

## Press release

Report on the first nine months of 2010

### **Tipp24: ECJ overturns German gaming laws**

- **Consolidated revenue of EUR 66.5 million**
- **Consolidated EBIT of EUR 13.6 million**
- **German business to be resumed as swiftly as possible**

(Hamburg, 5 November 2010) In the first nine months of its current fiscal year, consolidated revenues of Tipp24 grew by 8.9 percent to EUR 66.5 (prior year: 61.1) million. Once again, revenues were dominated by the Group's Abroad segment. Consolidated EBIT fell by 58.9 percent to EUR 13.6 (33.1) million. Consolidated net profit amounted to EUR 8.4 (25.1) million in the period under review and was thus down by 66.7 percent.

In the Germany segment, revenues amounted to EUR 2.3 (2.3) million and EBIT to EUR -6.4 (-9.3) million in the first nine months of 2010. Revenues in the Abroad segment reached EUR 66.0 (60.2) million while EBIT amounted to EUR 20.0 (42.7) million.

The business development of Tipp24 was marked by a special item in the first nine months of the current year. Total winnings paid out for secondary lotteries organized by MyLotto24 Limited, a fully consolidated minority shareholding of Tipp24 SE, exceeded the statistical average by EUR 18.9 million. This had a negative effect on EBIT of EUR 18.3 million.

### **Political and legal situation**

On 8 September 2010, the European Court of Justice (ECJ) declared that the German gambling monopoly was not applicable as it infringes basic European freedoms. The ECJ thus clearly and fully confirmed Tipp24's view of the current legal situation. Tipp24 intends to resume its brokerage of state-run lotteries in Germany as quickly as possible.

The capital market responded positively to the news: following publication of the ECJ's verdict, the Tipp24 share price rose by 14 percent to the end of the quarter.

Dr. Hans Cornehl, CEO of Tipp24 SE, states: "There are signs that Germany's political leaders are now revising their views. We are confident that a solution can be found which serves the interests of all market participants." A working committee commissioned by the premiers of Germany's federal states is currently examining two alternatives for the future of the State Treaty on Games of Chance. In both models, the states are considering opening the internet and advertising for lotteries. The working committee's proposal will form the basis of a new State Treaty on Games of Chance to be adopted by the state premiers and expected to come into force in early 2012.

## Forecast

The Executive Board has confirmed its forecast for the fiscal year 2010 as a whole: Tipp24 expects to achieve consolidated EBIT of at least EUR 20 million and consolidated revenue of at least EUR 90 million in its current fiscal year.

### Quarterly comparison: Q.III 2010 / Q.III 2009

Q.III		2010	2009
Revenue *	€ thousand	25,890	7,049
- Germany	€ thousand	753	900
- Abroad	€ thousand	25,730	6,814
EBIT	€ thousand	7,080	10,375
- Germany	€ thousand	-2,330	-2,556
- Abroad	€ thousand	9,916	12,916
Net profit	€ thousand	4,683	7,832

### Nine-month comparison: 2010 / 2009

Q.I-III		2010	2009
Revenue *	€ thousand	66,526	61,070
- Germany	€ thousand	2,309	2,340
- Abroad	€ thousand	66,029	60,239
EBIT	€ thousand	13,620	33,123
- Germany	€ thousand	-6,360	-9,309
- Abroad	€ thousand	19,956	42,670
Net profit	€ thousand	8,382	25,147

\* Prior-year figures have been adjusted for the changed disclosure in licence and operator fees.  
(Possible rounding differences due to statement in € thousand)

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About Tipp24 SE: Tipp24 SE (formerly Tipp24 AG) 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](http://www.ventura24.es), [www.giochi24.it](http://www.giochi24.it), [www.mylotto24.co.uk](http://www.mylotto24.co.uk) and [www.tipp24.com](http://www.tipp24.com). In Germany, Tipp24 Entertainment GmbH operates the games platform [www.tipp24games.de](http://www.tipp24games.de). From its foundation to the end of 2008, Tipp24 SE brokered tickets worth over 1.5 billion euros to the state lottery companies – in recent years over 330 million euros annually. Following its successful IPO in 2005 (Prime Standard), the company was admitted to the SDAX index in June 2009 and has been trading as a European public limited company since December 2009.