

Press release

Fiscal year 2008

Tipp24 AG: State Gaming Treaty slows long-standing growth rate

- **More complex registration process for new German customers**
- **Unfavourable jackpot situation**
- **Start-up costs for expansion of international business and for Tipp24games**

(Hamburg, 5 March 2009) Due to the negative impact of ongoing regulatory discussions concerning the German gaming market, earnings before interest and taxes (EBIT) were down by 0.6 percent to EUR 8,897 thousand (prior year: EUR 8,949 thousand) in fiscal year 2008. The EBIT margin fell by 0.5 percentage points to 19.4 (19.9) percent. In the same period, Tipp24 AG raised revenues slightly by 1.9 percent to EUR 45,838 (44,974) thousand.

The decline in earnings was mainly due to start-up costs for the expansion of international business and for the establishment of the new Skill-Based Games division. With the launch of these self-developed, skill-based games, Tipp24 has expanded its core business by adding a new dimension of Web-based entertainment not subject to Germany's restrictive gaming regulations.

There was also a slight fall in billings, which were 3.1 percent down on the previous year at EUR 335,947 (346,776) thousand. In the period under review, the number of registered customers grew by just 203 thousand to 2,526 thousand; whereby a major share was added outside Germany. The more complex registration process for new German customers and the unfavourable jackpot situation in 2008 meant that growth was 371 thousand less than in the previous year (574).

Ongoing regulatory discussions in Germany - consequences

Fiscal year 2008 was once again dominated by the ongoing political and legal discussions about the German gaming market and the State Treaty on Gaming (GlüStV), which came into effect on 1 January 2008. As of 2009, the GlüStV completely bans the brokering of all gaming products, including lotteries, via the Internet. As a consequence, Tipp24 AG sold the majority of its European activities in connection with the brokerage or offer of lottery products to MyLotto24 Ltd, which had already been operating in the UK since 2007. By spinning off this division, Tipp24 placed it firmly and directly under the protection of European law while at the same time laying the organisational foundation for its focus on foreign business. The Group's foreign subsidiaries are legally independent – in line with the respective local legislation – and not subject to any directives; they are led by experienced General Managers.

Tipp24 AG plans to expand its activities in the field of skill-based games with Tipp24games, as this sector is not subject to any influence from the GlüStV. The Executive Board of the parent company will focus on identifying and acquiring new business models in Germany.

Jens Schumann, Chairman of the Executive Board of Tipp24 AG, states: "With the start of the second stage of the GlüStV, the basis for the overwhelming share of our German business was removed. We shall continue to take legal steps against the new State Treaty. In early February 2009, the EU Commission once again confirmed its reservations against the GlüStV with regard to EU law. As soon as the legal situation has clearly changed in our favour, we aim to immediately resume our German operations. This should also be in the interest of the German state, as Tipp24 generated tax revenues for the federal states of around EUR 130 million in 2008 alone, which will now no longer be available to support sport, culture and social affairs."

Outlook

Against the backdrop of considerable legal uncertainty in our core market to date, Germany, it is not possible to reliably forecast revenues and earnings for fiscal year 2009. Following the current market transition phase and the settlement of the legal position in Germany, Tipp24 continues to expect a return to its historically proven medium-term growth targets – an annual increase in revenue of 30% and a disproportionately stronger increase in EBIT.

About Tipp24 AG: Until the end of 2008, Tipp24 AG brokered state-licensed gaming products via electronic media, and in particular via the Internet at its website www.tipp24.de. Due to the German State Treaty on Gaming introduced on 1 January 2008, the company has temporarily discontinued this activity until the legal situation has been settled. Since this time, Tipp24 AG has been operating in particular the gaming platform www.tipp24games.de. The Group's subsidiaries are Ventura24 in Spain (www.ventura24.es), Puntogioco24 in Italy (www.puntogioco24.it) and MyLotto24 in the UK (www.mylotto24.co.uk). Shares in Tipp24 AG have been traded at the Frankfurt Stock Exchange since 2005.

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Key figures for the fiscal year 2008 and Q.IV 2008 on the next page.

Key figures for Q.IV 2008

Q.IV		2008	2007	Change
Billings	€ million	91.0	128.6	- 29.2%
- Germany	€ million	83.7	121.9	- 31.3%
- Abroad	€ million	7.4	6.7	+ 9.4%
Revenue	€ million	12.9	16.5	- 22.0%
- Germany	€ million	11.2	15.0	- 25.5%
- Abroad	€ million	1.7	1.5	+ 4.0%
Operating expenses	€ million	9.6	12.5	- 23.4%
EBITDA	€ million	3.3	4.0	- 17.6%
EBIT	€ million	2.6	3.7	- 30.1%
EBT	€ million	3.3	4.3	- 23.8%
Net profit	€ million	1.9	2.4	- 21.4%

Key figures for fiscal year 2008

Fiscal year Q.I-IV		2008	2007	Change
Billings	€ million	335.9	346.8	- 3.1%
- Germany	€ million	311.0	325.5	- 4.5%
- Abroad	€ million	25.0	21.2	+ 17.6%
Revenue	€ million	45.8	45.0	+ 1.9%
- Germany	€ million	40.0	40.0	- 0.1%
- Abroad	€ million	5.9	5.0	+ 18.1%
Operating expenses	€ million	35.4	35.2	+ 0.6%
EBITDA	€ million	10.5	9.8	+ 6.8%
EBIT	€ million	8.9	8.9	- 0.6%
EBT	€ million	10.7	11.2	- 4.2%
Net profit	€ million	6.6	6.3	+ 5.3%
Registered customers at year-end	thousand	2,526	2,344	+ 7.7%

(Rounding differences due to statement in EUR million)