecast. In the current fiscal year, Tipp24 expects to reach an EBIT result of at least EUR 35 million on revenue of at least EUR 130 million. This forecast includes consideration of uncertainties regarding negative statistical fluctuations amounting to EUR 10 million. Expenses for the re-establishment of German operations are not included in these figures.

Fiscal year		2011	2010
Revenues	€ thsd.	139,316	101,882
- Germany	€ thsd.	572	637
- Abroad	€ thsd.	141,457	103,733
EBIT	€ thsd.	51,905	32,681
- Germany	€ thsd.	-8,779	-6,385
- Abroad	€ thsd.	59,974	40,202
Net profit	€ thsd.	36,339	19,551

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 the latter 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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