

Press release

Fiscal year 2007

Tipp24 maintains dynamic growth course

- **Record jackpot boosts customer figures**
- **UK market entry**
- **Outlook influenced by State Treaty on Gaming**

(Hamburg, 27 March 2008) Tipp24 can look back on a successful fiscal year 2007, during which its customer base grew by 574 thousand to 2.34 (prior year: 1.77) million. The main driver was Germany's highest-ever lottery jackpot (EUR 43 million). On the day of the record jackpot draw alone, some 42 thousand new customers registered on the German website of Tipp24 AG (www.tipp24.de) and around 350 thousand in the fourth quarter alone. According to our own calculations, this enabled us to raise our share of the German online lottery market to over 60 percent.

Against this backdrop, billings – consisting mainly of brokered lottery tickets – rose to EUR 346.8 (264.2) million in the past fiscal year, representing growth of 31.2 percent. Revenue climbed 30.1 percent to EUR 45.0 (34.6) million. Earnings before interest and taxes (EBIT) improved by 23.5 percent to EUR 8.9 (7.2) million. The company plans to pay its first dividend of EUR 0.50 per share. This is expected to mark the start of regular dividend payments.

State Treaty on Gaming contravenes valid law

Jens Schumann, founder and Executive Board member of Tipp24 AG, states: "Tipp24's performance is all the more remarkable considering the adverse circumstances we faced in 2007. In the fourth quarter, Germany's state parliaments ratified the new State Treaty on Gaming. It came into effect on January 1, 2008. Numerous legal experts and institutions, such as the Federal Cartel Office, the EU Commission and the Scientific Services of the state parliament of Schleswig-Holstein, believe that the State Treaty on Gaming contravenes constitutional, antitrust and EU law. We unreservedly share this opinion. Initial verdicts of Germany's administrative courts confirm this."

Expansion of foreign business – launch in UK

Tipp24 entered the UK market in November 2007 offering European lotteries at its website www.mylotto24.co.uk: the company's wholly-owned subsidiary MyLotto24 Ltd. gives UK citizens the possibility to bet on the outcome of European lotteries. MyLotto24 Ltd. operates its business on the basis of a UK licence. Following Germany, Spain and Italy, Tipp24 is now represented on a further major European gaming market and thus continues to reduce its reliance on the German market.

Tipp24 also established an international data centre in London during the past year, which replaces its current server locations in Hamburg. Compared with the previous locations, the new UK centre offers greatly improved connections to major international internet nodes.

Successful start to 2008

- **Beginning of Corporate Responsibility activities**

In February, Tipp24 launched a new education project: generation@. The company regards this pilot project as the start of activities in the field of Corporate Responsibility. Together with its partners BürgerStiftung Hamburg and Genety e.V., Tipp24 is committed to promoting safe use of the internet for young people.

- **Foundation of Tipp24 Entertainment AG**

In March 2008, Tipp24 AG acquired the assets of Enter.TV GmbH, an innovative supplier of skill-based games. The company is thus pursuing its strategy of expanding its product portfolio in its core German market with the addition of new product areas. The company impressed the Executive Board with its excellent technology, skilled team and interesting product portfolio. The company offers interactive peer-to-peer and multiplayer online games. The new products will be integrated during the course of 2008.

Outlook

Due to the considerable uncertainties of the legal parameters for online lotteries, Tipp24 has issued a modest outlook for the fiscal year 2008: the Executive Board expects growth of at least 100 thousand new customers and thus growth in billings, revenue and EBIT of at least ten percent. These figures are thus well below the growth expectations of the past few years.

Following the current transition phase of the European lottery markets, the company expects a return to its historically proven medium-term growth targets – an annual increase in revenue of 30 percent and a disproportionately stronger increase in EBIT.

About Tipp24 AG: Tipp24 was established in 1999 and is now the market leader for lottery products in the Internet on the basis of billings. The company has succeeded in achieving impressive growth rates right from the start. Almost all state lottery products are supplied. It only takes a few mouse clicks to buy a lottery ticket – round the clock, quickly and reliably. The ticket receipt is kept safely, winners are notified about their prizes automatically by text message and e-mail and prizes are credited automatically. Subsidiaries of Tipp24 (www.tipp24.de) are Ventura24 in Spain (www.ventura24.es), Puntogioco24 (www.puntogioco24.it) in Italy and MyLotto24 (www.mylotto24.co.uk) in the UK. Shares in Tipp24 AG have been traded at the Frankfurt Stock Exchange since 2005.

Key figures for Q.IV 2007

Q.IV		2007	2006	Change
Billings	€ million	128.6	77.9	+ 65.1%
- Germany	€ million	121.9	72.0	+ 69.3%
- Abroad	€ million	6.7	5.9	+ 14.6%
Revenue	€ million	16.5	10.2	+ 61.1%
- Germany	€ million	15.0	8.9	+ 69.2%
- Abroad	€ million	1.5	1.4	+ 7.7%
Operating expenses	€ million	12.5	7.9	+ 58.5%
EBITDA	€ million	4.0	2.3	+ 70.0%
EBIT	€ million	3.7	2.1	+ 74.3%
EBT	€ million	4.3	2.6	+ 62.6%
Net profit	€ million	2.4	1.7	+ 37.2%

Key figures for fiscal year 2007

Fiscal year Q.I-IV		2007	2006	Change
Billings	€ million	346.8	264.2	+ 31.2%
- Germany	€ million	325.5	246.9	+ 31.8%
- Abroad	€ million	21.2	17.3	+ 22.8%
Revenue	€ million	45.0	34.6	+ 30.1%
- Germany	€ million	40.0	30.2	+ 32.5%
- Abroad	€ million	5.0	4.4	+ 13.1%
Operating expenses	€ million	35.2	26.6	+ 32.2%
EBITDA	€ million	9.8	8.0	+ 22.9%
EBIT	€ million	8.9	7.2	+ 23.5%
EBT	€ million	11.2	8.4	+ 33.8%
Net profit	€ million	6.3	7.4	- 15.8%
Registered customers at year-end	thousand	2,344	1,770	+ 32.4%

(Rounding differences due to statement in EUR million)

Press contact:

Tipp24 AG

Andrea Fratini

Head of Media and Public Relations

Tel.: +49 40 32 55 33-660

Fax: +49 40 32 55 33-5600

E-mail: presse@tipp24.de

Internet: www.tipp24.de/presse/