

Press release

Report on the first quarter of 2009

Tipp24 AG: Sales and earnings in Germany collapse – Growth abroad

Basis for German operations largely removed by State Treaty on Gaming

(Hamburg, 28 May 2009) The intensive political and legal discussions surrounding Germany's gaming market and the respective legal conditions continued in the first quarter of 2009. Numerous court proceedings have been suspended until a settlement has been reached at a European level.

Due to the considerable legal restrictions imposed by the German State Treaty on Gaming and costs in connection with the restructuring of the company's business fields, EBIT from German operations amounted to EUR -3,077 (prior year: EUR 3,158) thousand. Revenues of the domestic segment fell by 92.6 percent to EUR 725 (9,770) thousand in the first three months of the current fiscal year, as a result of the virtually complete withdrawal of the company's business base in Germany.

Jens Schumann, Chairman of the Executive Board of Tipp24 AG, states: "As a consequence of the regulatory situation, Tipp24 AG ended its brokerage activities in Germany at the beginning of the year. For Germany's federal states, this move alone will mean a loss of around EUR 130 million in annual tax revenues in future. As other market players are equally affected by the regulations of the State Treaty on Gaming, the annual tax shortfall will be in the billions."

Thanks to the much stronger focus placed on expanding international business, EBIT for the "Abroad" segment was well above the prior-year figure at EUR 17,912 (-576) thousand. Revenues generated outside Germany were up from EUR 1,602 thousand in the prior-year period to EUR 24,876 thousand and dominated total revenues with a share of 98.7%.

Consolidated EBIT of Tipp24 AG and its equity interests grew to EUR 14,635 (2,687) thousand in the first three months of fiscal 2009. The EBIT margin rose by 34.5 percentage points to 58.1 (23.6) percent. Consolidated net profit for the period increased to EUR 11,869 (1,876) thousand. Revenues rose by 121.7 percent to EUR 25,209 (11,373) thousand.

Schumann: "With its various equity interests, Tipp24 AG is well equipped for the future. The parent company itself will focus on the expansion of the Tipp24games business and on identifying and acquiring new business models in Germany and Europe. Moreover, we will continue to seek the resumption of our previous business activity as a private broker of state lottery products in Germany. This will happen as soon as the legal situation has been settled in our favour by the respective German and European courts."

There is still considerable legal uncertainty in the company's previous core market, Germany. At the same time, planning certainty in the Abroad segment is comparatively low as yet especially for the new business activities. It is therefore impossible to make a reliable forecast for revenues and earnings at this moment in time. The company expects to be able to make a reliable forecast again in the medium term once the legal situation has been settled as far as possible and more experience has been gained outside Germany.

About Tipp24 AG: Tipp24 AG 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.puntogioco24.it, www.mylotto24.co.uk and www.tipp24.com. In Germany, the subsidiary Tipp24 Entertainment operates the games platform www.tipp24games.de. Shares in Tipp24 AG have been traded at the Frankfurt Stock Exchange since 2005.

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Figures for the first quarter of 2009

Q.I		2009	2008
Revenue	€ thousand	25,479	11,373
- Germany	€ thousand	725	9,770
- Abroad	€ thousand	24,876	1,602
EBIT	€ thousand	14,635	2,687
- Germany	€ thousand	-3,077	3,185
- Abroad	€ thousand	17,912	-576
Net profit	€ thousand	11,869	1,876

(Rounding differences due to statement in € thousand)