

Press release

Report on the first six months of 2010

Tipp24: High winnings payments burden earnings

- **Business significantly affected by statistical special items**
- **Forecast adjusted: EBIT of EUR 20 million expected for FY 2010**

(Hamburg, 5 August 2010) Tipp24's financial figures were significantly affected by a statistical special item in the first half of the current fiscal year: MyLotto24 Limited, a fully consolidated minority shareholding, recorded jackpot winnings of EUR 11.7 million from a secondary lottery which it held in May. The total amount paid out for lottery winnings in the first half of 2010 thus exceeded the statistical average by EUR 17.9 million. This led to a negative EBIT effect of EUR 16.6 million.

The consolidated revenues of Tipp24 in the first six months of 2010 amounted to EUR 40.6 million. The year-on-year decline of 24.8% (prior year: EUR 54.0 million) resulted mainly from high winnings payments and positive special items in the first quarter of 2009. The consolidated EBIT result amounted to EUR 6.5 million in the first half of 2010 (prior year: EUR 22.7 million). Consolidated net profit fell to EUR 3.7 (17.3) million.

In the Germany segment, revenues amounted to EUR 1.6 (1.4) million and EBIT totalled EUR -4.0 (-6.8) million. Revenues generated by the Abroad segment reached EUR 40.3 (53.2) million, while EBIT fell to EUR 10.0 (29.8) million.

Political and legal situation

The situation in Germany remains unchanged. Leading experts estimate that the lottery market will lose a total volume of around EUR 11 billion in the period up to the end of 2011 as a direct consequence of the State Treaty on Games of Chance (GlüStV).

Tipp24 continues to fight for the resumption of its domestic business in Germany. The company is still lobbying for a political solution and utilising all available legal possibilities to appeal against the restrictions imposed by the GlüStV. In a joint initiative of state and non-commercial organizers, as well as private sector brokers, Tipp24 is striving to reach an acceptable future regulation of the German lottery market.

Dr. Hans Cornehl, Executive Board member of Tipp24 SE, states: "We are actively supporting initiatives which challenge the absurd prohibition of online brokerage for the German state-run lottery, as our aim is to resume our former business in Germany as quickly as possible and thus help create new jobs and generate taxes and duty revenue to support important social projects, education, sport and culture."

Forecast adjusted

Against the backdrop of winnings payments made by MyLotto24 Limited well above the statistical average, the Executive Board has adjusted its forecast for the current fiscal year 2010. Assuming business progresses as normal in the remaining months of 2010 – i.e. no very large jackpots and winnings payments around the statistical average – Tipp24 has reduced its current EBIT forecast of at least EUR 40 million to a result of at least EUR 20 million. The original revenue forecast of at least EUR 100 million has been adjusted to at least EUR 90 million.

Quarterly comparison: Q.II 2010 / Q.II 2009

Q.II		2010	2009
Revenue	€ thousand	15,646	24,666
- Germany	€ thousand	720	715
- Abroad	€ thousand	15,488	24,214
EBIT	€ thousand	-1,523	8,113
- Germany	€ thousand	-2,175	-3,676
- Abroad	€ thousand	644	11,842
Net profit	€ thousand	-1,625	5,445

Half-year comparison: 2010 / 2009

Q.I-II		2010	2009
Revenue	€ thousand	40,636	54,021
- Germany	€ thousand	1,555	1,440
- Abroad	€ thousand	40,299	53,236
EBIT	€ thousand	6,540	22,748
- Germany	€ thousand	-4,030	-6,753
- Abroad	€ thousand	10,039	29,754
Net profit	€ thousand	3,699	17,314

¹ Prior-year figures have been adjusted for the changed disclosure in licence and operator fees.

(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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