

Press release

Report on the first quarter of 2010

Tipp24: Stable development of business

Fight for resumption of business in Germany continues

(Hamburg, 6 May 2010) In the first three months of fiscal 2010, consolidated revenues amounted to EUR 24,991 thousand. The reduction of 14.9 percent compared to the same period last year (EUR 29,355 thousand) resulted mainly from a positive special item in the first quarter of 2009, in which the second-highest jackpot in Germany Lotto history led to a very high gaming volume while marketing costs remained extremely low.

In addition, within the framework of usual statistical fluctuations for the organisation of secondary lotteries, winnings of EUR 4.9 million were paid out above the statistic average in the first quarter of 2010. EBIT fell from EUR 14,635 thousand to EUR 8,063 thousand. The EBIT margin was reduced to 32.3 (49.9) percent. Consolidated net profit fell to EUR 5,324 (11,869) thousand in the first quarter of 2010.

In the Germany segment, revenues amounted to EUR 835 (725) thousand in the first three months of the current fiscal year, while EBIT improved to EUR -1,855 (-3,077) thousand.

Revenues generated by the Abroad segment fell to EUR 24,811 (29,022) thousand while the respective EBIT figure decreased to EUR 9,396 (17,912) thousand.

Legal conditions in Germany

Tipp24 continues to fight in the courts for the resumption of business in its domestic German market and plans to utilise all available appeal possibilities. Moreover, the company is still lobbying for a political solution in line with market requirements.

Dr. Hans Cornehl, Executive Board member of Tipp24 SE, comments: "The German State Treaty on Gaming has brought nothing but misery. The revenues of completely harmless lotteries have collapsed, thousands of legal proceedings are blocking the courts and the alleged "lottery addiction" has long since been scientifically disproved. It is time for politicians to take action."

The German Lottery Association estimates that a total volume of at least EUR 11 billion will be lost in the period up to the end of 2011 as a direct consequence of the State Treaty on Gaming (GlStV). This corresponds to tax and duty revenue of around EUR 5 billion, which will no longer be available to support important social projects, sport and culture.

Several thousand administrative and anti-trust proceedings have already been brought against the GlStV by various market participants since it came into effect. This reflects the obvious illegality of the legislation. The EU Commission also confirmed in February that it would continue the infringement proceedings already instituted against the German gaming laws.

Forecast for 2010 confirmed

Tipp24 SE confirms its forecast for the current fiscal year. Tipp24 expects that revenues will increase to at least EUR 100 million and that EBIT will reach at least EUR 40 million. Statistically unusually high or frequent game winnings, however, would also dampen expectations with regard to revenue and EBIT.

Key figures for the first quarter of 2010

Q.I		2010	2009
Revenue	€ thousand	24,991	29,355
- Germany	€ thousand	835	725
- Abroad	€ thousand	24,811	29,022
EBIT	€ thousand	8,063	14,635
- Germany	€ thousand	-1,855	-3,077
- Abroad	€ thousand	9,396	17,912
Net profit	€ thousand	5,324	11,869

(Possible rounding differences due to statement in € thousand)

About Tipp24 SE: Tipp24 SE was founded in September 1999 and 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.giochi24.it, www.mylotto24.co.uk and www.tipp24.com. In Germany, Tipp24 Entertainment GmbH operates the games platform www.tipp24games.de. From its foundation to the end of 2008, Tipp24 SE has brokered tickets worth over 1.5 billion euros to the state lottery companies – in recent years over 330 million euros annually. Shares in Tipp24 SE have been traded in the Prime Standard segment of the Frankfurt Stock Exchange since 2005. In June 2009, the company was admitted to the SDAX index.

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