

Press release

Report on the first three months of 2013

Tipp24 SE: strategy and operations on course in first quarter

- **Revenue EUR 37.4 million – adjusted revenue EUR 32.3 million**
- **EBIT EUR 12.0 million – adjusted EBIT EUR 9.3 million**
- **Guidance for 2013 confirmed**
- **Key steps for international alignment implemented**

(Hamburg, 14 May 2013) Tipp24 SE continued its positive business development in the first quarter of 2013. Generated almost entirely abroad, revenue grew year on year by 5.5 percent to EUR 37.4 (prior year: EUR 35.4) million. At EUR 12.0 million, earnings before interest and taxes (EBIT) fell just short of the prior-year figure. The EBIT margin reached 32.2 percent, compared to 34.0 percent in the previous year. Consolidated net profit increased by 3.2 percent to EUR 9.0 (8.7) million. Earnings per share improved from EUR 1.08 to EUR 1.13. Adjusted for statistic deviations from the expected level of payouts, revenue rose by 1.1 percent to EUR 32.3 (32.0) million, while EBIT fell by 11.9 percent to EUR 9.3 (10.5) million. There was a particularly strong effect from increased hedging costs caused by large jackpots and a necessary restructuring of the hedging profile.

Andreas Keil, CFO of Tipp24 SE, states: “Tipp24 got off to a good start in the new year. We were able to raise revenue and maintain our EBIT at a high level. This was due especially to positive special items resulting from payouts in our secondary lottery business. We expect additional costs during the course of the year from the establishment and expansion of our international business.”

Conditions established for international development options

In the first months of the current fiscal year, Tipp24 SE laid important foundations for the planned relocation of its registered office to London. In mid April 2013, the company's Executive Board and Supervisory Board decided to present a proposal on the relocation for shareholders of Tipp24 SE to vote on at the Annual General Meeting scheduled for 28 June 2013. Tipp24 SE not only intends to maintain its legal form after the relocation but also its listing in the Prime Standard segment of the Frankfurt Stock Exchange.

Dr Hans Cornehl, CEO of Tipp24 SE, states: “The conditions for our strategic international development are significantly better in the UK than in any other European company. As we also see clear signs for a deregulation of the lottery market in North America, we plan to tap this market more efficiently from our base in London as a partner of the state lottery companies. We shall make targeted use of our leading technological and marketing expertise. Moreover, we are currently in the process of expanding our position on the UK market together with our partner Geonomics. We are convinced that our shareholders will also view the planned relocation positively as it is the logical consequence of our strategic realignment.”

On the one hand, Tipp24 SE plans to acquire its own gaming licences while on the other hand driving the establishment of a new international business division dedicated to providing Internet services to lottery companies. Tipp24 SE already took a first step towards implementing this strategy with the acquisition of a shareholding in the UK-based Geonomics Global Games Limited in December 2012.

In mid April, the company also expanded its financial scope by means of a successful and heavily oversubscribed private placement of 400,000 new shares. The company received gross issue proceeds of EUR 16 million from the capital increase. Tipp24 SE intends to use the net proceeds from this capital increase above all to finance projects associated with the company's internationalisation strategy as well as for medium-term funding to fulfil its tasks as the Group's holding company.

The strengthening of the company's management level was also continued over the past few months: after expanding the Executive Board with the new Chief Financial Officer Andreas Keil on 1 February 2013, Dr Helmut Becker will begin his activities as Chief Marketing Officer as of 1 June 2013.

Guidance for 2013 confirmed

After consideration of price increases, Tipp24 SE continues to expect consolidated revenues of EUR 130 to 140 million and EBIT of EUR 20 to 30 million for the current fiscal year. Tipp24 SE thus confirms its guidance for the current fiscal year as published on 28 March 2013. This forecast takes account of costs for further necessary adjustments to hedging structures in the secondary lottery business and additional costs for the preparation of new business fields totalling EUR 15 million, which will be mostly incurred in the coming quarters. The stated ranges for revenue and EBIT also take account of statistical fluctuations in payouts for the secondary lottery business.

The complete quarterly report is published on the website of Tipp24 SE in the Investor Relations section: www.tipp24.de

Quarter comparison: Q1 2013/2012

in EUR thsd.	Q1 / 2013	Q1 / 2012	Change in %	Q1 / 2013 adjusted	Q1 / 2012 adjusted	Change in %
Revenue	37,373	35,437	5.5	32,328	31,985	1.1
EBIT	12,045	12,048	0.0	9,272	10,528	-11.9
Net profit	9,003	8,726	3.2	-	-	-

About Tipp24 SE: Tipp24 SE was founded in September 1999 and holds equity interests in a number of companies in Spain and the UK, which enable participation in lottery-based games via the Internet, especially via the websites www.ventura24.es, www.mylotto24.co.uk, www.tipp24.com and www.geosweep.com. 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. In July 2012, German online brokerage activities were successfully spun off from Tipp24 SE in the form of the company Lotto24 AG, which is listed separately on the stock exchange. With the acquisition of a stake in the UK-based company Geonomics Global Games Limited in December 2012, Tipp24 SE laid the foundation for the expansion of its international business.

Press contact:

Tipp24 SE
 Isabelle Prchlik
 Media and Public Relations Manager
 Tel.: +49 (0)40 32 55 33 661
 E-mail: presse@tipp24.de
 Internet: www.tipp24.de/press/