

Press release

Report on the first half of 2009

Tipp24 AG: German business still negative – foreign growth continues

(Hamburg, 3 August 2009) The first half of the current fiscal year 2009 was dominated by the start of the Internet ban in Germany introduced by the State Treaty on Gaming. This removed the basis for the previous operations of Tipp24 AG in Germany. As a consequence, the company's German segment posted its first negative half-year EBIT since 2001, amounting to EUR –6.8 million (prior year: EUR +5.4 million). Revenues of the German segment fell by 92.3 percent to EUR 1.4 million. The EBIT was burdened further by necessary restructuring measures.

Jens Schumann, Chairman of the Executive Board of Tipp24 AG, states: "After being forced to part company with the majority of our German staff in the first quarter, we also gave up the majority voting rights in our former English subsidiaries in April as a further consequence of the State Treaty on Gaming. I am still convinced that key aspects of the State Treaty will have to be changed. Over the last years, Germany's federal states have lost over 7 billion euros in stakes from this legislation alone. As this is money which the states cannot replace, it is now missing for important institutions in the field of sport, social affairs and culture."

The pooling of activities in the UK has helped drive the development of the company's foreign business. This focused expansion of international operations helped EBIT grow to EUR 29.8 million (prior year: EUR –1.0 million). Revenue generated outside Germany increased from EUR 2.9 million to EUR 46.0 million.

Consolidated EBIT grew by around EUR 18 million to EUR 22.7 million in the first six months of the current fiscal year, while the EBIT margin rose by 28.5 percentage points to 48.9 percent. Consolidated net profit improved to EUR 17.3 million (prior year: EUR 3.5 million). In the period under review, consolidated revenues grew by 115.9 percent to EUR 46.6 million.

Outlook

The Executive Board expects revenues to rise to at least EUR 85 million for 2009 as a whole. In the same period, operating profit before interest and tax (EBIT) will reach at least EUR 40 million. The payment of unusually high or frequent winnings, however, would burden these two figures.

Tipp24 AG will continue its political lobbying in the second half of the year and utilise all available appeal possibilities to contest those restrictions of the State Treaty on Gaming which we believe contravene EU law. Tipp24 AG intends to resume its former business model in Germany as soon as the legal situation permits such activities.

Comparison: Q.II 2009 / Q.II 2008

Q.II		Q.II 2009	Q.II 2008
Revenue	€ thousand	21,347	10,191
- Germany	€ thousand	715	8,915
- Abroad	€ thousand	21,084	1,276
EBIT	€ thousand	8,113	1,712
- Germany	€ thousand	-3,676	2,192
- Abroad	€ thousand	11,842	-480
Net profit	€ thousand	5,445	1,606

Half-year comparison: Q.I-II 2009 / Q.I-II 2008

Q.I-II		Q.I-II 2009	Q.I-II 2008
Revenue	€ thousand	46,556	21,564
- Germany	€ thousand	1,440	18,685
- Abroad	€ thousand	45,960	2,879
EBIT	€ thousand	22,748	4,398
- Germany	€ thousand	-6,753	5,350
- Abroad	€ thousand	29,754	-952
Net profit	€ thousand	17,314	3,482

(Rounding differences due to statement in € thousand)

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 GmbH operates the games platform www.tipp24games.de. Shares in Tipp24 AG have been traded at the Frankfurt Stock Exchange since 2005. In June 2009, the company was admitted to the SDAX index.

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