

**Tipp24de**

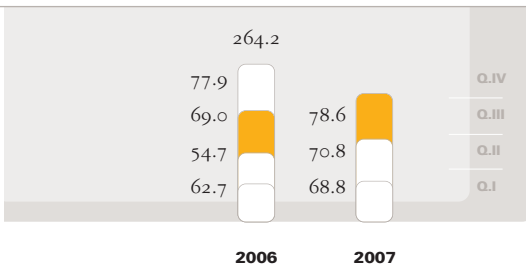
# ***DYNAMIC GROWTH CONTINUES***

***9-MONTH FINANCIAL REPORT 01.01.–30.09.2007***

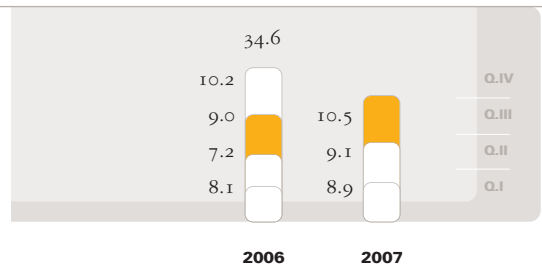
<b><i>BILLINGS Q.I–III</i></b>	<b><i>+17.1%</i></b>
<b><i>REVENUE Q.I–III</i></b>	<b><i>+17.0%</i></b>
<b><i>EBIT Q.I–III</i></b>	<b><i>+2.4%</i></b>
<b><i>REGISTERED CUSTOMERS Q.I–III</i></b>	<b><i>+220 thsd.</i></b>



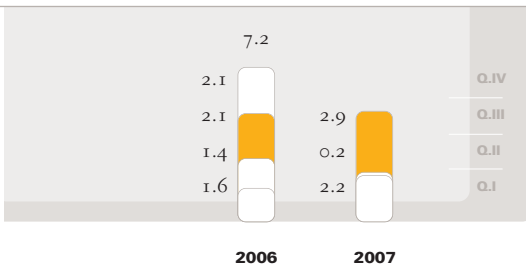
**BILLINGS** IN EUR MILLION



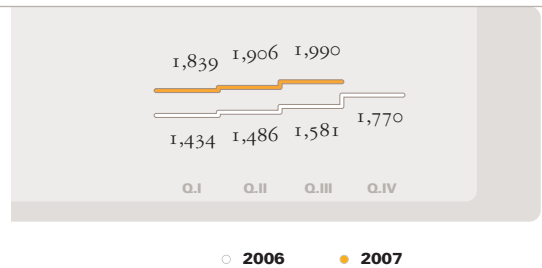
**REVENUES** IN EUR MILLION



**EBIT** IN EUR MILLION



**REGISTERED CUSTOMERS** IN THOUSAND



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*(Rounding differences in the management report due to presentation in EUR thousand)*

## **FOREWORD**

**Ladies and gentlemen,** We are pleased to report that Tipp24 AG is continuing to make encouraging progress: compared with the same period last year, we achieved double-digit growth in both billings (+17.1%) and revenues (+17.0%) in the first nine months of 2007, even though there were no relevant jackpot draws during the period. In spite of two negative special items in the previous quarter, EBIT (+2.4%) was once again positive. Earnings were burdened however by considerable start-up costs relating to the foundation of our new subsidiary in the UK.

In line with our strategy to strengthen international business by entering further European markets, we have founded the wholly-owned subsidiary Tipp24 UK Ltd. in the UK. On 6 November 2007 we launched a new online business model, unique for this market, under [www.mylotto24.co.uk](http://www.mylotto24.co.uk): Tipp24 acts as a broker for bets on the outcome of European lotteries – initially the Italian SuperEnalotto, the European EuroMillones and the German Glücksspirale – and offers customers the chance of far greater winnings than the National Lottery jackpot. In addition, we have also begun to set up an international data centre at our London facility, as this offers far better connections to the major international internet nodes than the previous solution.

The regulatory situation of the German gaming market remained uncertain in the third quarter. Our assessment of the situation regarding Tipp24 AG also remains unchanged: we are excellently positioned in a highly promising market and have sufficient resources to successfully prevail even in the face of a significantly negative regulatory development. We still believe that political bodies are unlikely to be able to restrict the growing market for online lottery brokerage in the long term. With the exception of additional costs for lobbying and legal advice, we do not expect the situation to have any direct impact on our business activities in the current fiscal year.

Allowing for the fact that there were no relevant jackpot draws (by chance) in the first nine months of the year, we are upholding the guidance published in our half-yearly financial report: we aim to add a further 300 thousand customers and expect to raise billings and revenue by just over 20%. Due to the scalability of our business model, we also expect a strong increase in our EBIT result – after adjustment for special items. Even including these items we expect to post a higher EBIT result than in the previous year.

With best regards,

**The Executive Board**

Q.III 2007

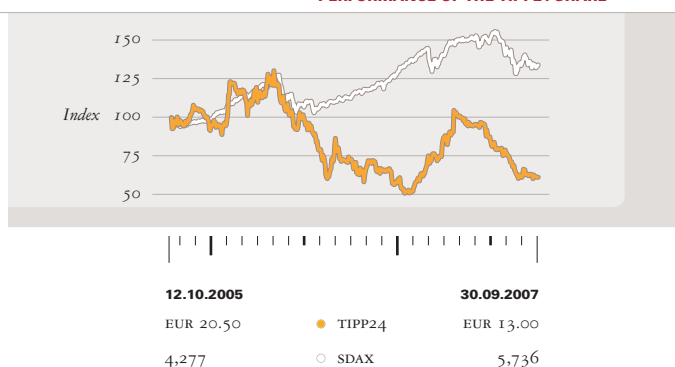
## KEY CONSOLIDATED FIGURES OF TIPP24 AG ACC. TO IAS/IFRS

		Q.I-III 2007	Q.I-III 2006	CHANGE %
Billings	EUR THOUSAND	218,176	186,362	+17.1
Revenues	EUR THOUSAND	28,491	24,344	+17.0
Gross margin	%	13.1	13.1	0.0%-POINTS
EBIT	EUR THOUSAND	5,238	5,116	+2.4
EBIT margin	%	18.4	21.0	-2.6%-POINTS
Net profit	EUR THOUSAND	3,902	5,718	-31.8
Net profit margin	%	13.7	23.5	-9.8%-POINTS
Acquisition costs per new customer	EUR	26.69	22.60	+18.1
Cash flow from operating activities	EUR THOUSAND	14,411	5,968	+141.5
Equity	EUR THOUSAND	56,528	58,923	-4.1
Registered customers (as of 30 September)	THOUSAND	1,990	1,581	+25.9
Employees (as of 30 September)		152	151	+0.7

## TIPP24 SHARE

# SHARE PRICE BURDENED BY REGULATORY DISCUSSIONS

### PERFORMANCE OF THE TIPP24 SHARE



**KEY FIGURES PER SHARE (XETRA)**

Highest price (18.04.2007)	<b>EUR 22.44</b>
Lowest price (12.01.2007)	<b>EUR 10.24</b>
Share price (01.01.2007)	<b>EUR 12.93</b>
Share price (30.09.2007)	<b>EUR 13.00</b>
Average no. of shares (30.09.2007)	<b>8.588 m</b>
Earnings per share (undiluted/diluted)	<b>EUR 0.45</b>
Market capitalization (01.01.2007)	<b>EUR 114.7 m</b>
Market capitalization (30.09.2007)	<b>EUR 111.64 m</b>

**SHAREHOLDER SERVICE**

WKN	<b>784714</b>
ISIN	<b>DE0007847147</b>
Ticker symbol	<b>TIM.DE</b>
Stock exchange	<b>Frankfurt</b>
Market segment	<b>Official Market, Prime Standard</b>
Designated Sponsors	<b>Sal. Oppenheim</b>
Coverage	<b>Berenberg, Citigroup, Deutsche Bank, Morgan Stanley, Sal. Oppenheim, Warburg/SES</b>
Reuters	<b>TIMGn.DE</b>
Bloomberg	<b>TIM GR</b>

Share trading remained buoyant at the beginning of the third quarter as the SDax index reached a new record level of 6,643.53 on 12 July. As a result of the general financial market crisis, however, the index subsequently slipped to 5,735.88 and ended the period under review 12.1% below its opening value.

The Tipp24 share was unable to continue the upward trend of the first six months during the third quarter. Against a backdrop of continuing regulatory discussions, the share price fell again to EUR 13.00 at the end of the reporting period.

Due to the current favourable economic conditions, Tipp24 has decided to launch a further share buy-back program. Up to 443,616 shares in Tipp24 AG are to be purchased during the period 8 October 2007 to 31 March 2008 and used primarily as an acquisition currency. From February to July 2007 we already acquired a total of 443,615 own shares, which are still held. These shares correspond to almost 5% of Tipp24 AG's capital stock.

In the third quarter of 2007, investor relation activities once again focused on discussions with current and potential investors concerning the present regulatory environment.

## **INTERIM GROUP MANAGEMENT REPORT**

# **EARNINGS WELL ABOVE EXPECTATIONS**

### **BUSINESS AND ECONOMIC CONDITIONS**

#### **SUCCESSFUL BUSINESS MODEL**

Tipp24 brokers state-licensed and guaranteed gaming products via electronic media, especially the Internet. Its portfolio comprises the products of the Deutscher Lotto- und Totoblock (DLTB), the class lotteries, the German TV lottery and value-added combined products. We also offer selected partners with high-reach websites the complete handling of their Internet lottery activities. We have also been active on the Spanish market since 2002 with Ventura24 S.L., on the Italian market since early 2005 with Puntogioco24 s.r.l., and on the UK market from 6 November 2007 with Tipp24 UK Ltd..

#### **SLOWDOWN IN ECONOMIC EXPANSION**

As a result of the turbulent situation on the world's financial markets, the prospects for economic growth in the Euro zone began to dim in summer: industrial output rose by just 0.4% in the second quarter, following growth of 0.9% in the first. This slowdown came as something of a surprise, considering the strongly positive business confidence ratings in Germany, as well as in France and Italy.

Thanks to favourable labour market figures, however, consumer spending is expected to grow strongly in the following quarters. There was further dynamic growth in the number of people employed in the first half of 2007 and a steady fall in unemployment.

#### **MARKET AND SECTOR**

The intensive political and legal discussions concerning Germany's gaming market and the respective legislation continued to play a key role in our sector during the third quarter of the current fiscal year.

The following significant legal decisions were made:

- On 24 July 2007 the administrative court of Stuttgart issued a suspension order in a trial to prohibit the brokerage of sports betting and referred the dispute to the European Court of Justice (ECJ) for a preliminary ruling on two legal questions. In its justification for referral, the administrative court of Stuttgart assumes that a national monopoly of certain games of chance, as is currently the case in Germany, contravenes Art. 43 and 49 of EU law.

- On 24 September 2007 the EU Commission informed the German government in a letter published in the press that a law passed to implement or execute a state treaty must be separately notified. This applies at least in those cases where the implementation or execution legislation intensifies the State Treaty on Gaming. In the aforementioned letter the EU Commission cites several examples which require notification. Any contempt of this notification obligation would render the legislation non-applicable.

### **RESEARCH & DEVELOPMENT**

In the first nine months of the current fiscal year, our development activities focused on the following new products and product modifications:

- Development of various betting generators for Lotto, such as »Lotto-Horoscope«, »Lotto Ball Chase« and »Lotto Duo«,
- Development of scratch cards for the state of Lower Saxony,
- Development of a »Summer Lotto« syndicate,
- Improvement of existing products, such as »Tipp-Highlight« for Oddset and revamping of tickets for Glücksspirale,
- Creation of a new gaming experience for the KENO product by changing the bet generating feature.

Furthermore, we introduced the following new technologies and carried out the following optimizations:

- Further development of systems for verifying customer data,
- Improvement of gaming services,
- Further development of software systems to analyze gaming behaviour of our customers,

- Ongoing adaptation of security systems to the latest standards,
- Ongoing development of software systems for expanded capacity.

All the above-mentioned projects were successfully completed by our in-house development departments during the first nine months of 2007. We did not acquire any external R&D know-how. The new product developments made a major contribution towards raising revenue. In the first nine months of the current fiscal year, an average of 58 employees were involved with R&D activities on a full-time or part-time basis. R&D expenses amounted to around EUR 2.2 million and resulted mainly from personnel costs.

## **EARNINGS, FINANCIAL POSITION AND NET ASSETS**

### **EARNINGS**

#### *Special items affect performance*

The Tipp24 Group successfully continued its dynamic growth course of the past few years in the period under review. In comparison with the previous year, there were two **special items** to consider:

- In the third quarter of 2007 two jackpots of EUR 17 million each (July and September) led to an increase in new customers, billings and the activity rate of existing customers.
- The foundation of our new subsidiary in the UK, Tipp24 UK Ltd., incurred considerable start-up costs which are disclosed under »other costs of operations«.

**Adjusted EBIT up 37.0%**

In the first nine months of the current fiscal year there was a year-on-year increase in **EBIT** of 2.4% to EUR 5,238 thousand, while the EBIT margin fell by 2.6%-points to 18.4%. This development resulted mainly from two negative special items in the second quarter of 2007. Capitalised one-off charges of EUR 1.4 million incurred as part of our acquisition strategy were eliminated with an effect on income. In addition, there was an additional one-off personnel expense of EUR 350 thousand.

After adjustment for these special items, EBIT amounted to EUR 7,010 thousand (+37.0%), corresponding to an EBIT margin of 24.6% (+3.6%-points).

In total, there was a year-on-year increase in other operating expenses of 19.8% to EUR 15,633 thousand, compared with an increase in revenues of 17.0% to EUR 28,491 thousand.

The development of EBIT continued to be strongly influenced by the company's German operations, which contributed EUR 5,775 thousand in the first nine months. The domestic EBIT margin fell by 1.3%-points to 23.1% as the two aforementioned special items in the second quarter only affected the »Germany« segment. Adjusted for these effects, EBIT amounted to EUR 7,547 thousand and the EBIT margin to 30.2%. Start-up costs for our newly founded UK subsidiary, Tipp24 UK Ltd., burdened earnings in the »Abroad« segment, which amounted to EUR -537 thousand (prior year: EUR -88 thousand) to EBIT.

**Consolidated net profit** fell by 31.8% to EUR 3,902 (prior year: 5,718) thousand. This was caused by a positive one-off tax effect in the previous year as well as two negative special items in the second quarter.

**Earnings per share** (undiluted and diluted) fell from EUR 0.64 to EUR 0.45.

**Revenues up 17.0%**

In the first nine months of 2007, there was a year-on-year increase in **registered customers** of just 220 thousand (prior year: 259 thousand) – partly as a result of the unfavourable jackpot situation. **Billings** reached EUR 218,176 thousand, corresponding to a year-on-year increase of 17.1%.

At 13.1% the ratio of billings to revenues in the first nine months – **gross margin** – was identical with the prior-year figure. Compared with the first six months, gross margin grew by 0.2%-points. In the third quarter more favourable purchasing conditions for lottery products were negotiated, which to some extent have a retroactive impact on the current fiscal year. The ratio continued to be much higher in our »Abroad« segment, where gross margin reached 24.1% compared with 12.3% for the »Germany« segment (prior year: Abroad 26.5%; Germany 12.2%).

**Revenues** – consisting mainly of commissions and additional fees – rose by 17.0% to EUR 28,491 thousand in the period under review. Revenues in Germany were up 17.2% on the prior-year period to EUR 24,994 thousand and dominated total revenues with a share of 87.7%. Billings grew correspondingly by 16.4% to EUR 203,685 thousand. In our »Abroad« segment we raised billings by 27.0% to EUR 14,491 thousand in the first nine months, despite a lack of relevant jackpot draws.



## Q.III 2007

Nine-month comparison Q.I-III 2007	Q.I-III 2007		Q.I-III 2006		CHANGE	
	EUR THSD.	%	EUR THSD.	%	EUR THSD.	%
Billings	218,176		186,362		31,814	17.1
Remitted stakes less commissions	189,685		162,018		-27,666	17.1
<b>Revenues</b>	<b>28,491</b>	<b>100.0</b>	<b>24,344</b>	<b>100.0</b>	<b>4,148</b>	<b>17.0</b>
Personnel expenses	-7,461	26.2	-5,894	24.2	-1,567	26.6
Other operating expenses	-15,633	54.9	-13,047	53.6	-2,587	19.8
Less other operating income	439	1.5	240	1.0	199	82.9
<b>Operating expenses</b>	<b>-22,655</b>	<b>79.5</b>	<b>-18,700</b>	<b>76.8</b>	<b>-3,955</b>	<b>21.1</b>
<b>EBITDA</b>	<b>5,836</b>	<b>20.5</b>	<b>5,643</b>	<b>23.2</b>	<b>193</b>	<b>3.4</b>
Amortization/depreciation	-598	2.1	-528	2.2	-71	13.4
<b>EBIT</b>	<b>5,238</b>	<b>18.4</b>	<b>5,116</b>	<b>21.0</b>	<b>122</b>	<b>2.4</b>
Financial result	1,665	5.8	611	2.5	1,054	172.4
<b>Net profit before taxes</b>	<b>6,903</b>	<b>24.2</b>	<b>5,727</b>	<b>23.5</b>	<b>1,176</b>	<b>20.5</b>
Income taxes	-3,001	10.5	-9	-	-2,992	-
<b>Net profit</b>	<b>3,902</b>	<b>13.7</b>	<b>5,718</b>	<b>23.5</b>	<b>-1,816</b>	<b>-31.8</b>
<b>Breakdown of other operating expenses</b>						
Marketing expenses	8,190	28.7	8,246	33.9	-56	-0.7
<i>Marketing expenses for own customers</i>	5,870	20.6	5,852	24.0	18	0.3
<i>Business Service commissions</i>	2,319	8.1	2,393	9.8	-74	-3.1
Direct operating expenses	2,352	8.3	2,142	8.8	210	9.8
Other costs of operations	5,092	17.9	2,659	10.9	2,432	91.5
<b>Other operating expenses</b>	<b>15,633</b>	<b>54.9</b>	<b>13,047</b>	<b>53.6</b>	<b>2,587</b>	<b>19.8</b>

*Development of key income statement positions*

There was a year-on-year increase in **personnel expenses** of 26.6% to EUR 7,461 thousand in the period under review. This includes additional one-off charges of EUR 350 thousand in the second quarter. The overall increase in personnel expenses was proportionately higher than the rise in revenues and consequently the personnel expense ratio increased by 2.0%-points to 26.2%. Compared with the first six months, however, the ratio was decreased by 2.7%-points. At the end of the quarter, the number of employees amounted to 152 (151).

There was a year-on-year increase in **other operating expenses** of 19.8% to EUR 15,633 thousand in the first nine months of the fiscal year. The development in detail was as follows:

- **Marketing expenses** fell by 0.7% to EUR 8,190 thousand (28.7% of revenues; -5.1%-points). They are divided into marketing expenses for our own customers and commissions paid to Business Service partners. Marketing expenses for our own customers were up 0.3% to EUR 5,870 thousand in the period under review, compared to last year. Commissions to Business Service partners were down by 3.1% to EUR 2,319 thousand.
- **Direct operating expenses** increased by 9.8% to EUR 2,352 thousand and thus accounted for 1.1% of billings (prior year: 1.1%). In relation to revenues, this cost ratio fell by 0.5%-points to 8.3%.

– **Other operating expenses** rose by 91.5% to EUR 5,092 thousand (prior year: EUR 2,659 thousand). This increase was largely due to legal advice in connection with the current regulatory discussions. This increase was mainly caused by special items – reclassification of consultancy costs for acquisition projects with an effect on profit or loss – amounting to EUR 1.4 million in the second quarter of 2007 and start-up costs for our new UK subsidiary in the third quarter. Additional costs for legal advice and lobbying in connection with the current regulatory discussions also contributed to the increase in this item.

The development of **other operating income** was generally in line with the usual operating fluctuations at Tipp24 for this item.

In comparison with the previous year, **amortization/depreciation** on intangible assets and property, plant and equipment grew in the first nine months by EUR 71 thousand (+13.4%) to EUR 598 thousand. This development is in line with the volume of investments made.

### **SOLID FINANCIAL POSITION**

On 12 February 2007, Tipp24 announced the implementation of a share buyback program under which almost 5% of capital stock (443,615 shares) was acquired. The reduction in equity capital is largely due to the effect of the share buyback program netted with the consolidated result for the period.

On 5 October 2007 Tipp24 decided to carry out a further share buyback program. In the period from 8 October 2007 until no later than 31 March 2008 up to 443,616 own shares are to be purchased via the stock exchange.

As of the balance sheet date, equity capital fell in total by EUR 4.1 million to EUR 56.5 million. In comparison with December 31, 2006, there was a corresponding decrease in the equity ratio of 7.2%-points, from 73.3% to 66.1%. The balance sheet total increased by 3.3% to EUR 85.6 million. Other liabilities rose by 26.3% to EUR 23.8 million, mainly due to an increase in liabilities from gaming operations. These result from customer winnings from draws held prior to the balance sheet date which were still outstanding as of 30 September.

#### **Other liabilities** IN EUR THOUSAND

	30.09.2007	31.12.2006
Liabilities for gaming operations	22,437	17,756
Liabilities for taxes	581	366
Liabilities relating to social security	83	90
Others	655	599
	<b>23,757</b>	<b>18,810</b>

### Investment analysis

In the period under review, we made total investments of EUR 1,507 thousand. The major share of this total was accounted for by the expansion of our infrastructure, especially for the setting up of an international data centre at our London facility. This location was mainly chosen for its much better connections to major international Internet nodes. Apart from this, the main investment projects in the first nine months were the expansion of our accounting

system and the ongoing development of our live systems. We will continue to expand these systems in 2007 in line with growing capacity requirements and the ongoing development of security standards. We also plan to continually update our Office systems. In total, investments were divided as follows: software EUR 496 thousand, hardware EUR 952 thousand, furniture, fixtures and office equipment EUR 59 thousand.

### Liquidity analysis

Key cash flow positions IN EUR THOUSAND	Q.I-III 2007	Q.I-III 2006
Cash flow from operating activities	14,411	5,968
Cash flow from investing activities	616	-7,041
Cash flow from financing activities	-7,972	0
<b>= Net increase/decrease in cash and cash equivalents</b>	<b>7,054</b>	<b>-1,073</b>
Cash and cash equivalents at beginning of the period	60,703	57,174
Non-disclosed Profit/Loss	-81	0
Change in cash, cash equivalents and securities	61	-61
<b>= Cash and cash equivalents at end of the period</b>	<b>67,737</b>	<b>56,039</b>

At EUR 14,411 thousand, **cash flow from operating activities** was significantly higher in the period under review than in the previous year (EUR 5,968 thousand). In comparison with the same period last year, the balance of changes in other assets and other liabilities – which mainly reflects the accounting of gaming operations (receivables from banks and credit card companies, receivables/payables from/to lottery organizers, payables to customers) – made a far more significant contribution to cash flow (EUR +7,128 thousand, prior year: EUR -1,146 thousand). This change is within the usual statistical variation in the processing of gaming activities. **Cash flow from investing activities** fell by EUR 7,656 thousand,

compared with the previous year, to EUR 616 thousand. The decrease was mainly due to a financial investment made last year of EUR 6,500 thousand and the sale of a financial asset during the period under review amounting to EUR 2,122 thousand. **Cash flow from financing activities** amounted to EUR -7,972 thousand and was caused by the above mentioned share buyback program. In the previous year it amounted to EUR 0 thousand. At EUR 15,026 thousand, **free cash flow** was well above the prior-year level.

**ASSET SITUATION**

The assets of Tipp24 mainly comprise current assets amounting to EUR 79,755 thousand (prior year: EUR 77,054 thousand as of the balance sheet date). In turn, these consist largely of cash, cash equivalents and securities (EUR 67,736 thousand), as well as receivables from banks and credit card companies for customer payments (EUR 3,172 thousand), receivables from lottery organizers resulting from winnings of brokered tickets (EUR 2,681 thousand) and from security retainers (EUR 675 thousand).

In the first nine months of 2007, we also held EUR 3,891 thousand in short-term financial investments. The development of assets largely reflects the development of earnings and increased billings. Moreover, Tipp24 has intangible assets – mainly software – amounting to EUR 681 thousand, property, plant and equipment – mainly hardware and office equipment – amounting to EUR 1,815 thousand, long-term financial assets totalling EUR 3,000 thousand and deferred tax assets amounting to EUR 306 thousand.

<b>Other assets and prepaid expenses</b> IN EUR THOUSAND	<b>30.09.2007</b>	<b>31.12.2006</b>
Receivables from gaming operations	6,529	7,407
Prepaid expenses	641	1,520
Other	213	637
	<b>7,382</b>	<b>9,564</b>

**ASSESSMENT OF THE ECONOMIC POSITION**

The current regulatory discussions bear the risk of at least medium-term disruption, up to the complete prohibition of our present business model in Germany, and could thus have a considerable impact on the assets, financial position and earnings of the company. Nevertheless, we regard Tipp24's situation as generally robust. Tipp24 has sufficient resources to successfully prevail even in the face of significant negative regulatory developments. At the same time, the Executive Board sees the opportunity for sustained encouraging growth in the future. This was confirmed once again by our success in the first three quarters of fiscal 2007.

In comparison with other sectors, the online lottery market in Germany, as well as in Spain, Italy and the UK, is still underdeveloped. Tipp24 is excellently positioned to benefit strongly from the resulting market growth. Furthermore, we see attractive additional potential in new product categories and in the course of possible deregulation of European lottery markets. The Group has considerable financial liquidity, mainly from equity capital. This gives us considerable scope to grasp future growth opportunities – for example by means of acquisitions.

## **SUBSEQUENT EVENTS**

On 5 October 2007 Tipp24 decided to carry out a further share buyback program. In the period from 8 October 2007 until no later than 31 March 2008 up to 443,616 own shares are to be purchased via the stock exchange.

In the UK, Tipp24 AG has founded a new wholly-owned subsidiary »Tipp24 UK Ltd.« with a betting licence. On 6 November 2007 we launched a new online business model under [www.mylotto24.co.uk](http://www.mylotto24.co.uk): Tipp24 acts as a broker for bets on the outcome of European lotteries. In the start-up phase, bets will be offered for the following lotteries:

- Italian SuperEnalotto
- European EuroMillones
- German Glücksspirale.

Customers have the opportunity to place individual bets on 1, 2, 3, 4, or 5 correct numbers for SuperEnalotto and EuroMillones with odds fixed by Tipp24. In addition, customers can bet on the jackpots of SuperEnalotto, EuroMillones and the highest winning class of the Glücksspirale with the chance of far greater winnings than the UK's National Lottery jackpot. Tipp24 is thus the only foreign company to offer bets on jackpots in the UK, as Tipp24's presence in Germany, Spain and Italy enables it to cover its winnings risk by purchasing the corresponding lottery products.

## **RISK REPORT**

In our annual report 2006, we described in detail all risks in connection with our business activities, as well as the management of these risks and systems to recognize such risks at an early stage. The risks can be divided mainly into market risks, legal risks resulting from the regulatory environment for the operations of Tipp24, business risks, risks from the processing of gaming operations, personnel risks and general business risks. In addition to this description of our risks, we would like to focus in particular on the following risks:

### **LEGAL RISKS**

#### ***Draft State Treaty on Gaming (GlStV)***

In the follow-up to the verdict of the Federal Constitutional Court (Bundesverfassungsgericht – BVerfG) of 28 March 2006, there have been various judicial verdicts, official directives and political statements of intent at various levels (including the very highest) with regard to the regulation of the gaming sector, some of which are highly contradictory. The respective state authorities are mainly pursuing a policy of strictly defending the state's gaming monopoly while extending it to a marketing monopoly under the guise of effectively combating gambling addiction. In this connection, the premiers of all Germany's federal states signed a State Treaty on Gaming (GlStV). The GlStV contains a general prohibition of marketing for all gaming products, including lotteries, via the Internet. In addition, it includes extensive restrictions, e.g. in the field of marketing, up to and including a ban of certain channels (e.g. Internet and TV). The GlStV is to come into effect on 1 January 2008. It also contains a provision that ratification by just 13 of the 16 state parliaments is sufficient. A one-year grace period until the end of 2008 is planned for existing market players, like Tipp24, which nevertheless constitutes an actual barrier with regard to gaining new customers via the Internet.

As far as we are informed, the GlStV cannot come into effect without the signatures of all 16 state premiers and the ratification of all 16 state parliaments. The latter has been confirmed by an official report prepared by the legal service of the Schleswig-Holstein state parliament.

The legality of the GlStV is also highly controversial. Reputable legal experts, such as Prof. Dr. jur. Rupert Scholz (University of Munich, emer.), Prof. Dr. jur. Clemens Weidemann (University of Würzburg), Prof. Dr. jur. Bodo Pieroth (University of Münster), Prof. Dr. jur. Hans-Detlef Horn (University of Marburg) and Prof. Dr. jur. Georg Hermes (University of Frankfurt) have documented its illegality regarding constitutional and EU law in expert opinions made available to us. Moreover, in a report published on 4 October 2007 the Scientific Service of Schleswig-Holstein's state parliament came to the conclusion that the GlStV contravenes European law and is unconstitutional, at least with regard to gaming brokers.

In compliance with EU legislation a notification process had to be initiated in December 2006 with the EU Commission for the draft of the GlStV. On 22 March 2007 the German government was informed in a »detailed opinion« that the notified GlStV represented an infringement of EU legislation in significant areas. The German government – as the legal representative of the federal states for the EU – was called upon to review the criticized aspects of the notified GlStV by 23 April 2007 and to revise it correspondingly. In their reply, the federal states insisted on maintaining their draft. This caused the EU Commission to formulate a further letter in which additional infringements of the GlStV against EU law were listed. Despite the infringements against current EU legislation, as criticized by the EU Commission, Germany's state premiers signed the notified GlStV in its present form and have presented it for ratification by their respective state parliaments. The GlStV has yet to be ratified by any of Germany's federal states.

The possibility cannot be excluded that these verdicts, directives and political discussions may result in the issuing of laws, ordinances or other directives which together may have a significant adverse effect on the development of the lottery market and thus also on the future business development of Tipp24. In particular, should the GlStV in its current form and subsequent legislation based on the GlStV come into force, this could result in the complete elimination of Tipp24's current business basis in Germany. However, the probability that in such a case Tipp24 would receive temporary legal protection for the continuation of its activities in Germany from the respective courts can be regarded as high due to the »detailed opinion« issued by the EU Commission, as well as additional comments of the Commission and the obvious illegality of numerous regulations in the GlStV.

#### *Lottery law in Saxony-Anhalt*

In early February 2006, the state administration of Saxony-Anhalt informed us that, in their opinion, Tipp24 was contravening the lottery laws of the state of Saxony-Anhalt. According to these laws, gaming brokers offering lottery products in Saxony-Anhalt and charging additional fees, are required to apply for state permission. As we do not charge customers additional fees for our standard products (»Lotto«, »Glücksspirale«, »KENO« etc.), we do not believe that these regulations apply to us. We have not offered the product »Spielgemeinschaften«, for which Tipp24 charges its customers additional fees, in Saxony-Anhalt for some time due to the aforementioned regulation. Contrary to our opinion, the state administration of Saxony-Anhalt believes that all gaming brokers require permission, irrespective of whether they charge additional fees.

Furthermore, we believe that the legality of the lottery law of Saxony-Anhalt is at least questionable. It serves to define in detail the State Treaty on Lotteries adopted by all federal states in 2004. This State Treaty on Lotteries explicitly recognizes the legality of private brokerage activities. In the lottery law mentioned above, however, greatly extended conditions for permission were introduced, which are practically unachievable – for example, the brokerage activity has to be in the public interest. This law thus goes far beyond merely specifying the details of the State Treaty on Lotteries. Moreover, there are also serious doubts from a constitutional law perspective, e.g. a possible contravention of the fundamental right of freedom to choose an occupation.

In early January 2007 the state administration of Saxony-Anhalt served an injunction forbidding Tipp24 AG from carrying out its business operations in Saxony-Anhalt. According to the wording of the injunction, this affects both the brokerage of participation in lotteries in Saxony-Anhalt, especially as the commercial organizer of lottery teams, and advertising for lotteries which are illegal in Saxony-Anhalt and which can be called up in this state. The prohibition had immediate effect. Tipp24 has filed a suit for temporary legal protection with the relevant administrative court. The ban has been suspended until a decision has been reached in the principal proceedings and the lottery law of Saxony-Anhalt has been referred to the Federal Constitutional Court due to constitutional objections. A decision in the principal proceedings cannot be made before this examination. Should Tipp24 AG be permanently prevented from carrying out its business in Saxony-Anhalt, this would lead to a reduction in revenue in the middle six-figure euro range per year and a similar decrease in EBIT, based on the company's business volume in fiscal 2006 from the moment of the effective prohibition. In addition, Tipp24 may face non-criminal, and possibly also criminal sanctions.

### *Electronic betting in Italy*

From 4 July 2006 to 27 August 2007 the website of Puntogioco24 was blocked due to a directive issued by the Italian authorities. It was therefore not possible for Tipp24 AG to carry out its business activities in Italy. Puntogioco24 took legal action and claimed for damages. A final ruling on the matter is expected in the first quarter of 2008. In May 2005, the public prosecutor had launched a preliminary investigation against the managing director of Puntogioco24 on suspicion of a breach of the ban on accepting bets via electronic communications media without authorization or without being properly engaged to accept bets via this form of media. Criminal proceedings instituted on 12 July 2006 at trial court ended on 27 September 2007 with an acquittal. The prosecutor is entitled to appeal, but has not yet taken such action.

Tipp24 does not believe that Puntogioco24's activities breach the above mentioned provisions because Puntogioco24 does not operate as a broker of lottery products but is instead engaged by lottery players to deliver the lottery tickets to an authorized lottery agent on their behalf. The gaming agreement is entered into directly between the lottery player and the lottery operator. Because of this direct relationship, the lottery player has a direct claim to the prize proceeds. There is a risk that our website might be blocked again and that our business in Italy might have to be completely terminated. This would result in a minor single-digit percentage reduction of our revenue expectations for the current year. No adverse effect on earnings is expected in such a case, as Puntogioco24 is currently not generating profit. The investments made by Tipp24 in Puntogioco24 so far consist mainly of its cumulative start-up losses.

## **BUSINESS RISKS**

### *Termination of agreements between state lottery companies and Tipp24*

Tipp24 has signed agreements with eight lottery companies which regulate Tipp24's online brokerage of state-licensed lottery products, and in particular transaction processing and the commissions paid for such brokerage. These agreements can be terminated by either party at short notice. Should the majority of these state lottery companies, or even all of them, decide to terminate their agreements with Tipp24, this might impede or even prevent direct transaction processing with the state lottery companies. This might result in a reduction of the average commission fee, and thus of our gross margin, and have further significant adverse effects on Tipp24's net assets, financial position and results of operations.

## **FORECAST REPORT**

Allowing for the fact that there were no relevant jackpot draws (by chance) in the first nine months of the year, we aim to add a further 300 thousand customers during the current business year – corresponding to the lower end of our projected growth range. We therefore expect to raise billings and revenue by just over 20%. Due to the scalability of our business model, we expect a strong increase in our EBIT result – adjusted for the above mentioned special items totalling EUR 1.8 million. Even including these items we expect to post a slightly higher EBIT result than in the previous year. The as yet unratified GlStV does not include any restrictions of our business activities in Germany in the current fiscal year. Against this backdrop, we expect that the current political and legal discussions will not have any direct impact on our business activities in the current year – with the exception of additional costs for lobbying and legal advice.

## **OPPORTUNITIES**

In the above-mentioned discussions of the legal framework, we believe it is unlikely that Germany's legislators will act against valid law and political common sense by restricting the growing market of online lottery brokerage. Recently announced verdicts, especially of the Federal Constitutional Court and the Federal Cartel Authority, as well as supplementary regulations on a European level, may result in steps towards deregulation in the medium term with a direct or indirect impact on lotteries. As an internationally aligned company, Tipp24 may benefit more than average from such a development: our German customers, above all, would gain access to further highly attractive products and enable Tipp24 to enter new markets with its existing products. Deregulation would also probably result in a complete clarification of the legal situation in Italy and thus provide our Italian subsidiary Puntogioco24 with the opportunity to freely pursue its business interests.



Q.III 2007

## CONSOLIDATED INCOME STATEMENT ACC. TO IFRS

IN EUR	Q.III 2007	Q.III 2006	Q.I-III 2007	Q.I-III 2006
Billings	78,592,442.47	69,006,333.88	218,175,871.14	186,361,667.87
Remitted stakes less commissions	-68,059,043.44	-59,992,093.75	-189,684,545.23	-162,018,111.91
<b>Revenue</b>	<b>10,533,399.03</b>	<b>9,014,240.13</b>	<b>28,491,325.91</b>	<b>24,343,555.96</b>
Other operating income	37,415.71	23,438.10	438,812.16	239,949.69
<b>Total operating performance</b>	<b>10,570,814.74</b>	<b>9,037,678.23</b>	<b>28,930,138.07</b>	<b>24,583,505.65</b>
<b>Operating expenses</b>				
Personnel expenses	-2,261,961.48	-2,018,670.66	-7,460,616.46	-5,893,716.61
Amortization/depreciation on intangible assets and property, plant and equipment	-204,383.12	-165,447.28	-598,495.89	-527,711.26
Other operating expenses	-5,225,061.39	-4,745,555.32	-15,633,149.72	-13,046,573.93
<b>Total operating expenses</b>	<b>-7,691,405.99</b>	<b>-6,929,673.26</b>	<b>-23,692,262.07</b>	<b>-19,468,001.80</b>
<b>Result from operating activities</b>	<b>2,879,408.75</b>	<b>2,108,004.97</b>	<b>5,237,876.00</b>	<b>5,115,503.85</b>
Financial result	579,606.54	400,602.57	1,664,842.73	611,280.12
<b>Result from ordinary activities</b>	<b>3,459,015.29</b>	<b>2,508,607.54</b>	<b>6,902,718.73</b>	<b>5,726,783.97</b>
Income taxes	-1,544,523.25	-998,663.62	-3,000,848.75	-8,510.15
<b>Consolidated net profit</b>	<b>1,914,492.04</b>	<b>1,509,943.92</b>	<b>3,901,869.98</b>	<b>5,718,273.82</b>
Earnings per share (undiluted and diluted; in EUR/share)	0.22	0.17	0.45	0.64
Weighted average number of ordinary shares outstanding (undiluted and diluted)	8,587,700	8,872,319	8,587,700	8,872,319

(Rounding differences in the Interim Consolidated Financial Statements due to presentation in EUR thousand)

Q.III 2007

## CONSOLIDATED BALANCE SHEET ACC. TO IFRS

<b>ASSETS</b> IN EUR	30.09.2007	31.12.2006
<b>Current assets</b>		
Cash and cash equivalents	67,736,898.29	60,702,758.83
Pledged cash	0.00	61,387.20
Short-term financial assets	3,891,400.00	6,013,814.44
Trade receivables	19,688.44	18,170.27
Income tax refund claims	724,498.60	693,610.49
Other assets and prepaid expenses	7,382,370.50	9,564,270.87
<b>Total current assets</b>	<b>79,754,855.83</b>	<b>77,054,012.10</b>
<b>Non-current assets</b>		
Intangible assets	681,296.88	372,831.08
Other equipment, furniture and fixtures and leased assets	1,815,310.73	1,216,717.32
Financial assets	3,000,000.00	3,000,000.00
Deferred tax assets	305,832.48	1,150,826.72
<b>Total non-current assets</b>	<b>5,802,440.09</b>	<b>5,740,375.12</b>
	<b>85,557,295.92</b>	<b>82,794,387.22</b>
<b>EQUITY AND LIABILITIES</b> IN EUR	30.09.2007	31.12.2006
<b>Current liabilities</b>		
Trade payables	3,043,558.76	2,122,606.59
Other liabilities	23,756,621.33	18,810,222.09
Deferred income	201,925.77	379,478.02
Income tax liabilities	1,329,380.93	445,105.32
Provisions	694,095.14	371,045.17
<b>Total current liabilities</b>	<b>29,025,581.93</b>	<b>22,128,457.19</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,146.29	14,249.00
<b>Total non-current liabilities</b>	<b>4,146.29</b>	<b>14,249.00</b>
<b>Equity</b>		
Subscribed capital	8,872,319.00	8,872,319.00
Capital reserves	41,143,321.36	41,143,321.36
Earned surplus	27,658.00	0.00
Other reserves	-59,772.69	21,690.02
Retained earnings	14,516,220.63	10,614,350.65
<i>Accumulated profit/loss carried forward</i>	10,614,350.65	3,169,516.45
<i>Net profit</i>	3,901,869.98	7,444,834.20
Own shares	-7,972,178.60	0.00
<b>Total equity</b>	<b>56,527,567.70</b>	<b>60,651,681.03</b>
	<b>85,557,295.92</b>	<b>82,794,387.22</b>

Q.III 2007

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER

IN EUR	Q.I-III 2007	Q.I-III 2006
<b>Cash flow from operating activities</b>		
Result from operating activities	5,237,876.00	5,115,503.85
<i>Adjustments for:</i>		
Amortization/depreciation on non-current assets	598,495.89	527,849.60
Loss on the disposal of non-current assets	984.83	38,954.34
<i>Changes in:</i>		
Trade receivables	-1,518.17	69,124.77
Other assets	2,181,900.37	-2,745,889.56
Trade payables	920,952.17	1,591,902.39
Other liabilities	4,946,399.24	1,599,437.66
Provisions	323,049.97	58,572.44
Deferred income	-177,552.25	-4,825.91
Interest received and similar income	1,671,985.78	1,054,468.61
Earned surplus	27,658.00	0.00
Fee for share loan	0.00	-440,340.31
Interest paid and similar expenses	-7,143.05	-2,848.18
Taxes paid	-1,312,569.72	-894,353.34
<b>Cash flow from operating activities</b>	<b>14,410,519.06</b>	<b>5,967,556.36</b>
<b>Cash flow from investing activities</b>		
Disbursements for financial investments	2,122,414.44	-6,500,000.00
Investments in intangible assets	-495,637.56	-118,794.08
Investments in property, plant and equipment	-1,010,902.37	-421,773.13
<b>Cash flow from investing activities</b>	<b>615,874.51</b>	<b>-7,040,567.21</b>
<b>Cash flow from financing activities</b>		
Own shares	-7,972,178.60	0.00
<b>Cash flow from financing activities</b>	<b>-7,972,178.60</b>	<b>0.00</b>
<b>Change in cash, cash equivalents and securities</b>		
Change in cash, cash equivalents and securities	7,054,214.97	-1,073,010.85
Cash, cash equivalents and securities at the beginning of the period	60,702,758.83	57,173,611.83
Non-cash income from securities	-81,462.71	0.00
Change in pledged cash and cash equivalents	61,387.20	-61,387.20
<b>Cash, cash equivalents and securities at the end of the period</b>	<b>67,736,898.29</b>	<b>56,039,213.78</b>
<b>Composition of cash, cash equivalents and securities at the end of the period</b>		
Cash on hand, bank balances and checks	39,032,438.69	7,215,728.51
Current investments	28,704,459.60	48,884,872.47
Pledged cash, cash equivalents and securities	0.00	-61,387.20
	<b>67,736,898.29</b>	<b>56,039,213.78</b>

Q.III 2007

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

IN EUR	SHARE CAPITAL	CAPITAL RESERVES	OTHER RESERVES	RETAINED EARNINGS	OWN SHARES	TOTAL EQUITY
<b>As at</b>						
<b>1 January 2006</b>	<b>8,872,319.00</b>	<b>41,143,321.36</b>	<b>0.00</b>	<b>3,169,516.45</b>	<b>0.00</b>	<b>53,185,156.81</b>
Net unrealised gains/losses	0.00	0.00	19,436.12	0.00	0.00	19,436.12
Net profit for the period	0.00	0.00	0.00	5,718,273.82	0.00	5,718,273.82
<b>As at</b>						
<b>30 September 2006</b>	<b>8,872,319.00</b>	<b>41,143,321.36</b>	<b>19,436.12</b>	<b>8,887,790.27</b>	<b>0.00</b>	<b>58,922,866.75</b>
Net unrealised gains/losses	0.00	0.00	2,253.90	0.00	0.00	2,253.90
Net profit for the period	0.00	0.00	0.00	1,726,560.38	0.00	1,726,560.38
<b>As at</b>						
<b>31 December 2006</b>	<b>8,872,319.00</b>	<b>41,143,321.36</b>	<b>21,690.02</b>	<b>10,614,350.65</b>	<b>0.00</b>	<b>60,651,681.03</b>
Own shares	0.00	0.00	0.00	0.00	-7,972,178.60	-7,972,178.60
Earned surplus	0.00	0.00	0.00	27,658.00	0.00	27,658.00
Net unrealised gains/losses	0.00	0.00	-82,609.97	0.00	0.00	-82,609.97
Unrealised currency exchange gains/losses	0.00	0.00	1,147.26	0.00	0.00	1,147.26
Net profit for the period	0.00	0.00	0.00	3,901,869.98	0.00	3,901,869.98
<b>As at</b>						
<b>30 September 2007</b>	<b>8,872,319.00</b>	<b>41,143,321.36</b>	<b>-59,772.69</b>	<b>14,543,878.63</b>	<b>-7,972,178.60</b>	<b>56,527,567.70</b>

Q.III 2007

## SEGMENT REPORTING

### Q.III

IN EUR THOUSAND	GERMANY		ABROAD		CONSOLIDATION		CONSOLIDATED	
	01.07.– 30.09.2007	01.07.– 30.09.2006	01.07.– 30.09.2007	01.07.– 30.09.2006	01.07.– 30.09.2007	01.07.– 30.09.2006	01.07.– 30.09.2007	01.07.– 30.09.2006
Billings	73,602	65,247	4,990	3,759	0	0	78,592	69,006
Revenue	9,337	8,015	1,196	999	0	0	10,533	9,014
Depreciation/amortization	181	143	23	23	0	0	204	165
<b>EBIT</b>	<b>3,362</b>	<b>2,111</b>	<b>-483</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>2,879</b>	<b>2,108</b>
Financial result							580	401
Income taxes							-1,545	-999
<b>Consolidated net profit</b>							<b>1,914</b>	<b>1,510</b>
Assets	7,883	8,873	784	134	-488	-47	8,180	8,960
Debts	5,432	7,378	1,051	100	-265	-47	6,218	7,430
Investments	454	4,097	716	20	0	0	1,170	4,117

### Q.I-III

IN EUR THOUSAND	GERMANY		ABROAD		CONSOLIDATION		CONSOLIDATED	
	01.01.– 30.09.2007	01.01.– 30.09.2006	01.01.– 30.09.2007	01.01.– 30.09.2006	01.01.– 30.09.2007	01.01.– 30.09.2006	01.01.– 30.09.2007	01.01.– 30.09.2006
Billings	203,685	174,952	14,491	11,410	0	0	218,176	186,362
Revenue	24,994	21,318	3,497	3,026	0	0	28,491	24,344
Depreciation/amortization	531	472	67	56	0	0	598	528
<b>EBIT</b>	<b>5,775</b>	<b>5,204</b>	<b>-537</b>	<b>-88</b>	<b>0</b>	<b>0</b>	<b>5,238</b>	<b>5,116</b>
Financial result							1,665	611
Income taxes							-3,001	-9
<b>Consolidated net profit</b>							<b>3,902</b>	<b>5,718</b>
Assets	83,945	81,699	5,158	3,462	-3,546	-3,694	85,557	81,467
Debts	24,916	19,983	4,650	2,828	-536	-267	29,030	22,544
Investments	710	6,853	797	187	0	0	1,507	7,041

The Group distinguishes between the segments »Germany« and »Abroad«. The »Abroad« segment comprises the Group's activities in Spain, Italy and the UK. In the context of segment reporting for the geographical segments, segment revenue relates to

the geographical location of the operating units (group subsidiaries) which generate that revenue. This more or less equates to the geographical location of the respective customers.

## SELECTED EXPLANATORY NOTES

### GENERAL

This unaudited interim report for the first nine months according to Sec. 37w (5) p.1 and p.5 WpHG of Tipp24 AG as at 30 September 2007 was prepared in accordance with the IFRS and IFRIC of the International Accounting Standards Board (IASB) as valid at the balance sheet date.

The period under review is from 1 January to 30 September 2007.

The same accounting policies and calculation methods were used for this nine-month report as for the consolidated financial statements as at 31 December 2006.

The basis of consolidation consists of the subsidiaries listed below, in which the Company holds/held the following interests:

	30.09.2007 %	31.12.2006 %	YEAR OF INITIAL CONSOLIDATION
Ventura24 S.L., Madrid/Spain	100	100	2001
GSG Lottery Systems GmbH, Hamburg	100	100	2001
Puntogioco24 s.r.l., Monza/Italy	100	100	2004
Tipp24 UK Ltd., London/Great Britain	100	–	09/2007
Tipp24 Services Ltd., London/Great Britain	100	–	09/2007

In accordance with IAS 27 and SIC 12.10, Schumann OHG, Hamburg, was included in the consolidated financial statements, even though Tipp24 AG does not hold an equity interest or voting rights in it.

Tipp24 UK Ltd. was founded by Tipp24 AG on 28 February 2007. Tipp24 Services Ltd. was founded by Tipp24 AG on 5 September 2007. Acquisition costs of GBP 1 thousand were incurred. At the time, there was no difference between book value and fair value. Since foundation, the contribution to earnings has totalled EUR –480 thousand.

### SHARE-BASED REMUNERATION

The stock option plan of Tipp24 AG is a share-based remuneration system with compensation via equity instruments, so that the fair value is calculated at the time of granting. As of fiscal year 2007, the Company values the stock option plan 2005 of Tipp24 AG using financial valuation methods

according to the Black-Scholes-Merton formula. A total amount of EUR 28 thousand for share-based remuneration was recognized in personnel expenses in the first three quarters of 2007.

## FINANCIAL INSTRUMENTS

The following table shows the significance of key financial instruments for our assets and earnings positions.

IN EUR THOUSAND	BOOK VALUE		FAIR VALUE	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
<b>Financial assets</b>				
<b>Credit balances with credit institutes and cash</b>				
	<b>39,032</b>	<b>5,099</b>	<b>39,032</b>	<b>5,099</b>
<b>Other primary financial assets</b>				
Available-for-sale financial assets	32,596	59,593	32,596	59,593
Held-to-maturity financial assets	3,000	5,024	3,000	5,006
<i>short-term</i>				
<i>long-term</i>	3,000		3,000	
Other financial assets (short-term)	6,529	8,205	6,864	8,205
	<b>42,125</b>	<b>72,822</b>	<b>42,460</b>	<b>72,804</b>
<b>Financial liabilities</b>				
<b>Trade payables</b>	<b>-3,044</b>	<b>-2,123</b>	<b>-3,044</b>	<b>-2,123</b>
<b>Other liabilities</b>	<b>-22,437</b>	<b>-17,756</b>	<b>-22,437</b>	<b>-17,756</b>

Tipp24 only invests in financial assets secured by a capital guarantee. Financial assets currently held bear no currency risk and only a very limited interest risk.

The latter applies merely to a part of the potential yield, but not to the invested amounts.

## RELATED PARTIES

The members of Tipp24 AG's Executive Board and Supervisory Board, as well as their immediate relatives, are regarded as related parties in accordance with IAS 27. The transactions and legal relationships of the companies included in the consolidated financial statements with these persons are detailed in the Annual Report 2006. Sannwald Jaenecke & Cie.

GmbH, Munich, in which Supervisory Board Chairman Mr. Klaus F. Jaenecke holds an interest, provided the Company with consultancy services for which it received total fees of EUR 3 thousand. Remuneration was in line with standard market conditions.

**OTHER DISCLOSURES**

Dr. Hans Cornehl, Marc Peters and Jens Schumann were members of the Executive Board in the period under review.

Mr. Marc Peters left the company with effect from 30 June 2007.

The members of the Supervisory Board in the period under review were Klaus F. Jaenecke (Chairman), Dr. Hans-Wilhelm Jenckel (Deputy Chairman) and Annet Aris.

The members of the Executive Board and Supervisory Board did not acquire or sell shares in Tipp24 AG in the third quarter of 2007 (Directors' Dealings). As of 30 September 2007 the members of the Executive Board held the following amounts of shares in Tipp24 AG:

DIRECTORS' DEALINGS & HOLDINGS	AS OF 31.12.2006	CHANGE	AS OF 30.09.2007
<i>Executive Board</i>			
Dr. Hans Cornehl	134,695	0	134,695
Jens Schumann	903,518	0	903,518

*Hamburg, 25 October 2007*

**The Executive Board**

Dr. Hans Cornehl      Jens Schumann



**EDITOR**

**Tipp24 AG**

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