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TIPP24
PROMOTED TO SDAX



HALF-YEAR REPORT Q.I-II
1 JAN.-30 JUN. 2009

Q.I-II 2009

PERFORMANCE Q.I-II



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(Rounding differences in the Management Report due to presentation in EUR thousand)

FOREWORD

LADIES AND GENTLEMEN,

In the first half of 2009 – and thus in the first six months since the new State Treaty on Gaming (GlüStV) came into power in Germany – there were further intensive political and legal discussions about Germany’s gaming market and the respective legal conditions: various decrees and verdicts were passed in summary and principal proceedings which affected both Tipp24 itself and various other market participants. As expected, this has resulted in a very varied picture. Numerous court proceedings have been suspended until a settlement has been reached at a European level.

The legal situation abroad is far more encouraging: England offers a stable legal environment in line with market requirements. Spain has also proved to be a stable regulatory environment, and in Italy we expect the remaining technical questions concerning the use of our brokerage licence to be settled in the coming months.

BUSINESS FIELDS RESTRUCTURED

As the basis for our former business model in Germany was removed with the enforcement of the new State Treaty on Gaming (GlüStV) on 1 January 2009, Tipp24 AG was forced to restructure its business fields as of 1 January 2009: we transferred the majority of our activities in connection with the brokerage or offer of lottery products to MyLotto24 Ltd. and its subsidiaries, which has been operating in the UK since 2007. This affected both the brokerage of the state-operated German lottery products, as well as the subsidiaries Ventura24 S.L. in Spain and Puntogioco24 S.r.l. in Italy. On 30 April 2009, Tipp24 AG transferred control over its UK subsidiaries in accordance with company law. The move reflects the operating independence of these companies in their respective business fields. Specifically, 60% of the voting shares in both MyLotto24 Ltd. and Tipp24 Services Ltd. were sold to a Swiss foundation set up by Tipp24 AG. These shares have a guaranteed limited right to annual dividends amount-

ing to a five-figure sum in British pounds. Despite the sale of the majority of voting shares in the aforementioned companies, – meaning that these companies can no longer be controlled – Tipp24 AG expects that MyLotto24 Ltd. and its subsidiaries will continue to be fully consolidated in the Group’s accounts. Tipp24 AG also expects that the German legislation which forbids its operations – in contravention of EU law – will be adapted to the requirements of higher-ranking European legislation again in the medium term. Until this time, the profits generated by the affiliated companies in the UK will be retained on the level of MyLotto24 Ltd.. After the legal situation has been settled in its favour, Tipp24 AG has the right to repurchase the sold shares from the foundation.

In the course of this restructuring, MyLotto24 Ltd. and its subsidiaries were able to recruit new staff and gain numerous highly capable suppliers. This has enabled them to conduct operations independently and reliably while maintaining a high standard of quality.

Marketing of the German class lotteries NKL and SKL, however, will continue to be conducted by Schumann e. K.. Activities in the field of skill-based games will also be further developed in Germany.

TIPP24 PROMOTED TO SDAX

The wisdom of these strategic decisions was also confirmed by the capital market – as documented by our share price, which shot up by 70.4% in the second quarter of 2009. In direct connection with this development, we are proud and pleased to announce that Tipp24 AG was the sixth Hamburg-based company to be admitted to the SDAX index on 22 June 2009. Admission to the index is a further milestone for Tipp24: as a member of SDAX, we expect increased attention from investors and a boost in share liquidity.

Q.I-II 2009**INCREASED REVENUES AND EARNINGS**

In the first six months of 2009, our Germany segment posted its first negative half-year result since 2001 with an EBIT of EUR –6,753 thousand (prior year: EUR +5,350 thousand). This was a result of the considerable legal restrictions imposed by the GlüStV in Germany and costs incurred by the restructuring of our business. Thanks to the much stronger focus we already placed on expanding our foreign business over the past 21 months and the changes described above, however, the Group's »Abroad« segment posted a strongly positive EBIT result of EUR 29,754 thousand (prior year: EUR –952 thousand). All in all, consolidated revenues were raised to EUR 46,556 thousand while consolidated EBIT increased by EUR 18,349 thousand to EUR 22,748 thousand.

FURTHER SHARE BUYBACK PROGRAMME COMPLETED

On 30 April 2009, we decided to implement a further share buyback programme with the aim of buying back shares of Tipp24 AG with a total value of up to EUR 2,000 thousand (including transaction costs) via the stock exchange in the period between 11 May and 30 September 2009. Tipp24 AG completed this share buyback programme on 29 June 2009, after having purchased a total of 135,139 treasury shares, or 1.69% of capital stock at an average price of EUR 14.74 (total amount: EUR 1,999,985.48). As of 29 June 2009, Tipp24 AG holds a total of 365,180 treasury shares, corresponding to 4.57% of capital stock.

OUTLOOK

In Germany, we plan to clarify the legal and political conditions for our business model by utilising all available appeal possibilities and continuing our political lobbying. In addition, we intend to expand our activities in the field of skill-based games. According to the executive boards of our minority shareholdings, the growth strategy in Europe is also to be consequently continued.

The results and experience gained in the first six months of our new foreign business mean that we can now give a more reliable forecast for 2009. We expect revenues to increase to at least EUR 85,000 thousand. According to our current projections, operating profit before interest and tax (EBIT) will amount to at least EUR 40,000 thousand in the current fiscal year. The payment of statistically unusually high or frequent winnings in the second half of the year, however, would dampen these expectations for both revenues and EBIT.

The Executive Board

Jens Schumann

Dr. Hans Cornehl

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KEY CONSOLIDATED FIGURES OF TIPP24 AG ACC. TO IFRS

		Q.I-II 2009	Q.I-II 2008	Change
Billings	EUR thousand	46,556	21,564	+115.9%
EBIT	EUR thousand	22,748	4,398	+417.2%
EBIT margin	%	48.9%	20.4%	28.5%-points
Net profit	EUR thousand	17,314	3,482	+397.2%
Net operating margin	%	37.2%	16.1%	21.1%-points
Cash flow from operating activities	EUR thousand	29,773	2,510	> 100%
Equity	EUR thousand	64,220	54,922	+16.9%
Employees (30 June)		114	184	-38.0%

(Rounding differences due to presentation in EUR thousand)

INVESTOR RELATIONS

TIPP24 ADMITTED TO SDAX

PERFORMANCE OF THE TIPP24 SHARE



Q.I-II 2009**KEY FIGURES PER SHARE**

Day of initial listing	12.10.2005
Year-opening price	EUR 5.71
Market capitalization (01.01.2009)	EUR 46 million
Closing price at the end of period	EUR 16.70
Market capitalization (30.06.2009)	EUR 133 million
Highest price (26.06.2009)	EUR 17.00
Lowest price (07.01.2009)	EUR 5.85
Number of shares (30.06.2009)	7,985 thousand
Average daily trading (until 30.06.2009)	39,767 shares
Earnings per share (undiluted and diluted)	EUR 2.21

SHAREHOLDER SERVICE

WKN	784714
ISIN	DE0007847147
Ticker symbol	TIM.DE
Stock exchange	Frankfurt
Market segment	Official Market, Prime Standard
Designated Sponsor	Sal. Oppenheim
Coverage	Deutsche Bank, Sal. Oppenheim, Warburg/ SES
Reuters	TIMGn.DE
Bloomberg	TIM GR

Slightly more optimistic economic forecasts helped share markets regain some of their lost ground in the second quarter. The SDAX small-cap index, for example, rose by 22.3% to 2,904.78 points in the second quarter. Against this backdrop, the Tipp24 share was able to confirm its strong upward trend and grew by 70.4% to EUR 16.70 in the second quarter.

This strong performance was also reflected in Tipp24's admission to the SDAX index: on 22 June 2009, Tipp24 AG was the sixth Hamburg company to be admitted to the index, which lists 50 small German companies. The decision was taken by the Frankfurt Stock Exchange's Working Group on Stock Indexes at its meeting on 4 June 2009.

The Annual General Meeting of Tipp24 AG was held at the InterContinental Hotel in Hamburg on 16 June 2009. A total of 55.16% of voting share capital was represented. The Annual General Meeting approved the proposals of the Executive Board and Supervisory Board regarding all agenda items. In view of the generally satisfactory development of the Company, we were able to propose a dividend of 50 cents per share once again, which was distributed to shareholders as of 17 June 2009.

INTERIM GROUP MANAGEMENT REPORT

BUSINESS & ECONOMIC CONDITIONS

LOTTERY BUSINESS POOLED IN UK

Tipp24 AG reorganised its business fields as of 1 January 2009. We transferred the majority of our activities in connection with the brokerage or offer of lottery products to MyLotto24 Ltd. and its subsidiaries, which has been active in the UK since 2007. This concerns both the brokerage of state-run German lottery products, as well as our subsidiaries Ventura24 S.L. in Spain and Puntogioco24 S.r.l. in Italy.

On 30 April 2009, Tipp24 AG transferred control over its UK subsidiaries in accordance with company law. The move reflects the operating independence of these companies in their respective business fields. Specifically, 60% of the voting shares in both MyLotto24 Ltd. and Tipp24Services Ltd. were sold to a Swiss foundation set up by Tipp24 AG in the form of preference shares stripped of their main economic rights. These shares have a guaranteed limited right to dividends of up to a total of GBP 30 thousand p.a.. Despite the sale of the majority of voting shares in the aforementioned companies, – meaning that these companies can no longer be controlled – Tipp24 AG expects that MyLotto24 Ltd. and its subsidiaries will continue to be fully consolidated in the Group's accounts. Tipp24 AG also expects that the German legislation which forbids its operations – in contravention of EU law – will be adapted to the requirements of higher-ranking European legislation again in the medium term. Until this time, the profits generated by the affiliated companies in the UK will be retained on the level of MyLotto24 Ltd.. After the legal situation has been settled in its favour, Tipp24 AG has the right to repurchase the sold shares from the foundation.

In the course of restructuring, MyLotto24 Ltd. and its subsidiaries recruited new staff and gained numerous highly capable suppliers, which have enabled them to conduct their business independently and reliably at a high quality standard.

Marketing of the German class lotteries NKL and SKL, however, will continue to be conducted by Schumann e. K.. Activities in the field of skill-based games will also be further developed in Germany. In the following, Tipp24 AG and the consolidated group will be referred to simply as »Tipp24«.

Focus on non-German business

By pooling our lottery activities with MyLotto24 Ltd. in the UK, we have laid the foundations for a positive development of our foreign business. We have therefore drawn the consequences from the German State Treaty on Gaming (GlüStV) – which we believe is contrary to valid law –, whose second stage came into effect on 1 January 2009 and which completely bans the brokerage of state-run lotteries via the Internet in Germany. The Executive Board of Tipp24 AG will focus in future on expanding the Tipp24Games division and identifying and acquiring new business models in Germany and Europe. After the legal situation has been settled in its favour, Tipp24 AG intends to resume its previous activities as a private gaming broker from its base in Germany as swiftly as possible.

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Up to 8 January 2009, tickets were submitted by Tipp24 Services Ltd. directly to the German state lottery companies via the Tipp24.com website. From this day on, the lottery companies were no longer willing to provide their electronic interfaces for the acceptance of tickets. Tickets have since been transferred by Tipp24 Services Ltd. to MyLotto24 Ltd.. This company organizes English secondary lotteries based on various European lotteries. In contrast to Tipp24 Services Ltd., which merely acts as a broker, MyLotto24 Ltd. bears the bookmaking risk. Active repeat tickets from 2008 or earlier were mostly submitted to the German »Lottoblock« in the first quarter of 2009. They were thus still entitled to receive winnings from German state lottery draws. As of 1 January 2009, tickets are only accepted from customers who confirm that they are not in Germany when submitting their tickets.

ONGOING ECONOMIC CRISIS*Global recession*

The global economic recession became even more severe in the first months of 2009. Following a massive decline in global economic activity in the wake of the dramatic financial market crisis of autumn 2008, world output fell sharply again in the first quarter of 2009. The downturn continued at pace in both the industrialized nations and most emerging economies.

Europe

Whereas the current economic climate in the Euro zone is still depressed at present, there are signs that the situation may still improve this year. Any relief, however, is not expected before autumn 2009. It remains to be seen whether this turning point will lead to a sustained economic upturn or merely to GDP growth of around zero percent. The uncertainty surrounding future economic development – which depends to a large extent on the Euro zone – and the consequences of the economic crisis for the job market are too large to permit any reliable forecasts at present.

MARKET SITUATION IN GERMANY STILL UNRESOLVED

The intensive political and legal discussions concerning Germany's gaming market and the respective legal conditions for our sector continued in the first half of the current fiscal year. Various decrees and verdicts have been passed in summary and principal proceedings, which affected both Tipp24 itself and various other market participants. As expected, this has resulted in a very varied picture. Numerous court proceedings have been suspended until a settlement has been reached at a European level.

LEGAL SITUATION ABROAD FAR MORE ENCOURAGING

England offers a stable legal environment in line with market requirements and Spain has also proved to be a stable regulatory environment.

In Italy, the blocking of the website belonging to Puntogioco24 S.r.l. – which operated without a concession – has now become final and absolute. However, this will have no material effect on Tipp24's current net assets, financial position and results of operations, as Puntogioco24 S.r.l. has so far made only a small contribution to consolidated revenues and the company has not yet generated any significant profits.

However, the remaining questions concerning the technical connection by the state monopolies commission to use the legal brokerage concession for the Italian market already acquired by Giochi24 S.r.l. in 2008 are expected to be settled in the coming months.

RESEARCH & DEVELOPMENT

In the first half of the current fiscal year, domestic R&D activities focused on expanding the product range of our Skill Based Games division. In the Abroad segment, the main focus was placed on updating, internationalising and standardising the gaming software used in the various national markets. This project is managed directly by the foreign minority shareholdings in cooperation with external service companies. It is expected that the project will continue throughout the whole of fiscal 2009. In addition, some of our subsidiaries made various improvements to

products, capacities and security systems. We also acquired external R&D know-how for certain projects. These product improvements made a corresponding contribution towards raising revenue. In the first half of the current fiscal year, an average of 41 employees were involved with R&D activities on a full-time or part-time basis. R&D expenses amounted to around EUR 958 thousand and resulted mainly from personnel costs.

EARNINGS, FINANCIAL POSITION AND NET ASSETS

EARNINGS

Three special items are to be considered when comparing figures with those of the previous year:

- The second stage of the GlüStV with its various regulations came into effect on 1 January 2009. As a consequence, Tipp24 was forced to restructure its business fields and the basis for the overwhelming part of its German operations was removed (with the exception of Skill Based Games and the class lotteries). In particular, the online brokerage of lotteries and its respective advertising were completely forbidden.
- Considerable restructuring costs were incurred in the course of this reorganisation of the Group.
- There was the second largest jackpot in the history of German Lotto in January 2009.

EBIT

In the first six months of the current fiscal year, the German segment posted a negative quarterly EBIT of EUR –6,753 thousand (prior year: EUR +5,350 thousand). This was a result of the considerable legal restrictions imposed by the GlüStV and significant restructuring costs, as well as start-up losses in the Skill Based Games division. Thanks to the sustained focus we placed on expanding our international business in recent years, the »Abroad« segment made very encouraging progress with an EBIT result of EUR 29,754 thousand (prior year: EUR –952 thousand). In total, consolidated EBIT was raised to EUR 22,748 thousand (prior year: EUR 4,398 thousand). The EBIT margin grew by 28.5 %-points to 48,9%. Consolidated net profit rose to EUR 17,314 thousand (prior year: EUR 3,482 thousand). Tipp24's tax rate fell by 2.0 %-points to 29.4%, compared to the same period last year. Earnings per share (undiluted and diluted) grew from EUR 0.43 to EUR 2.21.

Revenues

As a result of the virtually complete withdrawal of our business base, revenues of our Germany segment fell by 92.3% to EUR 1,440 thousand in the first six months of the current fiscal year. Revenues generated outside Germany were up from EUR 2,872 thousand in the prior-year period to EUR 45,960 thousand and thus dominated total revenues with a share of > 98%. All in all, total revenues increased by 115.9% to EUR 46,556 thousand in the period under review.

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Half-year comparison Q.I–II	Q.I–II 2009		Q.I–II 2008		Change
	EUR thousand	%	EUR thousand	%	
Revenues	46,556	100.0%	21,564	100.0%	+115.9%
Personnel expenses	-7,450	-16.0%	-6,219	-28.8%	+19.8%
Other operating expenses	-15,393	-33.1%	-10,929	-50.7%	+40.9%
Less other operating income	425	0.9%	589	2.7%	-27.8%
Operating expenses	-22,418	51.2%	-16,559	82.2%	+81.7%
EBITDA	24,138	51.8%	5,005	23.2%	+382.2%
Depreciation/amortization	-1,391	-3.0%	-607	-2.8%	+129.1%
EBIT	22,748	48.9%	4,398	20.4%	+417.2%
Financial result	1,793	3.9%	676	3.1%	+165.2%
Net result before taxes	24,540	52.7%	5,074	23.5%	+383.6%
Income taxes	-7,226	-15.5%	-1,592	-7.4%	+353.9%
Consolidated net profit	17,314	37.2%	3,482	16.1%	+397.2%
Breakdown of other operating expenses					
Total marketing expenses	-2,951	-6.3%	-5,821	-27.0%	-49.3%
Total direct costs of operations	-3,615	-7.8%	-1,306	-6.1%	+176.8%
Total other costs of operations	-8,827	-19.5%	-3,801	-17.6%	+132.2%
Other operating expenses	-15,393	-33.1%	-10,929	-50.7%	+40.9%

(Rounding differences due to presentation in EUR thousand)

Development of key income statement items

Personnel expenses rose by 19.8% over the prior-year period to reach EUR 7,450 thousand for the period under review (prior year: EUR 6,219 thousand). This increase resulted mainly from the necessary restructuring of Tipp24. The personnel expense ratio fell by 12.8 %-points to 16.0%. At the end of the quarter, the number of Tipp24 employees amounted to 114 (prior year: 184).

There was a year-on-year increase in other operating expenses of 40.9% to EUR 15,393 thousand in the first half of the fiscal year (prior year: EUR 10,929 thousand). The development in detail was as follows:

- Marketing expenses fell by 49.3% to EUR 2,951 thousand (prior year: EUR 5,821 thousand) (6.3% of revenues; -20.7 %-points). This steep decline resulted

from the termination of our marketing activities in Germany as a result of the GlüStV. At the same time, we also discontinued our end-user business with so-called Business Service Partners in Germany.

- Direct operating expenses rose by 176.8% to EUR 3,615 thousand in the first six months (prior year: EUR 1,306 thousand). For the first time in 2009, this item also includes costs in connection with the management of the organizer's risk, as well as costs incurred during the processing of gaming operations resulting from the organizer's inability to deduct input tax. These items were not material in 2008. In addition, there was an expected increase in loss of receivables due to the significant rise in customer activity during the second largest jackpot in Lotto history in the first quarter, as well as increased data transmission

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costs in connection with a change in internet service provider to improve quality. In relation to revenues, this cost ratio fell by 1.7 %-points to 7.8%.

- Other operating expenses increased by 132.2% to EUR 8,827 thousand (prior year: EUR 3,801 thousand). This increase was largely due to legal advice in connection with the current difficult regulatory situation, as well as consultancy costs in connection with labour-intensive development projects, especially with regard to the renewal and internationalisation of the gaming operation platform, and costs incurred by the restructuring of our business.

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 six months by EUR 784 thousand (+129.1%) to EUR 1,391 thousand. This development is in line with the volume of investments made.

FINANCIAL POSITION

Tipp24 AG completed the share buyback programme commenced on 2 February 2009. On the basis of the authorisation granted by the Annual General Meeting of 29 May 2008, a total of 230,041 shares or 2.88% of capital stock were acquired in the period up to 2 April 2009 at an average price of EUR 8.66. This corresponds to a total purchase amount of EUR 1,999,994.73.

On 30 April 2009, the Executive Board of Tipp24 AG also adopted a resolution to implement a further share buyback programme. In the period from 11 May 2009 to no later than 30 September 2009, shares of Tipp24 with a total value of up to EUR 2,000 thousand (including transaction costs) were to be bought through the stock exchange. As of 29 June 2009, Tipp24 AG had purchased a total of 135,139 treasury shares, or 1.69% of capital stock, at an average price of EUR 14.74. This represents a total amount of EUR 1,999,985.48. Tipp24 AG thus also completed the share buyback programme which it launched on 11 May 2009.

Including the 230,041 shares already acquired during the first share buyback programme of 2 February 2009, Tipp24 AG therefore holds a total of 365,180 treasury shares as of 29 June 2009, corresponding to 4.57% of capital stock.

Compared with the balance sheet date, Tipp24's equity capital grew by EUR 9,298 thousand to EUR 64,220 thousand, while the equity ratio grew by 0.9 %-points from 59.0% to 59.9% compared with 31 December 2008. The balance sheet total increased by 15.0% to EUR 107,128 thousand.

Other assets fell by 45.8% to EUR 7,780 thousand, mainly as a result of the settlement of receivables from customer winnings outstanding on the balance sheet date and the processing of payment transactions.

Other liabilities decreased by 17.5% to EUR 22,955 thousand, mainly due to a reduction in liabilities due to game operators and winnings not yet paid out on the balance sheet date.

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Other liabilities in EUR thousand	30 Jun. 2009	31 Dec. 2008
Liabilities for gaming operations	13,744	26,398
Liabilities for taxes	8,127	736
Liabilities relating to social security	96	111
Others	988	576
	22,955	27,821

(Rounding differences due to presentation in EUR thousand)

Investment analysis

In the period under review, investing activities resulted in net cash flow of EUR 23,203 thousand. Proceeds and disbursements from financial investments resulted in a positive net balance of EUR 25,945 thousand. Investment also focused on improving gaming software and the ongoing expansion of live systems. In line with information already provided, the operating companies will continue to expand these systems in the course of the year to meet growing capacity requirements and changing security standards. We also plan to continually update our Office systems.

Liquidity analysis

At EUR 29,423 thousand, cash flow from operating activities was significantly higher than in the previous year (EUR 2,510 thousand). The difference was mainly due to the increase in consolidated net profit. In addition, the higher level of trade payables of the previous period was balanced out again in the period under review.

Cash flow from investing activities increased by EUR 27,490 thousand to EUR 23,203 thousand, mainly as a result of the above mentioned net balance from proceeds and disbursements for financial investment amounting to EUR 25,945 thousand.

Cash flow from financing activities amounted to EUR -7,837 thousand – due to the above mentioned share buy-back programmes and the dividend paid on 17 June 2009. In the previous year it amounted to EUR -7,386 thousand. Free cash flow amounted to EUR 52,626 thousand in the period under review (prior year: EUR -1,777 thousand).

Key cash flow positions in EUR thousand	Q.I-II 2009	Q.I-II 2008
Cash flow from operating activities	29,423	2,510
Cash flow from investing activities	23,203	-4,287
Cash flow from financing activities	-7,837	-7,386
= Net inflow/outflow from/of funds	44,789	-9,164
Cash and cash equivalents and securities at the beginning of the period	20,711	65,821
+ Non-disclosed profit/loss from financial assets	-207	75
+/- Change of cash from exchange rate differences	54	-2
+/- Change in pledged cash	399	-250
= Cash, cash equivalents and securities at the end of the period	65,747	56,480

(Rounding differences due to presentation in EUR thousand)

ASSET SITUATION

The assets of Tipp24 mainly comprise current assets amounting to EUR 93,436 thousand (31 December 2008: EUR 80,848 thousand). In turn, these mainly consist of cash and cash equivalents (EUR 65,747 thousand), short-term financial assets (EUR 19,224 thousand) and other assets and prepaid expenses (EUR 7,780 thousand).

Moreover, Tipp24 has intangible assets (mainly software) amounting to EUR 11,554 thousand, property, plant and equipment (mainly hardware and office equipment) amounting to EUR 2,047 thousand and discloses deferred tax assets of EUR 91 thousand.

Other assets in EUR thousand	30 Jun. 2009	31 Dec. 2008
Receivables from gaming operations	2,607	13,141
Prepaid expenses	1,259	934
Others	3,915	274
	7,780	14,349

(Rounding differences due to presentation in EUR thousand)

ASSESSMENT OF THE ECONOMIC POSITION

As a result of the GlüStV, which has been ratified by all German states, the current regulatory situation has led to the almost complete prohibition of our business activity in Germany as of 1 January 2009. Nevertheless, we regard Tipp24's situation as generally robust: Tipp24 has sufficient resources to successfully prevail even in the face of significant negative regulatory conditions. Above all, however, in view of the incompatibility of current gaming legislation in Germany with EU and anti-trust law, and particularly with regard to ongoing constitutional reservations, we believe that it is unlikely that such legislation can prevail in the long term. At the same time, the Executive Board sees the opportunity for sustained encouraging growth, both in our Abroad segment as well as in Germany again in the medium term. In comparison with other sectors, the online lottery market in Germany – as well

as in Spain, Italy and the UK – is still underdeveloped. Against this backdrop, there is therefore a strong probability that the sector will enjoy significant growth in the coming years. Tipp24 is excellently positioned to benefit strongly from such growth. Furthermore, we see attractive additional potential in new product categories and in the course of ongoing deregulation of European lottery markets. Tipp24 has extensive financial liquidity, mainly from equity capital. This gives us considerable scope to grasp future growth opportunities – for example by means of acquisitions. The global financial crisis has so far had no significant negative impact on Tipp24.

SUBSEQUENT EVENTS

There were no events subsequent to the reporting period which had a significant impact on the business development of Tipp24 AG and its affiliated companies.

RISK REPORT

In our annual report 2008, we described in detail all risks in connection with the business activities of Tipp24, 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

Legal development in Germany

As a result of the extensive Internet prohibition and other restrictive regulations of the GlüStV in Germany, we were forced to terminate the overwhelming proportion of our German business. Contrary to our assessment of the situation, there is a risk that this restrictive legal framework may be upheld in the medium term, or even permanently.

This would prevent Tipp24 in the medium term, or even permanently, from accessing the huge market potential in Germany which it was able to exploit in the past. In the first half of 2009, various authorities have forbidden Tipp24 AG from brokering foreign games to German customers. Tipp24 AG observes these regulations. At the same time, some authorities are trying to persuade Tipp24 AG by means of injunctions to force its UK subsidiaries to abandon their business model. Failure to meet these requests would result in coercive payments. However, as Tipp24 AG was not authorised to give directions to its UK subsidiaries (also before the sale of majority voting rights to the Swiss foundation), and no further details have been provided as to how this should be performed, we regard these requests as legally indeterminate and factually im-

possible to meet. This applies all the more since control has been transferred. It cannot be excluded, however, that certain authorities will still impose coercive payments and regulatory fines, which will then have to be reviewed in court.

Moreover, German authorities might attempt to directly forbid or prevent the UK subsidiaries from operating their own business model, even though the UK companies operate on the basis of concessions issued by the UK Gambling Commission and only accept tickets from customers who confirm that they are not in Germany at the time of ticket submission. Against the backdrop of the current heated political situation, such an attempt cannot be excluded – even if the legal basis for such action would be difficult to comprehend. In their capacity as market participants, certain state lottery companies also believe that the UK companies contravene the GlüStV and are thus anticompetitive. Even if we assume that the UK companies are acting legally on the basis of valid concessions explicitly allowing the activity performed, it cannot be ruled out that they will fail to assert their rights in German courts. We cannot therefore exclude the possibility that the above mentioned risks may lead to a significant restriction in the business activities of our UK companies.

Electronic betting in Italy

On 28 October 2008, the Italian state monopolies commission (AAMS) granted Giochi24 S.r.l. a concession to operate and market online games of chance. This concession fundamentally enables Giochi24 S.r.l. to market all state-licensed gaming products in Italy via the Internet. However, the specific use of the concession for lottery products depends on technical specifications being provided by the state, which were only implemented with some delay in the past few months. These are currently being implemented for Skill-based Games, SuperEnalotto and scratch cards. If the use of this concession is delayed further, the huge potential of the Italian market – already displayed in the past – would no longer be accessible for, or only after some delay.

BUSINESS RISKS*Financing and currency risks*

As Tipp24 conducts the majority of its business in Euro, there is no material currency risk for its core activities. The UK affiliated companies are exposed to a currency risk regarding the British Pound. The profit margins of these companies may be affected by currency fluctuations.

Foreign affiliated companies are economically autonomous within their respective markets. This is expressed by the fact that they have independent general managers who are also responsible for controlling their respective operating risks.

Risks in the execution of large development projects

Tipp24's operating companies in its Abroad segment are currently investing in the international standardisation and improvement of their gaming software as part of a very large development project involving several external partners and binding considerable internal resources. As a result of its complexity and sudden significant changes in requirements, there is a risk that this major project will not be completed in the expected scope, the expected quality and within the expected investment budget. This may lead to an adjustment of the carrying value of this intangible asset, which in turn would have a significant adverse effect on the earnings, financial position and net assets of Tipp24.

Risks from payment transaction restrictions

There is a risk that restrictions to payment transactions may be introduced in connection with the further regulation of the gaming market. This would have a significant adverse effect on the business activities of Tipp24. However, we believe that this is relatively unlikely to occur.

Risks from financial investments

Tipp24 has cash, cash equivalents and short-term financial assets deposited in accounts at various German and foreign banks totalling EUR 84,972 thousand. By far the overwhelming majority of these investments is completely protected by national deposit guarantee funds. Should the global financial crisis deepen further and should – against all expectations – neither the national bank support systems nor the support packages provided by the leading industrialised states fail to avert the collapse of individual banks, this may result in the breakdown of various or possibly all credit institutes as well as all national support systems. Such a scenario may lead to the partial or complete loss of our cash deposits and financial assets. The collapse of individual issuers but not of the national support systems may lead to the partial or complete loss of interest income expected from our financial assets. The financial assets currently held also bear a significant interest rate risk. Both factors mainly apply to only a part of the potential yield, and only to a minor extent to the invested amounts.

Q.I–II 2009***Risks from the economic development***

The gaming behaviour of Tipp24's customers has so far been largely unaffected by the macroeconomic fluctuations experienced in Germany since the launch of gaming operations in 2000. Nevertheless, a possible, exceptionally strong economic downturn triggered by the global financial crisis may adversely affect the gaming behaviour of our customers in certain or all countries in which Tipp24 operates, and thus also impact our earnings, financial position and net assets. MyLotto24 Ltd. bears the bookmaking risks for secondary lotteries based on various European lotteries. The payout ratios are based on those offered by the organizers of the primary lotteries. Due to statistical fluctuation, these ratios may be greater than the payout ratios determined by the gaming systems of the primary lotteries – for example, 50% in the case of the German Lotto. They may even be temporarily greater than the stakes received by MyLotto24 Ltd. and thus have a negative effect on the earnings, financial position and net assets of MyLotto24 Ltd., which through consolidation would also represent a burden for Tipp24 as a whole.

FORECAST REPORT***ALIGNMENT OF TIP24***

In general, Tipp24 AG plans to clarify the legal and political conditions for its business model in Germany by utilising all available appeal possibilities and continuing its political lobbying. In addition, we intend to expand the activities of Tipp24 Entertainment GmbH in the field of skill-based games. According to the Executive Boards of our minority shareholdings, the growth strategy in Europe is also to be continued.

EXPECTED EARNINGS POSITION

The results and experience gained in the first six months of our new foreign business mean that we can now give a more reliable forecast for fiscal year 2009. We expect revenues to increase to at least EUR 85,000 thousand. According to our current projections, operating profit before interest and tax (EBIT) will amount to at least EUR 40,000 thousand in the current fiscal year. The payment of statistically unusually high or frequent winnings in the second half of the year, however, would dampen these expectations for both revenues and EBIT.

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 of Germany's anti-trust authorities and subsequent court instances for EU anti-trust legislation, various temporary verdicts at German administrative and civil courts and the first principal proceedings of the Administrative Court of Berlin regarding lottery brokerage with reference to EU law – as well as supplementary regulations and official pronouncements on a European level – may result in steps towards deregulation in the medium term with a direct or indirect impact on lotteries. With its international alignment, Tipp24 may benefit more than average from such a development: above all, it would allow Tipp24 AG to resume operations on the German market, it would enable further internationalisation and thus significantly increase access to our product portfolio and enable Tipp24 to enter new markets with its existing products.

Q.I–II 2009

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD 1 JANUARY TO 30 JUNE ACC. TO IFRS

	Q.II 2009	Q.II 2008	Q.I–II 2009	Q.I–II 2008
in EUR				
Revenue	21,346,778.38	10,191,449.28	46,556,008.55	21,564,013.52
Other operating income	154,922.58	96,145.09	425,480.41	589,129.66
Total operating performance	21,501,700.96	10,287,594.37	46,981,488.96	22,153,143.18
Operating expenses				
Personnel expenses	-3,083,820.58	-3,239,696.01	-7,450,163.42	-6,219,130.49
Amortization/depreciation on intangible assets and property, plant and equipment	-787,194.15	-316,631.77	-1,390,560.17	-606,940.11
Other operating expenses	-9,517,727.01	-5,019,501.81	-15,393,030.29	-10,928,633.25
Marketing expenses	-2,082,676.70	-2,495,664.06	-2,951,297.67	-5,821,441.96
Direct costs of operations	-2,047,203.50	-508,106.29	-3,615,155.93	-1,306,171.36
Other costs of operations	-5,387,846.81	-2,015,731.46	-8,826,576.69	-3,801,019.93
Result from operating activities	8,112,959.22	1,711,764.78	22,747,735.08	4,398,439.33
Financial revenues	442,429.49	258,217.61	1,820,844.18	865,735.92
Financial expenses	20,409.95	-187,984.26	-28,203.65	-189,789.64
Financial result	462,839.44	70,233.35	1,792,640.53	675,946.28
Result from ordinary activities	8,575,798.66	1,781,998.13	24,540,375.61	5,074,385.61
Income taxes	-3,130,421.95	-175,920.03	-7,225,883.47	-1,592,079.86
Consolidated net profit	5,445,376.71	1,606,078.10	17,314,492.14	3,482,305.75
Earnings per share (undiluted and diluted; in EUR/share)	0.70	0.20	2.21	0.43
Weighted average of ordinary shares outstanding (undiluted and diluted, in units)	7,777,357	8,037,696	7,840,468	8,079,960

Q.I-II 2009

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE ACC. TO IFRS

	30 Jun. 2009	31 Dec. 2008
ASSETS in EUR		
Current assets		
Cash, cash equivalents and securities	65,747,437.33	20,711,388.10
Pledged cash	250,567.50	550,000.00
Short-term financial assets	19,224,336.33	45,211,423.06
Trade receivables	416,964.10	5,314.97
Income tax refund claims	16,257.30	20,909.35
Other assets and prepaid expenses	7,780,358.39	14,348,744.23
Total current assets	93,435,920.95	80,847,779.71
Non-current assets		
Intangible assets	11,553,669.83	9,620,439.39
Other equipment, furniture & fixtures and leased assets (property, plant and equipment)	2,047,385.40	2,571,246.28
Deferred tax assets	90,752.86	111,824.65
Total non-current assets	13,691,808.09	12,303,510.32
	107,127,729.04	93,151,290.03
EQUITY AND LIABILITIES in EUR		
Current liabilities		
Trade payables	22,954,901.65	27,821,166.83
Other liabilities	4,491,108.34	4,822,352.74
Deferred income	4,312,409.36	355,632.32
Income tax liabilities	9,171,978.04	931,481.90
Provisions	1,669,621.99	1,692,280.31
Total current liabilities	42,600,019.38	35,622,914.10
Non-current liabilities		
Deferred tax liabilities	307,510.81	2,606,522.15
Total non-current liabilities	307,510.81	2,606,522.15
Equity		
Subscribed capital	7,985,088.00	8,872,319.00
Capital reserves	39,874,722.35	41,143,321.36
Other reserves	-43,524.76	135,719.37
Retained earnings	20,403,892.70	19,499,242.01
Own shares	-3,999,979.44	-14,728,747.96
Total equity	64,220,198.85	54,921,853.78
	107,127,729.04	93,151,290.03

Q.I-II 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY TO 30 JUNE

	Q.I-II 2009	Q.I-II 2008
in EUR		
Result from operating activities	22,747,735.08	4,398,439.33
<i>Adjustments for:</i>		
Amortization/depreciation on non-current assets	1,390,560.18	606,940.11
Result from the disposal of current assets	-58,359.41	0.00
<i>Changes in:</i>		
Trade receivables	-411,649.13	-4,812.30
Other assets	4,067,110.76	7,673,406.07
Trade payables	1,168,755.60	-3,499,954.19
Other liabilities	-3,864,990.10	-6,876,696.34
Provisions	-22,658.32	-39,173.96
Deferred income	3,956,777.04	-200,209.55
Other interest and similiar income	1,763,061.40	865,735.92
Interest expenses and similar expenses	-28,203.65	-189,789.64
Earned surplus	-26,950.00	30,674.18
Taxes paid	-1,258,674.83	-254,994.66
Cash flow from operating activities	29,422,514.62	2,509,564.97
Proceeds from the sale of short-term financial investments	25,944,869.51	146,120.00
Disbursements in intangible assets	-2,611,193.46	-3,725,023.87
Disbursements in property, plant and equipment	-130,376.87	-708,174.36
Cash flow from investing activities	23,203,299.18	-4,287,078.23
Purchase of own shares	-3,999,979.44	-3,393,938.31
Dividends paid to shareholders of the parent company	-3,836,923.50	-3,992,544.00
Cash flow from financing activities	-7,836,902.94	-7,386,482.31
Change in cash, cash equivalents and securities	44,788,910.86	-9,163,995.57
Cash, cash equivalents and securities at the beginning of the period	20,711,388.10	65,820,775.65
Change of cash from exchange rate differences	-206,516.15	75,408.24
Non-disclosed profit/loss	54,222.02	-1,875.00
Change in pledged cash and cash equivalents	399,432.50	-250,000.00
Cash, cash equivalents and securities at the end of the period	65,747,437.33	56,480,313.32
Composition of cash, cash equivalents and securities at the end of the period		
Cash on hand, bank balances and checks	65,987,871.59	10,854,542.22
Current investments	10,133.24	46,175,771.10
Pledged cash, cash equivalents and securities	-250,567.50	-550,000.00
	65,747,437.33	56,480,313.32

Q.I-II 2009

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR	Subscribed Capital	Capital Reserves	Other Reserves	Retained Earnings	Own Shares	Total Equity
As at 1 Jan. 2008	8,872,319.00	41,143,321.36	62,943.49	16,886,209.08	-11,334,809.65	55,629,983.28
Own shares	0.00	0.00	0.00	0.00	-3,393,938.31	-3,393,938.31
Share-based payments	0.00	0.00	30,674.18	0.00	0.00	30,674.18
Dividend payment	0.00	0.00	0.00	-3,992,544.00	0.00	-3,992,544.00
<i>Unrealised gains/losses</i>	<i>0.00</i>	<i>0.00</i>	<i>75,408.24</i>	<i>0.00</i>	<i>0.00</i>	<i>75,408.24</i>
<i>Foreign currency translation</i>	<i>0.00</i>	<i>0.00</i>	<i>-1,875.00</i>	<i>0.00</i>	<i>0.00</i>	<i>-1,875.00</i>
Total result recognized directly in equity	0.00	0.00	73,533.24	0.00	0.00	73,533.24
Net profit for the period	0.00	0.00	0.00	3,482,305.75	0.00	3,482,305.75
Total net profit for the period	0.00	0.00	73,533.24	3,482,305.75	0.00	3,555,838.99
As at 30 Jun. 2008	8,872,319.00	41,143,321.36	167,150.91	16,375,970.83	-14,728,747.96	51,830,014.14
Share-based payments	0.00	0.00	-7,359.18	0.00	0.00	-7,359.18
<i>Unrealised gains/losses</i>	<i>0.00</i>	<i>0.00</i>	<i>57,969.02</i>	<i>0.00</i>	<i>0.00</i>	<i>57,969.02</i>
<i>Foreign currency translation</i>	<i>0.00</i>	<i>0.00</i>	<i>-82,041.38</i>	<i>0.00</i>	<i>0.00</i>	<i>-82,041.38</i>
Total result recognized directly in equity	0.00	0.00	-24,072.36	0.00	0.00	-24,072.36
Net profit for the period	0.00	0.00	0.00	3,123,271.18	0.00	3,123,271.18
Total net profit for the period	0.00	0.00	-24,072.36	3,123,271.18	0.00	3,099,198.82
As at 31 Dec. 2008	8,872,319.00	41,143,321.36	135,719.37	19,499,242.01	-14,728,747.96	54,921,853.78
As at 1 Jan. 2009	8,872,319.00	41,143,321.36	135,719.37	19,499,242.01	-14,728,747.96	54,921,853.78
Capital reduction	-887,231.00	0.00	0.00	0.00	0.00	-887,231.00
Reduction of retained earnings due to collection of own shares	0.00	0.00	0.00	-12,572,917.95	0.00	-12,572,917.95
Own shares	0.00	0.00	0.00	0.00	10,728,768.52	10,728,768.52
Capital reserves	0.00	-1,268,599.01	0.00	0.00	0.00	-1,268,599.01
Share-based payments	0.00	0.00	-26,950.00	0.00	0.00	-26,950.00
Dividend payment	0.00	0.00	0.00	-3,836,923.50	0.00	-3,836,923.50
<i>Unrealised gains/losses</i>	<i>0.00</i>	<i>0.00</i>	<i>-206,516.15</i>	<i>0.00</i>	<i>0.00</i>	<i>-206,516.15</i>
<i>Foreign currency translation</i>	<i>0.00</i>	<i>0.00</i>	<i>54,222.02</i>	<i>0.00</i>	<i>0.00</i>	<i>54,222.02</i>
Total result recognized directly in equity	0.00	0.00	-152,294.13	0.00	0.00	-152,294.13
Net profit for the period	0.00	0.00	0.00	17,314,492.14	0.00	17,314,492.14
Total net profit for the period	0.00	0.00	-152,294.13	17,314,492.14	0.00	17,162,198.01
As at 30 Jun. 2009	7,985,088.00	39,874,722.35	-43,524.76	20,403,892.70	-3,999,979.44	64,220,198.85

Q.I–II 2009

SEGMENT REPORTING

In the following, Tipp24 AG and the consolidated group will be referred to simply as »Tipp24«.

Tipp24 distinguishes between the two geographical 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 which generate that revenue. This more or less equates to the geographical location of the respective customers at the time of submission.

The reorganization of the Tipp24 Group at the beginning of the year, caused by the German State Treaty on Gaming (GlüStV), also resulted in the separation of the former group-wide financial management system (including financial expenses and income) and income taxes into the geographical segments »Germany« and »Abroad«. The prior-year figures were adjusted accordingly.

Q.II in EUR thousand	Germany		Abroad		Consolidation		Consolidated	
	1 Apr.–30 Jun.		1 Apr.–30 Jun.		1 Apr.–30 Jun.		1 Apr.–30 Jun.	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	715	8,915	21,084	1,276	-452	0	21,347	10,191
Depreciation/amortization	402	252	385	65	0	0	787	317
EBIT	-3,676	2,192	11,842	-480	-52	0	8,113	1,712
Financial result	263	94	200	-15	0	-9	463	70
Income taxes	794	-116	-3,925	-16	0	-44	-3,130	-176
Consolidated net profit	-2,619	2,170	8,117	-511	-52	-53	5,445	1,606
Assets	38,700	26,818	83,681	5,438	-34,584	-7,061	87,796	25,195
Balance sheet reconciliation								
Deferred tax assets							91	107
Tax refund claims							16	5
Short-term financial assets							19,224	53,174
Total assets							107,128	78,481
Debts	2,363	19,925	33,664	4,833	-2,599	-1,295	33,428	23,464
Balance sheet reconciliation								
Deferred tax liabilities							308	1,119
Tax liabilities							9,172	2,068
Total debts							42,908	26,651
Investments	1,277	2,020	9,172	192	-9,009	0	1,439	2,112

(Rounding differences due to presentation in EUR thousand)

Q.I-II 2009

Q.I-II in EUR thousand	Germany		Abroad		Consolidation		Consolidated	
	1 Jan.-30 Jun.		1 Jan.-30 Jun.		1 Jan.-30 Jun.		1 Jan.-30 Jun.	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	1,440	18,685	45,960	2,879	-844	0	46,556	21,564
Depreciation/amortization	676	477	947	130	-232	0	1,391	607
EBIT	-6,753	5,350	29,754	-952	-252	0	22,748	4,398
Financial result	1,581	717	212	-33	0	-9	1,793	676
Income taxes	1,222	-1,407	-8,448	-187	0	2	-7,226	-1,592
Consolidated net profit	-3,950	4,660	21,517	-1,172	-252	-6	17,314	3,482
Assets	38,700	26,818	83,681	5,438	-34,584	-7,061	87,796	25,195
Balance sheet reconciliation								
Deferred tax assets							91	107
Tax refund claims							16	5
Short-term financial assets							19,224	53,174
Total assets							107,128	78,481
Debts	2,363	19,925	33,664	4,833	-2,599	-1,295	33,428	23,464
Balance sheet reconciliation								
Deferred tax liabilities							308	1,119
Tax liabilities							9,172	2,068
Total debts							42,908	26,651
Investments	2,741	4,185	11,050	248	-10,635	0	3,155	4,433

(Rounding differences due to presentation in EUR thousand)

SELECTED EXPLANATORY NOTES

GENERAL

The condensed consolidated interim report for the first six months of 2009 was approved for publication by a resolution of the Executive Board on 31 July 2009.

The condensed consolidated interim report for the first six months of 2009 was prepared in accordance with IAS 34 (Interim Financial Reporting).

The condensed consolidated interim report does not include all information and disclosures required by the consolidated annual financial statements and is therefore to be read in conjunction with the consolidated annual financial statements as of 31 December 2008.

The same accounting policies and calculation methods were used for this interim report as for the consolidated financial statements as at 31 December 2008. Since the beginning of January 2009, MyLotto24 Ltd. has contributed a significant proportion of consolidated earnings from its activities as an organizer of

English secondary lotteries based on European lotteries. As a consequence, the following additional significant accounting and valuation methods of this business are presented below:

- Revenues are realized at the moment the draw results of the respective lotteries are announced. Stakes received as of the balance sheet date, but which are intended for games whose draw results are not available until after the balance sheet date, are accrued.
- Revenues result from the stakes received less vouchers granted, winnings to be distributed and fees incurred for the concession and game organisation.

The basis of consolidation consists of the companies listed below, in which the the following voting rights are/were held, as calculated from the point of view of Tipp24 AG:

in %	30 Jun. 2009	31 Dec. 2008	Initial consolidation
Tipp24 Entertainment GmbH, Hamburg	100	100	2008
Egela Beteiligungsverwaltungs AG, Vienna, Austria	100	-	2009
MyLotto24 Ltd., London, Great Britain	40	100	2007
Tipp24 Operating Services Ltd., London, Great Britain	40	100	2007
Ventura24 S.L., Madrid, Spain	40	100	2001
Puntogioco24 S.r.l., Monza, Italy	40	100	2004
Giochi24 S.r.l., Monza, Italy	40	100	2008
GSG Lottery Systems GmbH, Hamburg	40	100	2001
Tipp24 Services Ltd., London, Great Britain	16	100	2007

On 30 April 2009, Tipp24 AG transferred control over its UK subsidiaries in accordance with company law. The move reflects the operating independence of these companies in their respective business fields. Specifically, 60% of the voting shares in both MyLotto24 Ltd. and Tipp24Services Ltd. were sold to a Swiss foundation set up by Tipp24 AG in the form of preference shares stripped of their main economic right.

Therefore Tipp24 AG owns no more than half the voting rights in MyLotto24 Ltd., while MyLotto24 Ltd. owns no more than half the voting rights in Tipp24 Services Ltd.. The inclusion of these affiliated companies and their respective subsidiaries in the consolidated financial statements is based on an economic view of their situation:

- The owner of the majority of voting rights receives a preliminary annual dividend of up to GBP 15,000 for each company. In the case of liquidation, the owner of the majority of voting rights is entitled to receive previously agreed liquidation proceeds of GBP 30,000 for each company. Tipp24 AG alone is entitled to the entire remaining profits and any remaining liquidation proceeds.
- Should certain conditions be met, Tipp24 AG has the right to repurchase the majority of voting rights for an amount of GBP 30,000 for each company after 30 September 2010.
- Tipp24 AG can sell its shares in MyLotto24 Ltd. as well as its right to repurchase the majority of voting rights in MyLotto24 Ltd. and Tipp24 Services Ltd..
- Tipp24 AG has the right to veto any amendments to the articles of MyLotto24 Ltd. and Tipp24 Services Ltd..

Q.I-II 2009

The possibility of distributing profits of MyLotto24 Ltd. to Tipp24 AG is restricted insofar as this requires certain conditions to be met.

In the first half of 2009, Egela Beteiligungsverwaltungs GmbH was acquired by Tipp24 AG and added to the consolidated group. Tipp24 AG owns 100% of shares in this company. Egela GmbH is an Austrian shelf company without operating activities which was acquired for the purpose of a transnational merger with Tipp24 AG

and subsequent conversion of Tipp24 AG into a Societa Europeae (SE). In the first half of 2009 its legal status was changed to that of a public limited company («Aktiengesellschaft») with the company name Egela Beteiligungsverwaltungs AG.

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

EQUITY

In the period under review, the Executive Board made use of its authorization to buy back Company shares. A total of 365,180 shares or 4.57% of capital stock was bought back during the

period under review. The number of shares outstanding therefore fell from 7,985,088 to 7,619,908 during the period under review. Dividends totalling EUR 3,837 thousand were also distributed.

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.

OBJECTIVES AND METHODS OF CAPITAL MANAGEMENT

As of 2009, Tipp24 operates a decentralised capital management system. All key decisions concerning the financial structure of the German segment are taken by the Executive Board of Tipp24 AG. MyLotto24 Ltd. is responsible for capital management of the Abroad segment, with the exception of Tipp24 Services Ltd.

which undertakes its own capital management. The principles and objectives of financial management, as well as the risks which Tipp24 is exposed to, are presented in our current risk report.

INTEREST RATE RISK

Financial assets currently held bear no currency risk. Due to the high proportion of liquid funds (EUR 66 million), however, there is a significant interest rate risk. If short-term interest rates change by 50 base points, this would result in a change in interest income of EUR 330 thousand p.a.. Irrespective of this fact, the current

financial crisis has led to an increased default risk with respect to both interest agreed for financial assets as well as the invested sums themselves and bank deposits.

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 24. The transactions and legal relationships with Schumann e.K. are described in detail in our Annual

Report 2008 and also continued in the period under review. There were no other significant transactions with related parties during the period under review.

OTHER DISCLOSURES

In the period under review, the Executive Board consisted of Jens Schumann (Chairman), Dr. Hans Cornehl (Deputy Chairman) and, until 31 March 2009, Petra von Strombeck and Marcus Geiss. As a consequence of the restructuring of business fields and the resulting drastic reduction in the operations of Tipp24 AG, Petra von Strombeck and Marcus Geiss retired from the Executive Board as of 31 March 2009. Mr. Geiß continues to serve as General Manager of our affiliated companies in Italy.

The members of the Supervisory Board were Klaus F. Jaenecke (Chairman), Oliver Jaster (Deputy Chairman) and Hendrik Pressmar.

The members of the Executive Board and Supervisory Board acquired and sold shares in Tipp24 AG during the first half of 2009 (Directors' Dealings) and held the following amounts of shares in Tipp24 AG (Directors' Holdings) as of 30 June 2009:

Directors' Dealings & Holdings

Shares	31 Dec. 2008	Change	30 Jun. 2009
Executive Board			
Dr. Hans Cornehl	135,389	-40,000	95,389
Jens Schumann	908,171	0	908,171
Natural person in close relationship to executive board			
Dr. Stephanie Cornehl	53,576	-20,000	33,576

Hamburg, 31 July 2009

The Executive Board

Jens Schumann
(Chairman of the
Executive Board)

Dr. Hans Cornehl
(Deputy Chairman
of the Executive Board)

Q.I-II 2009**RESPONSIBILITY STATEMENT**

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group interim management report includes a true and fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the group in the rest of the fiscal year.

Hamburg, 31 July 2009

Jens Schumann

Dr. Hans Cornehl

FINANCIAL CALENDAR

2 November 2009	Nine-Month Report 2009
in November 2009	Analyst Conference (Frankfurt)

EDITOR

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