

## Press release

Fiscal year 2013

### **Tipp24 SE: strict pursuit of internationalisation strategy in fiscal year 2013**

- Revenue and earnings forecast surpassed
- Transfer of company's registered office to UK completed
- Special dividend of € 7.50 per share planned
- Outlook 2014: expected growth in revenue and earnings

(London, 26 March 2014) Tipp24 SE strictly pursued its internationalisation strategy in fiscal year 2013 and surpassed its own revenue and earnings forecast for its operating business. Despite exceptionally high winnings payouts totalling EUR 22.5 million in the second half of the year, the company posted consolidated revenue of EUR 129.9 (prior year: EUR 142.7) million. This development is due to the company's positive performance, especially in December 2013. Adjusted for random statistic deviations, revenue rose by 3.5 percent to EUR 133.1 (128.6) million.

Consolidated EBIT of EUR 19.5 (56.5) million exceeded expectations of around EUR 17 million. Adjusted for random effects, EBIT amounted to EUR 27.0 (50.3) million – whereby the prior-year result was influenced by unusually low winnings payouts and a positive special item of EUR 18.2 million from the spin-off of Lotto24 AG. In addition to jackpot payouts, the year-on-year decline in EBIT was due to additional, mainly non-recurring expenses of EUR 14.5 million. These resulted from the relocation of the company's registered office, the preparation of new business fields, the necessary adjustment to hedging structures in the secondary lottery business and investments in the IT platform. The consolidated net profit amounted to EUR 10.2 (40.9) million. At year-end, there were available funds (cash plus short-term financial assets) of EUR 155.8 (131.7) million.

As part of its internationalisation strategy, Tipp24 successfully completed preparations to relocate its registered office to the UK in the past fiscal year. The transfer became effective on 7 February 2014 with its entry in the Commercial Register.

Dr. Hans Cornehl, Chief Executive Officer of Tipp24 SE, states: "2013 was a successful year from both a strategic and operational perspective. Our relocation to London has created the ideal conditions for the further implementation of our internationalisation strategy. We are planning, for example, to market our extensive expertise as a partner for state-owned and private lottery companies in the online segment."

### **Relocation creates ideal conditions for further development of Tipp24**

Moving the company's registered office was a logical consequence of Tipp24 SE's strategic realignment. The company is now focusing on its international business activities – especially in the UK and North America – and will develop them from its

base in the UK. Tipp24 now operates from its headquarters in London – widely regarded as the centre of the European online gaming industry. The decision to transfer the company's registered office to the UK had been adopted by the Annual General Meeting of Tipp24 in June 2013. Tipp24 will maintain its legal form as an SE as well as its listing in the Prime Standard segment of the Frankfurt Stock Exchange.

As part of its expansion of international business activities, Tipp24 founded a joint venture with its minority holding Geonomics Global Games Limited in the past fiscal year. Geonomics is the provider of the innovative online lotto game Geolotto – which is based on a virtual map – and holds a licence to operate and market this game in the UK. With the foundation of the joint venture Geo24 UK Limited, Tipp24 and Geonomics aim to efficiently market the geo-based online lotto in the UK. In addition, the two partners plan to market the game globally to state-owned and private lottery and gaming companies.

### **Special dividend planned**

In view of the positive development of business, the Executive Board of Tipp24 SE is considering the payment of a one-off special dividend in the form of an interim dividend in late April 2014 amounting to EUR 7.50 per share.

The Executive Board also resolved to propose annual dividend payments for shareholders in future as of 2015. The first such dividend would be based on the annual financial statements for the current fiscal year 2014. The annual dividend is to be at least EUR 1.50 per share – provided that the company's financial position and performance allows such a dividend.

### **Corporate social responsibility: grassroots support**

As a responsible company, Tipp24 believes it has a duty to society. As part of its internationalisation strategy, the company's Corporate Social Responsibility programme is to be aligned with its new direction: Tipp24 will focus on social projects which help society at a local level.

The corresponding initiatives are to be selected via a Community Fund and partnerships with established organisations. Support may also involve corporate volunteering activities by the company's own employees.

There are plans to launch the first pilot project in London in the first half of 2014. In the medium term, the company aims to provide sustainable support for communities in all its key markets.

### **Positive outlook**

In its fiscal year 2014, Tipp24 SE expects revenue growth to between EUR 135 and EUR 145 million and EBIT growth to between EUR 25 and EUR 35 million. This

forecast takes account of costs for the readjustment of hedging structures in the company's secondary lottery business, adjustments to the IT platform, as well as additional, mostly non-recurring costs for the preparation of new business fields amounting to EUR 10 million. The stated ranges for revenue and EBIT also take account of statistic fluctuations in payouts for the secondary lottery business.

On 12 March 2014, Tipp24 recorded jackpot winnings of around EUR 6.7 million. Including this jackpot, winnings payouts for secondary lotteries up to this point were just EUR 3.9 million above the expected statistical value and were therefore not included in the forecast for 2014.

<b>Fiscal year</b>		<b>2013</b>	<b>2012</b>
Revenue	€ thousand	129,933	142,731
EBIT	€ thousand	19,459	56,464
Net profit	€ thousand	10,187	40,891

(Possible rounding differences due to presentation in EUR thousand)

The full 2013 annual report can be found at  
<http://www.tipp24-se.co.uk/websites/tipp24/English/3000/publications.html>

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](http://www.ventura24.es), [www.mylotto24.co.uk](http://www.mylotto24.co.uk), [www.tipp24.com](http://www.tipp24.com) and [www.geolotto.co.uk](http://www.geolotto.co.uk). From its foundation to the current day, Tipp24 has generated stakes of 2.5 billion euros and thus contributed over 650 million euros in taxes and duties. 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. In February 2014, the company successfully completed the relocation of its registered office to the UK, from where it plans to drive the internationalisation of its business activities.

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