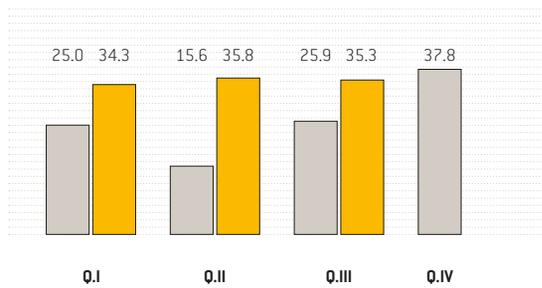


Tipp24de

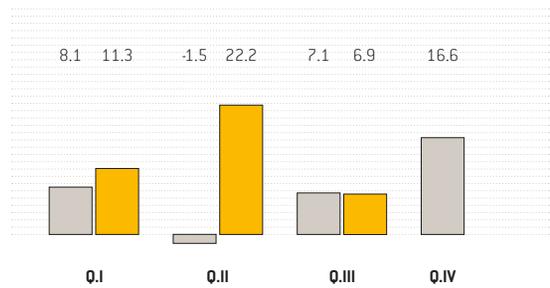
NINE MONTH REPORT

1 JANUARY–30 SEPTEMBER 2011

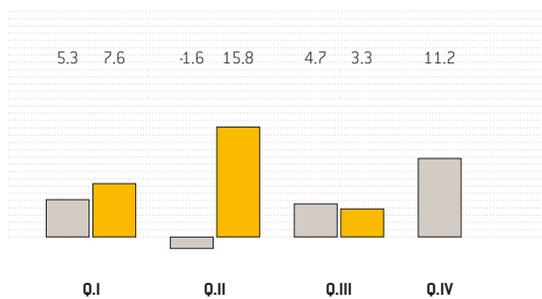
REVENUE in EUR million



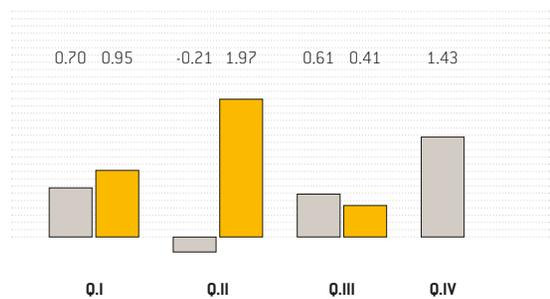
EBIT in EUR million



CONSOLIDATED NET PROFIT in EUR million



EARNINGS PER SHARE in EUR



■ 2010 ■ 2011

■ 2010 ■ 2011

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(Possible rounding differences due to presentation in EUR thousand)

LADIES AND GENTLEMEN,

In the third quarter of 2011, Tipp24 once again succeeded in continuing the success of its first two reporting periods and as of 30 September has already exceeded the forecasts made in early 2011 for the year as a whole: in the first 9 months of 2011, consolidated revenues grew by 58.4% to EUR 105,397 thousand (forecast for 2011: EUR 104 million) while consolidated EBIT climbed by 196.7% to EUR 40,416 thousand (forecast for 2011: EUR 40 million). As in the preceding quarters, the Abroad segment made the major contribution with revenues of EUR 104,935 thousand (99.6% of total revenues) and EBIT of EUR 47,861 thousand (Germany segment: EUR -5,918 thousand).

Tipp24 continues to benefit from more favourable payout statistics (compared to last year) and the settlement of a legal dispute of MyLotto24 Limited concerning the payment of an insurance amount in the second quarter. In order to hedge more comprehensively in future against the risk of high prize money payouts, MyLotto24 Limited has taken out additional cover with a considerably higher sum – on top of its existing insurance for jackpot payouts.

In view of the ongoing inconsistency of jurisdiction regarding the interpretation of the ECJ's clear ruling in Germany, the state of Schleswig-Holstein adopted forward-looking state legislation on gaming in September 2011 which will come into force on 1 January 2012. In observance of the EU regulations, it does not place any restrictions on the online brokerage or advertising of lotteries, nor require brokers to seek prior permission. The law is a major milestone in Germany's regulatory development. The draft of a new State Treaty on Games of Chance prepared by the remaining federal states also includes plans to allow the online brokerage of lotteries again. German legislators are now called upon to observe the requirements of EU law – as recently demanded by the European Commission – in order to avoid further legal chaos in future and secure desperately needed tax revenues for Germany's federal states.

Against the backdrop of expected new legislation, we intend to resume our former brokerage of state-run lotteries in Germany as soon as possible. Tipp24 SE is already well equipped: the corresponding technological and organizational requirements are already in place and significant funds have been earmarked for financing a resumption of German operations.

For fiscal year 2011, we expect revenue to reach at least EUR 130 million with consolidated EBIT of EUR 40 million. This forecast takes into consideration an amount of up to EUR 10 million for uncertainties regarding negative statistical fluctuations and increased costs for re-establishing business in Germany.

The Executive Board



Dr. Hans Cornehl



Marcus Geiß



Petra von Strombeck

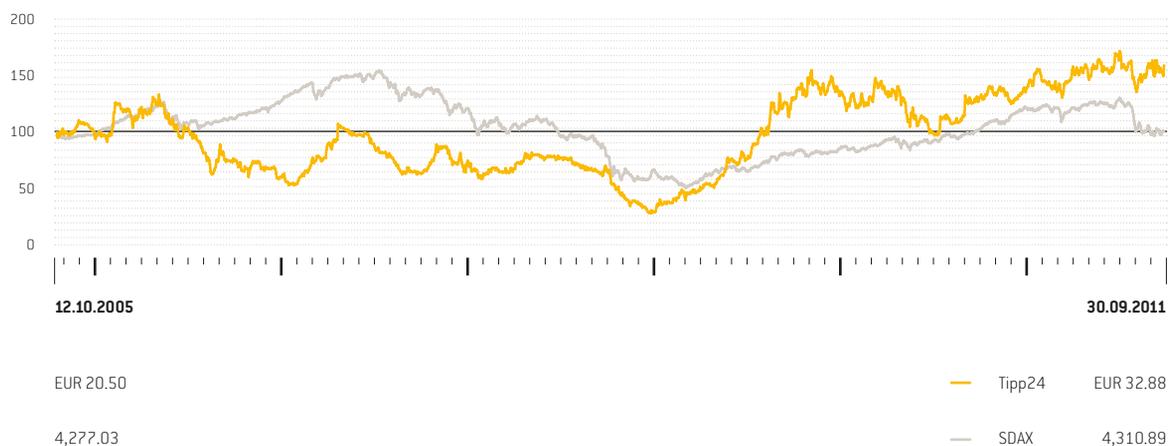
KEY CONSOLIDATED FIGURES OF TIPP24 SE ACC. TO IFRS

		Q.I–III 2011	Q.I–III 2010	Change %
Revenue	EUR thsd.	105,397	66,526	+ 58.4%
EBIT	EUR thsd.	40,416	13,620	+ 196.7%
EBIT margin	%	38.3	20.5	17.9%-points
Net profit	EUR thsd.	26,605	8,382	+ 217.4%
Net profit margin	%	25.2	12.6	12.6%-points
Cashflow from operating activities	EUR thsd.	33,691	8,628	+ 290.5%
Equity (30.09.2011 / 31.12.2010)	EUR thsd.	119,541	92,921	+ 28.6%
Employees (30.09.)	Headcounts	121	122	- 0.8%

(Possible rounding differences due to presentation in EUR thousand)

INVESTOR RELATIONS

PERFORMANCE OF THE TIPP24 SHARE SINCE IPO (Index 12.10.2005=100)



SHARE

The debt crisis in the Euro zone and the USA, coupled with fears of a global economic recession, caused a considerable degree of uncertainty on the capital markets and led share prices to slide. The leading indices lost over 20% of their value in the third quarter, whereas the Tipp24 share fell by just 6% over the same period, closing at EUR 32.88 on 30 September 2011.

In the third quarter of 2011, we continued our intensive investor relations activities and presented Tipp24 and its business prospects at roadshows in Germany and abroad.

KEY SHARE FIGURES

Day of initial listing		12.10.2005
Year-opening price	01.01.2011	EUR 28.85
Market capitalization	01.01.2011	EUR 230 million
Closing price at the end of the period	30.09.2011	EUR 32.88
Market capitalization	30.09.2011	EUR 263 million
Highest price	07.07.2011	EUR 35.50
Lowest price	16.03.2011	EUR 26.98
Number of shares	30.09.2011	7,985 thousand
Number of own shares	30.09.2011	0
Average daily trading	01.01.–30.09.2011	24,321
Earnings per share (undiluted and diluted)	01.01.–30.09.2011	EUR 3.33

SHAREHOLDER SERVICE

WKN	784714
ISIN	DE0007847147
Ticker symbol	TIM.DE
Stock exchange	Frankfurt
Market segment	Official Market, Prime Standard
Designated Sponsor	Close Brothers Seydler
Coverage	Deutsche Bank, Warburg, Hauck & Aufhäuser, Macquarie, Berenberg
Reuters	TIMGn.DE
Bloomberg	TIM GR

CONSOLIDATED INTERIM REPORT

BUSINESS & ECONOMIC CONDITIONS

ACTIVITIES OF TIPP24

For over ten years, Tipp24 has been operating privately in a European lottery market which is still dominated by state operators. Tipp24's activities are divided strictly between its Germany and Abroad segments.

Business in the Abroad segment comprises the brokering of state-run lottery products in Spain and Italy. In addition, MyLotto24 Limited in the UK organizes secondary English lotteries based on various European lotteries, whereby it bears the bookmaking risk itself. Tipp24 Services Limited brokers tickets to MyLotto24 Limited.

In the Group's German segment, Tipp24 SE markets the German class lotteries NKL and SKL in cooperation with Schumann e. K. The subsidiary Tipp24 Entertainment GmbH develops skill-based games. External growth options focus on identifying, developing and acquiring new business fields in Germany and Europe.

REGULATORY CONDITIONS

Adapting the business model to the German State Treaty on Games of Chance

Following the implementation of the second stage of the German State Treaty on Games of Chance (GlüStV), which completely prohibited the online brokering of state-run lotteries as of 1 January 2009, Tipp24 SE discontinued its lottery brokerage activities in Germany. Its operations were therefore brought in line with the regulatory environment – although Tipp24 continues to fight in the courts for the resumption of its business in Germany.

In the course of this realignment, Tipp24 SE transferred assets that it no longer required to MyLotto24 Limited and its subsidiaries, which had been active in the UK since 2007. This concerned both the brokerage of state-run German lottery products, as well as the subsidiaries Ventura24 S.L. in Spain and Giochi24 S.r.l. in Italy. In addition, Tipp24 SE transferred control over its UK subsidiaries in accordance with company law in the second quarter of 2009 to reflect the autonomy and individual responsibility of these companies in their respective business fields. Specifically, 60% of the voting shares in both MyLotto24 Limited and Tipp24Services Limited were sold to a Swiss foundation set up by

Tipp24 SE 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. The inclusion of the shareholding in MyLotto24 Limited and its respective subsidiaries and shareholdings in the consolidated financial statements is based on an economic view of their situation, whereby the significant opportunities and risks are still borne by Tipp24 SE. In the following and above, Tipp24 SE and the consolidated group are jointly referred to simply as »Tipp24«.

Implementation of EU law primacy still inconsistent

It is already one year since the European Court of Justice (ECJ) proclaimed in two verdicts on 8 September 2010 that the current and legal rulings of the referring German courts justified the courts' assumptions that significant regulations of the GlüStV contravened EU law and were inapplicable. The regulations of Germany's gaming monopoly represented an unjustifiable restriction of the basic European freedoms of private suppliers. Moreover, the ECJ ruled that such an infringement of basic freedoms, as was the case under the old legislation, meant that the national law was immediately inapplicable, without any transition period for courts and authorities. We believe that – especially in the field of lotteries – this also affects the obligation of brokers to seek permission from the federal states, the prohibition of online gaming and the restriction and prohibition of advertising. The ECJ's instructions regarding interpretation are binding – beyond the proceedings themselves. These instructions must also shape the current political and legal review of the GlüStV, in order to prevent any continuation of the current legal chaos and secure much-needed tax and duty revenue for Germany's federal states. Several lower national administration courts have already declared that the obligation to seek permission is not applicable – in application of the ECJ ruling. However, for the GlüStV's short remaining term of validity, the German Federal Administrative Court (Bundesverwaltungsgericht – BVerwG) and recently the Federal Supreme Court (Bundesgerichtshof – BGH) have generally confirmed the blanket Internet ban and need for permission in sports betting proceedings – despite reservations regarding the compliance of Germany's gaming monopoly with EU law – without any indication that they regarded the legal position of lottery brokerage any differently. These recent verdicts are likely to be overturned though by future legislation following the amendment of the GlüStV in 2012 and will thus not be of any

lasting significance. There is still a lack of high court decisions for the brokerage of lotteries. In new state legislation already passed in parliament, Schleswig-Holstein voted against an Internet ban. In the draft of a new State Treaty on Games of Chance prepared by the remaining federal states, there are plans to allow the on-line brokerage of lotteries again.

German legislators are also called upon to observe the requirements concerning restrictions of basic freedoms under EU law – as recently referred to by the European Commission – in their revision of the GlüStV in order to avoid any continuation of the current legal chaos and secure desperately needed tax and duties for Germany's federal states.

Planned resumption of business in Germany

Against the backdrop of impending new legislation, we intend to resume our former brokerage of state-run lotteries in Germany as soon as possible. Schleswig-Holstein has already adopted a solid legal basis: the state's liberal gaming legislation merely includes a duty to give notice of commercial online lottery brokerage. There is no need to seek official permission. The law comes into force in Schleswig-Holstein on 1 January 2012. We have already fulfilled the main technological and organizational requirements for the swift resumption of online brokerage in Germany. Significant funds for financing such a resumption have also been put in place. The political and legal requirements for such a successful implementation of our plans are generally making reasonable progress, but have not yet been achieved.

Legal market situation in Germany

Despite the ECJ's clear rulings, a number of German public authorities have passed various orders and prohibitions which affected both Tipp24 itself as well as other market participants. Several courts confirmed these decrees in summary and principal proceedings in application of the GlüStV (which in our view contravenes EU law). All in all, these decrees and decisions in contravention of the ECJ rulings of 2010 have resulted so far in a very varied picture. Other administrative courts have applied the rulings of the ECJ – in what we believe are clearly reasoned decisions – and declared that not only the gaming monopoly itself but also the resulting key restrictions of the GlüStV are inapplicable.

The BVerwG applied the principle of consistency to the provisions of gaming legislation in a verdict passed on 24 November 2010 and rejected proceedings of the Bavarian Administrative Court calling for a further examination of the coherency of German gaming regulations and practice. However, a corresponding incoherency has been determined by the referring administrative courts of Cologne, Stuttgart and Giessen, amongst others, and recently in a verdict of the Higher Administrative Court of North Rhine-Westphalia in application of the provisions contained in the ECJ's jurisdiction – whereby doubts about the legality and effectiveness of the GlüStV have once again been confirmed.

The same is also indicated by a decision of the BGH on 18 November 2010, which for legal reasons could only deal with legislation before the GlüStV was introduced. Despite this restriction, the BGH cites in its verdict the ECJ's ruling on »Carmen Media«, which only relates to the GlüStV, as proof of its incompatibility with higher-ranking legislation and refers to the advertising practice of Germany's state-run lottery companies, which is still not exclusively focused on measures aimed at combating addiction.

In proceedings dealing with sports betting and casino gambling, the BVerwG and BGH confirmed the applicability of a general Internet ban. The BVerwG explained that the Internet ban is generally in line with EU law and, as a result of incoherencies, still applies. In its verdict on 28 September 2011, the BGH concurred with this view. A written justification of the BGH verdict is not yet available. However, the proceedings did not deal with lotteries.

In the more specific field of lottery brokerage, there are growing doubts among Germany's administrative courts about the proportionality of restrictions (Internet ban) and their alignment with the aim of combating gambling addiction – beyond the general doubts regarding the coherency of German gaming legislation. In proceedings brought by Tipp24, both VG Halle and VG Chemnitz established that Germany's gaming regulations were disproportional due to considerable doubts regarding the existence of any lottery addiction. VG Halle had conducted an extensive survey among guardianship courts and addiction clinics to settle the existence of such a lottery addiction. It found that lottery addiction played a very minor role, if any. Whereas

in parallel proceedings VG Wiesbaden declared that the permission requirement and Internet ban were applicable, especially for lottery brokering, VG Chemnitz shared the view of VG Halle. Due to the minor relevance of lottery addiction, if at all, both VG Halle and VG Chemnitz ruled that there was a disproportion between the aim and the means, and that the current obligation of brokers to seek permission, the Internet ban and the so-called territoriality/regionalism of German Lotto (i.e. the restriction of Lotto marketing to individual federal states) as regulated by the GlüStV contravened EU law. The verdict of VG Halle which unreservedly confirms the legitimacy of online lottery brokerage has been legally binding since 28 June 2011. In a further verdict of 12 September 2011, the Administrative Court of Halle upheld its view on online brokerage – also regarding the BVerwG's verdict of 1 June 2011 – that the online brokerage of lotteries does not require permission due to the primacy of application. Following the BVerwG's verdict, the Administrative Court of Berlin does not believe that its opinion on the inapplicability of the permission requirement and the Internet ban for lottery brokerage has been deemed invalid or obsolete. This was recently made clear by the court in a resolution dated 14 September 2011.

Legal market situation abroad

The markets of our Abroad segment present a varied picture with regard to the development of the prevailing legal conditions. Whereas the regulatory environment in the UK is stable and in line with market requirements, significant legal changes to the regulation of sports betting and poker – also on the Internet – were recently introduced in Spain. Regulations concerning the online brokerage of lotteries are not currently planned or expected.

In Italy, the protracted dispute with the Italian anti-trust authorities was not successful. The current obligation for all market participants to run online brokerage of the state-licensed lottery SuperEnalotto exclusively via the applet of organiser Sisal (which has proven unsuitable for the market) remains in place. It is currently being examined to what extent the newly commenced organization of bingo games can make a sustainable contribution to revenue and earnings.

EXPANSION OF THE EXECUTIVE BOARD

As already announced on 6 April 2011, the Executive Board of Tipp24 SE was expanded as of 1 July 2011 with the addition of two extra members: The persons appointed, Marcus Geiß and Petra von Strombeck, already served on the Company's Executive Board from 1 April 2008 to 31 March 2009.

Marcus Geiß is responsible for the Corporate Development and New Markets divisions. Petra von Strombeck has taken over the Sales, Marketing and Brand Management divisions. Dr. Hans Cornehl is Chairman of the expanded Executive Board. He has been leading Tipp24 SE as the sole member of the Executive Board since 1 October 2009. He remains responsible for Strategy, Investor Relations, Communication, HR and Finance.

RESEARCH & DEVELOPMENT

In the period under review, our domestic R&D activities focused on expanding the product range of our Skill-Based Games division.

In the Abroad segment, the new gaming software launched in January 2011 was expanded and further enhancements were made after its implementation. This project is managed directly abroad and operated partly in cooperation with external companies. In addition, our companies in the various countries made a number of improvements to products, capacities and security systems – with the aid of external R&D know-how for certain projects.

In the first nine months of 2011, an average of 9 employees were involved with R&D activities on a full-time or part-time basis in Germany, and 21 in the Abroad segment. R&D expenses amounted to around EUR 369 thousand (prior year: EUR 95 thousand) in the Germany segment and EUR 680 thousand (prior year: EUR 649 thousand) in the Abroad segment.

EARNINGS, FINANCIAL POSITION AND NET ASSETS

EARNINGS

When comparing figures with those of the previous year, two special items must be taken into consideration:

- In the first nine months of 2011, total payouts for secondary lotteries were EUR 5.3 million below the expected payout value (prior year: EUR 18.9 million above the expected value) with a positive impact on revenues (prior year: negative) of the same amount. This benefited EBIT by an amount of EUR 1.0 million (prior year: EUR -18.3 million).
- On 24 June 2011, MyLotto24 Limited ended a dispute regarding an insurance payment by mutual agreement. The major share of the year-on-year change in other operating income of EUR 12.5 million resulted from this settlement.

Nine month comparison	Q.I–III 2011		Q.I–III 2010		Change %
	in EUR thsd.	%	in EUR thsd.	%	
Revenues	105,397	100.0	66,526	100.0	58.4
Personnel expenses	-8,527	-8.1	-8,123	-12.2	5.0
Other operating expenses	-67,072	-63.6	-45,517	-68.4	47.4
Other operating income	15,526	14.7	2,995	4.5	418.4
Operating expenses	-60,073	-57.0	-50,645	-76.1	18.6
EBITDA	45,324	43.0	15,881	23.9	185.4
Amortization and depreciation	-4,908	-4.7	-2,261	-3.4	117.1
EBIT	40,416	38.3	13,620	20.5	196.7
Financial result	518	0.5	307	0.5	68.9
Earnings before taxes	40,934	38.8	13,927	20.9	193.9
Income taxes	-14,330	-13.6	-5,545	-8.3	158.4
Profit	26,605	25.2	8,382	12.6	217.4
Breakdown of other operating expenses					
Marketing expenses	-6,830	-6.5	-8,594	-12.9	-20.5
Direct operating expenses	-38,094	-36.1	-21,942	-33.0	73.6
Other expenses of operations	-22,148	-21.0	-14,981	-22.5	47.8
Other operating expenses	-67,072	-63.6	-45,517	-68.4	47.4

(Possible rounding differences due to presentation in EUR thousand)

EBIT

After the first nine months of 2011, **consolidated EBIT** amounted to EUR 40,416 thousand (prior year: EUR 13,620 thousand), whereby the EBIT margin rose by 17.9%-points from 20.5% to 38.3%. Adjusted for statistic deviation from the expected level of payouts, EBIT amounted to EUR 39,401 thousand (prior year: EUR 31,954 thousand) while the EBIT margin reached 39.4% (prior year: 37.4%).

Against the backdrop of significant regulatory restrictions imposed on lottery activities and start-up losses in the Skill-Based Games division, the **Germany segment** posted an EBIT result of EUR -5,918 thousand (prior year: EUR -6,360 thousand) in the first nine months of 2011, while the **Abroad segment** achieved an EBIT result of EUR 47,861 thousand in the same period (prior year: EUR 19,956 thousand).

Compared to the same period last year, EBIT was significantly affected by two special items.

In the period under review, the financial result amounted to EUR 518 thousand (prior year: EUR 307 thousand).

Consolidated net profit more than tripled to EUR 26,605 thousand (prior year: EUR 8,382 thousand), while the **net operating margin** after tax reached 25.2% (prior year: 12.6%). Compared to the previous year, the **consolidated tax rate** fell by 4.8%-points to 35.0%.

Return on equity rose correspondingly from 10.3% in the previous year to 22.3%.

Earnings per share (undiluted and diluted) increased from EUR 1.10 to EUR 3.33.

Revenues

In the first nine months of 2011, Tipp24 raised consolidated revenues by 58.4% from EUR 66,526 thousand to EUR 105,397 thousand. In the **Germany segment**, revenues reached EUR 2,534 thousand in the period under review (prior year: EUR 2,309 thousand), while the **Abroad segment** posted revenues of EUR 104,935 thousand (prior year: EUR 66,029 thousand).

Adjusted for chance effects, consolidated revenues would have risen by 17.2% from EUR 85,455 thousand to EUR 100,113 thousand. In the period ending 30 September 2011, the actual payout ratio varied by -3.2%-points (prior year: +13.5%-points) from the expected value.

For the organization of secondary lotteries, reference is made to the organization of lottery gaming systems which have a fixed ratio of payouts to stakes. The ratio of payouts to stakes is known as the payout ratio. In the lottery gaming systems organized by the operators of those reference games of relevance to Tipp24, there is a fixed underlying payout ratio of 50% in the gaming system for ongoing lottery draws. This fixed underlying payout ratio also corresponds to the expected payout ratio for the organization of secondary lotteries.

There may be deviations from this expected value during the actual draws of secondary lotteries. Such deviations are chance effects and represent statistical fluctuations of the ratio of payouts to stakes. A payout ratio above the expected value results in revenues below the expected revenue figure, while a lower payout ratio increases actual revenues in comparison to the expected figure.

In order to aid comprehension of the interim financial statements and earnings position for the period ending 30 September 2011, the effect of deviations between the expected and actual payout is therefore stated.

Development of key income statement positions

In the period under review, **personnel expenses** exceeded the prior-year figure by 5.0% and amounted to EUR 8,527 thousand (prior year: EUR 8,123 thousand). The personnel expense ratio fell by 4.1 %-points to 8.1%. Headcount amounted to 121 (prior year: 122) as of 30 September 2011.

There was a year-on-year increase in **other operating expenses** of 47.4% to EUR 67,072 thousand (prior year: EUR 45,517 thousand). The development in detail was as follows:

- **Marketing expenses** fell by 20.5% to EUR 6,830 thousand (prior year: EUR 8,594 thousand).
- **Direct operating** expenses rose by 73.6% to EUR 38,094 thousand (prior year: EUR 21,942 thousand). This item is

strongly influenced by licence and operator fees as well as costs in connection with hedging transactions of MyLotto24 Limited. The latter amounted to EUR 18,511 thousand in the period under review (prior year: EUR 10,052 thousand). This year-on-year increase was largely due to the increase in business volume and the corresponding hedging of risks involved with high jackpots. In addition, the increase in revenues in the Abroad segment meant that more licence and operator fees had to be paid to the UK finance authorities.

- **Other operating expenses** increased by 47.8% to EUR 22,148 thousand (prior year: EUR 14,981 thousand) – a rise which resulted mainly from increased outsourcing and consultancy expenses.

Due to the payout of the above mentioned insurance amount, **other operating income** rose to EUR 15,526 thousand (prior year: EUR 2,995 thousand).

Other liabilities	30.09.2011	31.12.2010
in EUR thsd.		
Liabilities from gaming operations	15,579	15,571
Tax liabilities	1,831	909
Liabilities from social security	116	118
Others	755	938
	18,281	17,536

(Possible rounding differences due to presentation in EUR thousand)

Investment analysis

In the first three quarters of 2011, investing activities resulted in net cash flow of EUR -35,052 thousand (prior year: EUR -39,524 thousand). Proceeds and disbursements from financial investments resulted in net cash flow of EUR -29,993 thousand (prior year: EUR -30.399 thousand). Net cash flow from investments in our operating business totalled EUR -5,059 thousand (prior year: EUR -9,124 thousand), whereby investment focused mainly on improvements to the new gaming software and on the ongoing expansion and continual updating of live systems. Systems are

The scheduled amortization of software put into operation at the beginning of the year led to a rise in **depreciation** of tangible and intangible assets of EUR 2,647 thousand to EUR 4,908 thousand.

FINANCIAL POSITION

Compared with the **balance sheet** date, Tipp24's equity capital grew by EUR 26,620 thousand to EUR 119,541 thousand as of 30 September 2011. Over the same period, the equity ratio increased by 3.9 %-points to 75.4%, while the balance sheet total rose by 22.0% to EUR 158,592 thousand.

Short-term other liabilities, which mainly result from advance payments, winnings payments owed to customers not yet settled as of the balance sheet date, tax liabilities, and licence and operator fees owed to gaming licensors, rose by 4.2% in the period under review to EUR 18,281 thousand (31 December 2010: EUR 17,536 thousand).

continually expanded and updated in line with growing capacity requirements, as well as changing security standards and technologies.

Liquidity analysis

At EUR 33,691 thousand, **cash flow from operating activities** in the first nine months of 2011 exceeded the prior-year level (EUR 8,628 thousand), mainly as a result of the increase in consolidated net profit.

As explained in the investment analysis section above, **cash flow from investing activities** grew year on year by EUR 4,472 thousand to EUR -35,052 thousand.

Cash flow from financing activities amounted to EUR 0 (prior year: EUR 8,950 thousand). Tipp24 has available funds in the

form of cash and short-term financial assets of EUR 119.6 million (prior year: EUR 88.4 million). This ensures that our operator of secondary lotteries, MyLotto24 Limited, always has sufficient short-term liquidity for the swift payment of high jackpot winnings.

Key cash flow positions	Q.I–III 2011	Q.I–III 2010
in EUR thsd.		
Cash flow from operating activities	33,691	8,628
Cash flow from investing activities	-35,052	-39,524
<i>thereof financial investments</i>	-29,993	-30,399
<i>thereof operative investments</i>	-5,059	-9,124
Cash flow from financing activities	0	8,950
Change in cash	-1,361	-21,946
Cash at the beginning of the period	42,673	69,111
Change in pledged cash	33	-1,016
Cash at the end of the period	41,345	46,148
Short-term financial assets	78,230	42,208
Available funds	119,575	88,356

(Possible rounding differences due to presentation in EUR thousand)

ASSET SITUATION

Asset structure

The assets of Tipp24 mainly comprise current assets amounting to EUR 129,264 thousand (31 December 2010: EUR 100,569 thousand). These consist largely of cash (EUR 41,345 thousand), short-term financial assets (EUR 78,230 thousand) and other assets and prepaid expenses (EUR 7,798 thousand). Moreover, Tipp24 has intangible assets (mainly software) amounting to EUR 24,098 thousand, financial assets of EUR 1,600 thousand, property, plant and equipment (mainly hardware and office equipment) amounting to EUR 1,375 thousand and deferred tax assets amounting to EUR 2,255 thousand.

The development of assets mainly reflects the development of cash flow from operating activities.

Assets not recognized

On 23 September 2009, MyLotto24 Limited recorded a jackpot win of EUR 31.7 million which reduced revenue by the same amount and was insured for an amount of EUR 21.7 million. As the insurance case developed into litigation in early 2010, the entire amount of the receivable due from the insurance company was classified as a contingent receivable and not carried in the balance sheet. This contingent receivable no longer exists.

In June 2011, a legal dispute of MyLotto24 Limited was settled by mutual agreement. As a consequence, the forecast for earnings before interest and taxes (EBIT) was raised from EUR 30 million to EUR 40 million.

Other assets	30 Sep. 2011	31 Dec. 2010
in EUR thsd.		
Receivables from gaming operations	2,254	3,546
Prepaid expenses	3,403	1,247
Receivables from tax authorities for sales tax	676	1,160
Others	1,465	2,011
	7,798	7,964

(Possible rounding differences due to presentation in EUR thousand)

MANAGEMENT'S ASSESSMENT OF THE ECONOMIC POSITION

We continue to regard Tipp24's situation as generally robust: the Company has sufficient resources to successfully prevail, even in the face of significant negative regulatory conditions. The success of Tipp24 in the first nine months of 2011 was once again driven by the Abroad segment. Above all, however, in view of what we regard as the obvious incompatibility of current gaming legislation in Germany with constitutional, EU and anti-trust law, we believe that it is unlikely that such legislation can be upheld in the long term. This belief has been confirmed by the ECJ as well as recent German jurisdiction with regard to its incompatibility with EU law. Current discussions regarding the new GlüStV to be introduced as of 1 January 2012 are at least considering the partial liberalization of German gaming law, which would make it possible once more to broker state-run lotteries via the Internet. This is already intended by new gaming legislation due to come into force in Schleswig-Holstein on 1 January 2012. However, the decisive details in the draft legislation of the other fifteen federal states, which will determine whether the online brokerage of state lotteries is to be allowed not only de jure but also de facto, have still not been finally discussed and resolved.

The Executive Board sees the opportunity for sustained encouraging growth in the medium term. In comparison with other sectors, the online lottery market in Germany, Spain, Italy and the UK is still underdeveloped – 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 provides considerable scope to grasp future growth opportunities – for example by means of acquisitions.

SUBSEQUENT EVENTS

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

REPORT ON EXPECTED DEVELOPMENTS AND ASSOCIATED MATERIAL OPPORTUNITIES AND RISKS

In our annual report 2010, 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 sector and 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.

Within the scope of this interim report, we would like to focus in particular on the risks presented below:

FINANCING AND CURRENCY RISKS

As Tipp24 conducts a significant proportion of its business in Euro, there is no significant currency risk for its core activities. The UK companies are exposed to a currency risk regarding the British Pound. The profit margins of these companies may be affected by currency fluctuations. Foreign associated companies are economically autonomous within their respective markets. This is underlined by the fact that they have local general managers who are also responsible for controlling the respective financing and currency risks.

TAX RISKS

In the course of a tax inspection, there is currently a dispute with the relevant tax authority regarding the validity of tax assessments for various items in the inspection period (fiscal years 2005 to 2007 inclusive). Although we have grounds to believe that all the items queried by the tax authority were correctly assessed in accordance with the relevant regulations, the possibility cannot be excluded that the relevant tax authority may come to a different conclusion and successfully uphold this view in any respective legal proceedings. As a result, there is a total tax risk of up to EUR 4.3 million, which might have a correspondingly negative effect on the earnings, financial position and net assets of Tipp24.

RISKS FROM PAYMENT TRANSACTIONS

National or international payment transaction restrictions may be introduced in connection with the further regulation of gaming markets. Moreover, the number of available payment service providers for the gaming market is restricted. As a consequence, there is a risk that such providers may leave this market segment and no suitable replacement may be available for Tipp24, even at a higher cost. Whereas cost increases for payment transactions would have a negative effect on the profitability of individual or even all Tipp24 companies, payment transaction restrictions or a lack of available payment service providers might have a significant adverse effect on the business activities of Tipp24.

RISKS FROM FINANCIAL INVESTMENTS

Tipp24 has cash in Germany and abroad totalling EUR 41,345 thousand, which is held in accounts with various major European banks. Theoretical default risks resulting from the current financial market development are mitigated by thorough and continuous analysis of the relevant credit institutes. 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 industrialized 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. Short-term financial assets of EUR 78,230 thousand are invested widely and comprise mainly investments with high credit ratings. The collapse of individual issuers of such securities may lead to the partial or complete loss of these financial assets. The financial assets and cash deposits currently held also bear a significant interest risk. A reduction in interest rates may mean that no income can be generated from cash deposits and financial assets.

LEGAL RISKS RESULTING FROM THE REGULATORY DEVELOPMENT IN GERMANY

As a result of the extensive Internet prohibition and other restrictions of the GlüStV in Germany, we were still unable to pursue the overwhelming proportion of our German business in the third quarter of 2011. In spite of the ECJ ruling of 8 September 2010, that of the BVerwG on 24 November 2010 and those of various other administrative courts which confirm our own assessment of the situation, there is still a risk that this restrictive legal framework may be upheld throughout Germany in the short to medium term. The brokerage of state-run lotteries is only possible in Schleswig-Holstein as of 1 January 2012. This will only be the case in Berlin and Saxony when the lower-court rulings gain legal force and no new contradictory legislation is passed. In Saxony-Anhalt, brokerage can be resumed as soon as a further judicial decision becomes final, thus formally overturning a prohibition order from 2006 in application of the final judgement banning online brokerage. In view of the long duration of administrative court proceedings, it is not clear when this will be the case.

For these and the other federal states which have not yet joined Schleswig-Holstein, we continue to uphold the view which we have always taken: namely, that the legal restrictions imposed by these states contravene EU law and in particular do not correspond with the rulings of the ECJ. Within the framework of its remit, the ECJ has examined the restrictions of the GlüStV with regard to its compliance with EU law and in response to inquiries brought by several German courts has confirmed reservations regarding the compliance of Germany's gaming laws with EU law. In application of the principles determined by the ECJ, the BVerwG also referred to the contradictory nature of the German gaming monopoly in November 2010. The application of these instructions regarding interpretation, however, is initially still the duty of the national authorities and courts in Germany. In view of the doubts expressed by the supreme court, however, there is a not insignificant probability that the national courts will increasingly come to the conclusion, based on their own findings, that the German monopoly regulations are incoherent and thus disproportional. A coherent implementation of legislation intended to prevent gambling addiction would not ignore what the ECJ and BVerwG believe to be the most dangerous games (commercial gaming machines), whose operation is currently allowed and even facilitated for private persons – irrespective of which legislator is responsible, federal or state. Moreover, the ECJ – and recently also the Higher Administrative Court of North Rhine-Westphalia – believe that the current advertising methods of state-run lotteries contradict the aim of preventing gambling addiction and are instead aimed at gaining new customers. Such incoherencies justified the decision that the European freedom of private persons to provide services was restricted in a disproportional manner. The ECJ further clarified that standards which infringe EU law could not be tolerated even temporarily but were inapplicable. German authorities and certain courts are currently adopting the view that the monopoly regulations may be ineffective, but that the need to seek permission and the Internet ban were still effective. Based on numerous legal analyses and court verdicts to the contrary, we regard this view as incorrect with regard to the field of lottery brokerage in particular. In the medium term, however, it remains to be seen to what extent enforceable prohibition orders can now be suspended or repealed by the

courts and authorities on the basis of the European instructions. However, the courts must observe the interpretation of the ECJ which is binding in respect of decisions for the authorities and courts.

Tipp24 is still restricted in its direct nationwide access to the huge market potential of Germany which it was able to exploit in the past – at least in the short to medium term. Since the end of 2008, numerous authorities have forbidden Tipp24 SE from brokering domestic and foreign games to customers in Germany. For the time being, these prohibition orders are still enforceable – even after the ECJ and BVerwG rulings. Tipp24 SE observes these regulations, whereby it should be noted that Tipp24 SE has never brokered foreign games. At the same time, some authorities also tried to force Tipp24 SE by means of injunctions to abandon the business model of the UK companies. These official orders are immediately enforceable and failure to meet them would result in coercive payments. However, as Tipp24 SE is not authorized to give directions to the UK companies (also before the sale of majority voting rights to the Swiss foundation) and no further details were provided as to how Tipp24 SE should achieve this with regard to the UK companies and their activities, we regard these requests as legally indeterminate and impossible to meet. This applies all the more since control has been transferred. We therefore challenged these orders in court. In the case of two prohibition orders and a coercive payment order from the years 2008 and 2009, a temporary court suspension could not be achieved and principal proceedings must be conducted. Although a further prohibition order is still enforceable, the legal situation has already been settled in principle by means of a final judgement in favour of Tipp24 SE. In a further case, the authority itself lifted a prohibition order and two coercive payments following a notice from the administrative court and recognition of their illegality. In this case, no decision can be taken until principal proceedings have been completed. As the UK companies manage their business independently and Tipp24 SE cannot control them, we do not expect any further coercive payments. In contrast to this, in summary proceedings of the administrative Court of Hesse in June 2010, it was assumed that Tipp24 SE controlled the offerings of the UK companies despite the legal transfer of control. With reference to these proceedings, the district government of

Düsseldorf imposed a fine of EUR 100,000 in July 2010 based on the offerings of the UK companies and threatened further coercive payments. Due to Tipp24 SE's inability to control these companies, we regard this fine as a clear violation of valid law. In its verdict of 25 October 2011, the Administrative Court of Wiesbaden confirmed this view, affirmed the lack of control possibilities and overturned the prohibition order of the Hesse Ministry of the Interior against Tipp24 SE. The prohibition order concerned the offering of online games of chance via affiliated yet legally separate subsidiaries without control from the parent company. The reasons are not yet available and the verdict has not yet gained legal force. Tipp24 SE appealed to the administrative Court of Düsseldorf, which has since pronounced that the enforcement of such coercive payments must be temporarily suspended until a decision is taken in the summary proceedings. Against this backdrop, it cannot be excluded that certain authorities will impose further coercive payments and regulatory fines which will be upheld in court. Moreover, German authorities are attempting to directly forbid or prevent the UK companies from operating their own business model, even though the UK companies operate on the basis of concessions issued by the UK Gambling Commission and, according to the ECJ ruling on the interpretation of EU law, German legislation is to be regarded as incoherent and inapplicable. Even if the legal basis for such action outside Germany is difficult to comprehend and its effect questionable, it cannot be excluded that such measures would hinder or prevent the business activities of the UK companies.

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 the UK companies.

Finally, Germany's supervisory authorities still also regard skill-based games as illicit gaming or for not permissible via the Internet and have announced a ban. In their capacity as market participants, certain state lottery companies are striving to forbid

skill-based games by attempting to legally enforce an alleged contravention of German gaming law. We believe that the games offered on the website operated by Tipp24 Entertainment GmbH (www.tipp24games.de) are all knowledge-based or skill-based games which do not require permission. It cannot be ruled out, however, that we will fail to assert this claim in German courts. In the German state of North Rhine-Westphalia, the respective gaming authorities have issued a prohibition order against the game »Hush Hasis Mau Mau« in the area of the state, as they believe it constitutes a game of chance. Should further games be removed from the website in future for similar considerations, without the ability to create a replacement of equal value, this would represent a significant restriction for the business of Tipp24 Entertainment GmbH, which would lead to a reduction in the value of the intangible assets disclosed in the balance sheet of Tipp24.

BOOKMAKING RISKS OF MYLOTTO24 LIMITED

Statistical risks of winnings payouts

MyLotto24 Limited bears the bookmaking risks for secondary lotteries based on various European lotteries. The payout ratios are based on those offered by the organisers 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, around 50% in the case of the German Lotto. They may even be temporarily greater than the stakes received by MyLotto24 Limited – as was the case in September 2009. Insofar as they are not covered by effective hedging arrangements, such statistical payout fluctuations may have a significant negative effect on the earnings, financial position and net assets of MyLotto24 Limited, which through consolidation would also represent a burden for Tipp24 as a whole. MyLotto24 Limited informs Tipp24 SE immediately about individual payouts of at least EUR 5 million. Tipp24 SE currently has a communication guideline which requires the publication of such notifications. It is generally assumed that this announcement to the capital market is included in the Company's ad hoc disclosure obligations. However, such notifications are checked in advance on a case-by-case basis.

Risks from the assertion of claims from hedging transactions

It cannot be fully excluded that insurers fail to fulfil their payment obligations in future and that such claims have to be enforced in court. As such contingent receivables are not carried in the balance sheet, such a refusal to pay would have no impact on the earnings, financial position and net assets of MyLotto24 Limited, which through consolidation would also represent a burden for Tipp24 as a whole.

FORECAST AND OPPORTUNITY REPORT

In general, Tipp24 SE 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. We aim to resume business activities in Germany with the brokerage of state-run lotteries as soon as possible. According to the executive boards of our minority shareholdings, the growth strategy in Europe is also to be continued.

EXPECTED EARNINGS POSITION

Tipp24 SE expects a consolidated EBIT result of around EUR 40 million in fiscal year 2011 with revenues now expected to reach at least EUR 130 million. This forecast takes into consideration uncertainties regarding negative statistical fluctuations and increased costs for re-establishing business in Germany of up to EUR 10 million.

SIGNIFICANT 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. The recently announced verdict of the ECJ on 8 September 2010, as well as 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 supplementary regulations and official pronouncements on a European level may also 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 not only allow the company to resume operations on the German market but also enable further internationalization – thus significantly increasing access to our product portfolio and enabling Tipp24 to enter new markets with its existing products.

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

	Q.III 2011	Q.III 2010	Q.I–III 2011	Q.I–III 2010
in EUR				
Revenues	35,324,036.11	25,889,826.24	105,397,197.41	66,526,142.76
Other operating income	2,043,138.60	643,292.27	15,526,242.44	2,995,239.69
Total operating performance	37,367,174.71	26,533,118.51	120,923,439.85	69,521,382.45
Operating expenses				
Personnel expenses	-3,269,758.56	-3,010,626.80	-8,527,130.32	-8,123,371.98
Amortization/depreciation on intangible assets and property, plant and equipment	-1,809,265.89	-784,600.50	-4,907,979.27	-2,260,744.46
Other operating expenses	-25,393,564.57	-15,657,621.63	-67,071,910.53	-45,516,917.04
Total marketing expenses	-2,048,958.75	-3,337,090.16	-6,830,212.11	-8,594,110.36
Total direct costs of operations	-15,110,405.71	-7,976,161.89	-38,093,993.98	-21,941,992.39
Total other costs of operations	-8,234,200.11	-4,344,369.58	-22,147,704.44	-14,980,814.29
Result from operating activities (EBIT)	6,894,585.69	7,080,269.58	40,416,419.73	13,620,348.97
Revenues from financial activities	274,785.14	120,155.42	693,812.42	410,291.45
Expenses from financial activities	-61,349.79	-50,618.10	-175,829.79	-103,555.70
Financial result	213,435.35	69,537.32	517,982.63	306,735.75
Result from ordinary activities	7,108,021.04	7,149,806.90	40,934,402.36	13,927,084.72
Income taxes	-3,831,895.09	-2,467,240.71	-14,329,654.68	-5,545,464.95
Consolidated net profit	3,276,125.95	4,682,566.19	26,604,747.68	8,381,619.77
Earnings per share (diluted and undiluted, in EUR/share)	0.41	0.61	3.33	1.10
Weighted average of ordinary shares outstanding (diluted and undiluted, in shares)	7,985,088	7,625,789	7,985,088	7,625,789

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 1 JANUARY TO 30 SEPTEMBER ACC. TO IFRS

	Q.I–III 2011	Q.I–III 2010
in EUR		
Net profit for the period	26,604,747.68	8,381,619.77
Other result		
Unrealized gains/losses from revaluation of financial assets held for sale	14,946.05	7,843.79
Other result after tax	14,946.05	7,843.79
Total net profit after tax	26,619,693.73	8,389,463.56

CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER ACC. TO IFRS

	30 Sep. 2011	31 Dec. 2010
ASSETS in EUR		
Current assets		
Cash	41,345,148.77	42,673,131.77
Pledged cash	1,250,429.93	1,283,533.24
Short-term financial assets	78,229,612.01	48,226,340.87
Trade receivables	30,406.06	26,638.77
Income tax refund claims	610,164.52	395,910.63
Other assets and prepaid expenses	7,797,754.68	7,963,908.08
Total current assets	129,263,515.97	100,569,463.36
Non-current assets		
Intangible assets	24,097,546.80	23,863,458.12
Property, plant and equipment	1,375,367.46	1,458,708.77
Financial assets	1,600,000.00	1,600,000.00
Deferred tax assets	2,255,424.16	2,521,421.46
Total non-current assets	29,328,338.42	29,443,588.35
	158,591,854.39	130,013,051.71

	30 Sep. 2011	31 Dec. 2010
EQUITY & LIABILITIES in EUR		
Current liabilities		
Trade payables	3,938,166.83	5,834,006.71
Other liabilities	18,281,059.20	17,536,134.51
Financial liabilities	80,964.72	87,321.49
Deferred income	3,755,871.25	4,561,252.98
Income tax liabilities	9,868,063.93	4,920,282.20
Short-term provisions	2,524,899.03	3,971,963.56
Total current liabilities	38,449,024.96	36,910,961.45
Non-current liabilities		
Long-term provisions	0.00	0.00
Deferred tax liabilities	602,319.29	181,273.85
Total non-current liabilities	602,319.29	181,273.85
Equity		
Subscribed capital	7,985,088.00	7,985,088.00
Capital reserves	43,814,586.79	43,814,586.79
Other reserves	-38,258.12	-125,387.58
Retained earnings	67,779,093.47	41,246,529.20
Own shares	0.00	0.00
Total equity	119,540,510.14	92,920,816.41
	158,591,854.39	130,013,051.71

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

	Q.I–III 2011	Q.I–III 2010
in EUR		
Profit before tax	40,934,402.36	13,927,084.72
Adjustments for		
Amortization/depreciation on non-current assets	4,907,979.27	2,260,744.46
Result from the disposal of assets	0.00	-337.65
Revenues from financial activities	-693,812.42	-410,291.45
Expenses from financial activities	175,829.79	103,555.70
Changes in		
Trade receivables	-3,767.29	-18,855.50
Other assets and prepaid expenses	166,153.40	-3,045,932.22
Trade payables	-1,895,839.88	748,331.33
Other liabilities	744,924.69	960,680.83
Financial liabilities	-6,356.77	-21,627.75
Short-term provisions	-1,447,064.53	642,298.52
Deferred income	-805,381.73	138,537.43
Long-term provisions	0.00	-55,000.00
Interest received	698,891.81	405,893.88
Interest paid	-175,829.79	-103,555.70
Taxes paid	-8,909,084.10	-6,903,389.53
Cash flow from operating activities	33,691,044.81	8,628,137.07
Financial investments (short-term)	-101,630,018.80	-71,266,128.77
Proceeds from financial investments (short-term)	71,636,614.32	40,866,774.04
Investments in intangible assets	-4,590,250.39	-8,678,484.29
Proceeds from intangible assets	0.00	96,000.00
Investments in property, plant and equipment	-468,476.25	-553,393.38
Proceeds from property, plant and equipment	0.00	11,194.20
Cash flow from investing activities	-35,052,131.12	-39,524,038.20
Sale of own shares	0.00	8,949,500.00
Cash flow from financing activities	0.00	8,949,500.00

	Q.I–III 2011	Q.I–III 2010
in EUR		
Change in cash	-1,361,086.31	-21,946,401.13
Cash at the beginning of the period	42,673,131.77	69,110,738.74
Change in pledged cash	33,103.31	-1,016,423.27
Cash at the end of the period	41,345,148.77	46,147,914.34
Composition of cash at the end of the period		
Cash	42,595,578.70	47,414,905.11
Pledged cash and securities	-1,250,429.93	-1,266,990.77
	41,345,148.77	46,147,914.34

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR	Share Capital	Capital Reserves	Other Reserves	Retained Earnings	Own Shares	Total Equity
As at 1 January 2010	7,985,088.00	39,342,251.01	-146,285.77	21,103,974.16	-3,885,923.04	64,399,104.36
Sale of treasury shares	0.00	5,063,576.96	0.00	0.00	3,885,923.04	8,949,500.00
Other results	0.00	0.00	7,843.79	0.00	0.00	7,843.79
Net profit 2010	0.00	0.00	0.00	8,381,619.77	0.00	8,381,619.77
Total net profit	0.00	0.00	7,843.79	8,381,619.77	0.00	8,389,463.56
As at 30 September 2010	7,985,088.00	44,405,827.97	-138,441.98	29,485,593.93	0.00	81,738,067.92
Sale of treasury shares	0.00	3,885,923.04	0.00	-3,885,923.04	0.00	0.00
Adjustment of balance sheet loss	0.00	-4,477,164.22	0.00	4,477,164.22	0.00	0.00
Share-based payments	0.00	0.00	12,796.00	0.00	0.00	12,796.00
Other results	0.00	0.00	258.40	0.00	0.00	258.40
Net profit 2010	0.00	0.00	0.00	11,169,694.09	0.00	11,169,694.09
Total net profit	0.00	0.00	258.40	11,169,694.09	0.00	11,169,952.49
As at 31 December 2010	7,985,088.00	43,814,586.79	-125,387.58	41,246,529.20	0.00	92,920,816.41
As at 1 January 2011	7,985,088.00	43,814,586.79	-125,387.58	41,246,529.20	0.00	92,920,816.41
Contribution to other reserves	0.00	0.00	72,183.41	-72,183.41	0.00	0.00
Other results	0.00	0.00	14,946.05	0.00	0.00	14,946.05
Net profit 2011	0.00	0.00	0.00	26,604,747.68	0.00	26,604,747.68
Total net profit 2011	0.00	0.00	14,946.05	26,604,747.68	0.00	26,619,693.73
As at 30 September 2011	7,985,088.00	43,814,586.79	-38,258.12	67,779,093.47	0.00	119,540,510.14

SEGMENT REPORTING

In the following, Tipp24 SE and the companies belonging to its consolidated group will be referred to jointly as Tipp24.

For the purposes of corporate control, Tipp24 is organized in business units with the following two geographic segments:

The »Germany« segment comprises all activities in Germany, while the »Abroad« segment mainly comprises the Group's activities in the UK, as well as in Spain and Italy.

Revenue from these business segments corresponds to the revenue of the geographic location of the operating units (Group subsidiaries) which generate that revenue.

Q.III in EUR thsd.	Germany		Abroad		Consolidation		Consolidated	
	1 Jul.–30 Sep.		1 Jul.–30 Sep.		1 Jul.–30 Sep.		1 Jul.–30 Sep.	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	784	753	35,168	25,730	-628	-594	35,324	25,890
Depreciation/amortization	200	258	1,024	527	585	0	1,809	785
EBIT	-2,112	-2,330	9,583	9,916	-577	-505	6,895	7,080
Financial result	-17	-27	231	97	0	0	213	70
Income taxes	19	472	-3,594	-3,102	-257	163	-3,832	-2,467
Consolidated net profit	-2,110	-1,886	6,220	6,910	-834	-342	3,276	4,683
Assets	41,364	46,910	74,851	71,606	-38,718	-35,856	77,497	82,660

Q.I – Q.III in EUR thsd.	Germany		Abroad		Consolidation		Consolidated	
	1 Jan.–30 Sep.		1 Jan.–30 Sep.		1 Jan.–30 Sep.		1 Jan.–30 Sep.	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	2,534	2,309	104,935	66,029	-2,072	-1,812	105,397	66,526
Depreciation/amortization	630	776	2,727	1,485	1,551	0	4,908	2,261
EBIT	-5,918	-6,360	47,861	19,956	-1,526	25	40,416	13,620
Financial result	-69	32	587	275	0	0	518	307
Income taxes	-59	1,162	-14,264	-6,699	-6	-8	-14,330	-5,545
Consolidated net profit	-6,047	-5,166	34,184	13,531	-1,532	17	26,605	8,382
Assets	41,364	46,910	74,851	71,606	-38,718	-35,856	77,497	82,660

(Possible rounding differences due to presentation in EUR thousand)

SELECTED EXPLANATORY NOTES

GENERAL

This condensed interim report as of 30 September 2011 was approved for publication by a resolution of the Executive Board on 8 November 2011.

The condensed interim report for the first nine months of 2011 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 at 31 December 2010.

The reporting period is 1 January to 30 September 2011.

The same accounting policies and calculation methods were used for

this condensed interim report as for the consolidated financial statements as at 31 December 2010.

There has been no change to the consolidated group of companies since 31 December 2010.

MyLotto24 Limited has sponsored an Insurance-Linked-Security ('ILS') vehicle which partially transfers its bookmaking risk to the capital market. The CAT bond was placed with institutional investors outside the group by a special purpose entity. MyLotto24 Limited has no controlling influence, no exposure to the residual risk, no right to receive benefits and therefore no exposure to risk in respect of the ILS; hence MyLotto24 Limited does not include the entity in its consolidated financial statements.

CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

In April 2011, the Supervisory Board of Tipp24 SE resolved to expand the Executive Board as of 1 July 2011 with the addition of two further members. The former Executive Board members Marcus Geiß and Petra von Strombeck, who left the Executive Board in late March 2009, returned to Tipp24 SE in their old positions. Marcus Geiß is responsible for the Corporate Development and New Markets divisions. Petra von Strombeck has taken over the Sales, Marketing and Brand Management divisions. The former sole member of the Executive Board of Tipp24 SE, Dr. Hans Cornehl, is Chairman of the expanded Executive Board. He remains responsible for Strategy, Investor Relations, Communication, HR and Finance.

The Annual General Meeting of 29 June 2011 voted to expand the Supervisory Board from three to six persons. In addition to Oliver Jaster and Hendrik Pressmar, who remain on the Supervisory Board, Jens Schumann, Andreas de Maizière, Willi Berchtold and Dr. Helmut Becker were all elected to the Supervisory Board. The Chairman of the Supervisory Board, Klaus Jaenecke, retired from the Supervisory Board on completion of the Annual General Meeting.

SHARE-BASED REMUNERATION

The stock option plan of Tipp24 SE 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 SE using financial valuation methods according to the Black-Scholes-Merton formula.

REVENUES

Compared with the same period last year, revenues grew by EUR 38,871 thousand to EUR 105,397 thousand as of 30 September 2011. In the first nine months of 2011, the actual payout ratio differed by -3.2%-points (prior year: +13.5%-points) from the expected value.

For the organization of secondary lotteries, reference is made to the organization of lottery gaming systems which have a fixed ratio of payouts to stakes. The ratio of payouts to stakes is known as the payout ratio. In the lottery gaming systems organized by the operators of those reference games of relevance to Tipp24, there is a fixed underlying payout ratio of 50% in the gaming system for ongoing lottery draws. This underlying payout ratio corresponds to the expected pay-

out ratio for the organization of secondary lotteries. There may be deviations from this expected value during the actual draws of secondary lotteries. Such deviations are chance effects and represent statistical fluctuations of the ratio of payouts to stakes. A payout ratio above the expected value results in revenues below the expected revenue figure, while a lower payout ratio increases actual revenues in comparison to the expected figure.

In order to aid comprehension of the consolidated financial statements and earnings, the following table presents the reconciliation of actual revenues with revenues adjusted for chance effects and the effect of deviations between actual winnings payouts and the expected value.

Revenues

in EUR thsd.	30 Sep. 2011		30 Sep. 2010		Deviation absolute
Revenues adjusted for chance effects	100,113	95.0%	85,570	128.6%	14,543
+/- Deviations between actual winnings payouts and expected value	-5,284	-5.0%	19,044	28.6%	-24,328
Revenues	105,397	100.0%	66,526	100.0%	38,871

OBJECTIVES AND METHODS OF CAPITAL MANAGEMENT

Tipp24 operates a decentralized capital management system. All key decisions concerning the financial structure of the German segment are taken by the Executive Board of Tipp24. MyLotto24 Limited is responsible for capital management of the Abroad segment, with the exception of Tipp24 Services Limited 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 the current risk report.

Interest rate risk

There is an interest rate risk in respect of liquid funds and short-term financial assets (together EUR 120.8 million). If short-term interest rates change by 50 base points, this would result in a change in interest income of EUR 604 thousand p.a. Irrespective of this fact, there is an increased default risk with respect to both interest agreed for financial assets and expected returns as well as the invested sums themselves and bank deposits – especially in view of the current adverse climate of the European and global financial markets.

Currency risk

The Company is exposed to a currency risk as a result of GBP exchange rates. The risk arises from payments received and made in foreign currency, which differ from the Company's functional currency and are not always offset by payments in the same currency of the same amount and with the same maturities.

In order to determine the currency risk, a fluctuation of the Euro to British Pound exchange rate of 10% was assumed as of 30 September 2011. On the basis of this assumption, a revaluation of the Euro against the British Pound of 10% to 0.9533 GBP/EUR would result in an effect of EUR 888 thousand on earnings. A devaluation of the Euro against the British Pound of 10% to 0.7800 EUR/GBP would result in an effect of EUR -1,085 thousand on earnings.

The financial assets currently held do not bear any currency risk.

Credit risk

Since the last balance sheet date, contingent receivables have changed as follows: on 23 September 2009, MyLotto24 Limited recorded a jackpot win of EUR 31.7 million which reduced revenue by the same amount. The jackpot payout was insured for an amount of EUR 21.7 million. As the insurance case has been the subject of litigation since early 2010, the entire amount of the receivable due from the insurance company was classified as a contingent receivable in the annual financial statements for 2009 and since this time not carried in the balance sheet. This contingent receivable no longer exists.

The legal dispute was settled by mutual agreement in June 2011. As a consequence, the forecast for earnings before interest and taxes (EBIT) was raised from EUR 30 million to EUR 40 million.

In the course of 2011, MyLotto24 Limited sponsored an Insurance-Linked-Security (ILS) vehicle which partially transfers its bookmaking risk to the capital market. The additional protection covered by a catastrophe bond (CAT bond) amounts to EUR 70.5 million in total over a period of three years, with a maximum annual cover of EUR 45.5 million. The insurance covers payments to winners of jackpot prizes in two secondary lotteries operated by MyLotto24 Limited in excess of a EUR 22.5 million annual deductible. The CAT bond was placed with institutional investors outside the group by a special purpose entity. MyLotto24 Limited has no controlling influence, no exposure to the residual risk, no right to receive benefits and therefore no exposure to risk in respect of the ILS; hence MyLotto24 Limited does not include the entity in its consolidated financial statements.

SUBSEQUENT EVENTS

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

RELATED PARTIES

The members of Tipp24 SE's Executive Board and Supervisory Board, as well as their immediate relatives, are regarded as related parties in accordance with IAS 24. Oliver Jaster is member of the Supervisory Board. The operating business of Schumann e.K. was outsourced to Günther Direct Services, an affiliated company of Oliver Jaster. In return, Günther Direct Services GmbH received compensation of EUR 170 thousand in the period under review.

At the Annual General Meeting for fiscal year 2010 held on 29 June 2011, Jens Schumann was elected Chairman of the Supervisory Board

with effect from 1 July 2011. Jens Schumann is the sole shareholder of Schumann e.K.. This structure has existed in comparable form since 2002 and was chosen because class lotteries only issue sales licenses at present to natural persons or companies in which neither the liability of the company or its direct and indirect partners is limited. In his capacity as shareholder of Schumann e.K., Mr. Schumann has not received any remuneration during the current fiscal year.

There were no other significant transactions with related parties during the period under review.

Hamburg, 8 November 2011

The Executive Board

Dr. Hans Cornehl **Marcus Geiß** **Petra von Strombeck**

FINANCIAL CALENDAR

22 NOVEMBER 2011.....	ANALYST CONFERENCE (FRANKFURT)
28 MARCH 2012.....	ANNUAL PRESS CONFERENCE
10 MAY 2012.....	REPORT FIRST QUARTER
22 JUNE 2012	ANNUAL GENERAL MEETING
6 AUGUST 2012	HALF-YEAR REPORT
6 NOVEMBER 2012	NINE-MONTH REPORT

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