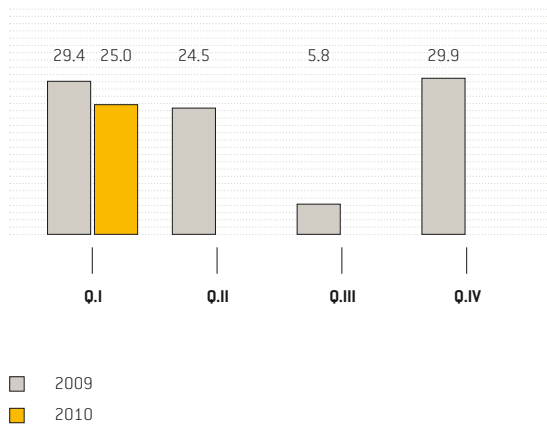

STABLE BUSINESS DESPITE REGULATORY UNCERTAINTY

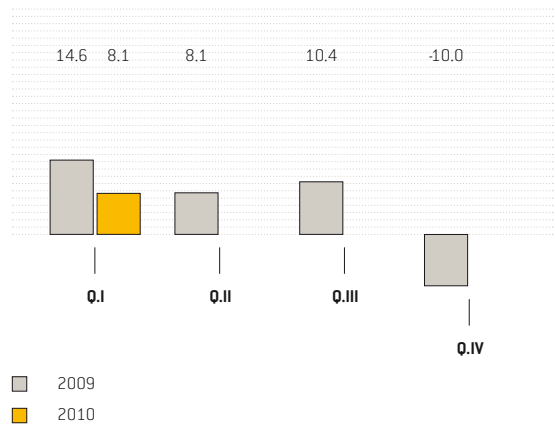
QUARTERLY REPORT Q.1

01.01.–31.03.2010

REVENUE in EUR million



EBIT in EUR million



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[Rounding differences in the Management Report due to presentation in EUR thousand]

LADIES AND GENTLEMEN,

Following what was certainly one of the most difficult and eventful financial years in the ten-year history of our company – albeit one of the most successful – with drastic changes in the regulatory environment and thus also in the company's structure, Tipp24 enjoyed a stable development of its business in the first quarter of 2010.

Consolidated revenues amounted to EUR 24,991 thousand. They were dominated by the Abroad segment. The Germany segment contributed EUR 835 thousand to total revenues. The decline of 14.9% resulted mainly from a positive special item in the first quarter of 2009, in which the second-highest jackpot in Germany Lotto history led to a very high gaming volume while marketing costs remained extremely low. At the same time, within the framework of usual statistical fluctuations for the organisation of secondary lotteries, winnings of EUR 4.9 million were paid out above the statistical average in the first quarter of 2010. Consolidated EBIT reached EUR 8,063 thousand, of which EUR 9,396 thousand was generated outside Germany.

The German lottery market has suffered a severe decline. We estimate that a total volume of approximately EUR 11 billion will be lost in the period up to the end of 2011 as a direct consequence of the – in our view illegal – regulations introduced by the State Treaty on Gaming (GlüStV). This corresponds to tax and duty revenue of around EUR 5 billion, which will no longer be available to support important social projects, sport and culture...

We will continue to fight in the courts for the resumption of our business in Germany. We plan to utilise all available appeal possibilities and continue our political lobbying. Our assessment of the legality of the State Treaty on Gaming is also reflected in over one thousand court proceedings already brought against this legislation by various market participants in Germany.

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 European nations other than Germany is also to be continued.

After completing the first quarter of 2010, we can confirm our forecast that revenues will increase to at least EUR 100 million and that EBIT will reach at least EUR 40 million in the current fiscal year. Statistically unusually high or frequent game winnings, however, would also dampen expectations with regard to revenue and EBIT.



Dr. Hans Cornehl
Executive Board

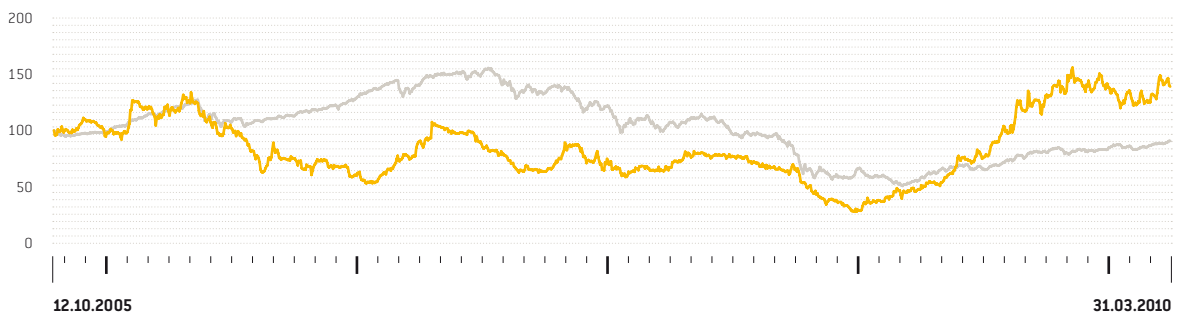
KEY CONSOLIDATED FIGURES OF TIPP24 SE ACC. TO IFRS

| | | Q.1 2010 | Q.1 2009 | Change |
|------------------------------------|--------------|----------|----------|----------------|
| Revenue | EUR thousand | 24,991 | 29,355 | - 14.9% |
| EBIT | EUR thousand | 8,063 | 14,635 | - 44.9% |
| EBIT margin | % | 32.3% | 49.9% | -17.6 %-points |
| Net profit | EUR thousand | 5,324 | 11,869 | - 55.1% |
| Net profit margin | % | 21.3% | 40.4% | -19.1 %-points |
| Cashflow from operating activities | EUR thousand | 4,517 | 19,983 | - 77.4% |
| Equity | EUR thousand | 69,729 | 64,399 | + 8.3% |
| Employees (end of period) | Headcounts | 116 | 185 | - 37.3% |

(Rounding differences due to presentation in EUR thousand)

INVESTOR RELATIONS

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



EUR 20.50

— Tipp24

EUR 28.50

4,277.03

— SDAX

3,895.95

SHARE

The stock exchange's positive mood of the past year carried over into the first quarter of 2010: the SDAX reached an 18-month high in March and grew by 9.8% in total during the first quarter to reach 3,895.95 points. The Tipp24 share was unable to benefit from this trend and closed the first quarter with a negative performance of 1.7% at EUR 28.50.

We continued our intensive investor relations activities in the first three months of 2010 and presented Tipp24 and its business prospects to interested investors at domestic and international roadshows.

KEY SHARE FIGURES

| | | |
|--|-------------------|------------------------|
| Day of initial listing | | 12.10.2005 |
| Year-opening price | 01.01.2010 | EUR 28.28 |
| Market capitalization | 01.01.2010 | EUR 226 million |
| Closing price at the end of the period | 31.03.2010 | EUR 28.50 |
| Market capitalization | 31.03.2010 | EUR 228 million |
| Highest price | 17.03.2010 | EUR 30.55 |
| Lowest price | 20.01.2010 | EUR 24.54 |
| Number of shares | 31.03.2010 | 7,985 thousand |
| Average daily trading | 01.01.–31.03.2010 | 33,350 |
| Earnings per share (undiluted and diluted) | 01.01.–31.03.2010 | EUR 0.70 |

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, Macquarie, Warburg/SES, Hauck & Aufhäuser, Cheuvreux |
| Reuters | TIMGn.DE |
| Bloomberg | TIM GR |

INTERIM GROUP MANAGEMENT REPORT

BUSINESS & ECONOMIC CONDITIONS

Following the implementation of the second stage of Germany's State Treaty on Gaming (GlüStV), which completely prohibited the brokering of state-run lotteries via the Internet as of 1 January 2009, Tipp24 SE largely discontinued its lottery brokerage activities in Germany. It therefore complies with the current regulatory environment – although it continues to fight in the courts for a return of its business in Germany.

As a consequence, Tipp24 SE transferred a number of assets it no longer requires to MyLotto24 Limited 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 the subsidiaries Ventura24 S.L. in Spain and Giochi24 S.r.l. in Italy. Moreover, Tipp24 SE transferred control over its UK subsidiaries in accordance with company law in the second quarter of 2009. The move reflects the operating independence 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 this affiliated company and its respective subsidiaries in the consolidated financial statements is based on an economic view of its situation, whereby Tipp24 SE bears the significant risks and opportunities. Tipp24 SE expects that the German legislation which forbids its German 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 Limited. When certain conditions are met (e.g. a settlement of the legal situation in its favour), Tipp24 SE has the right to repurchase the sold shares from the foundation after 30 September 2010.

Business abroad includes the brokerage of state-run lottery products in Spain and Italy. In the UK, MyLotto24 Limited organises English secondary lotteries based on various European lotteries and thus bears the bookmaking risk. Tipp24 Services Limited brokers tickets to MyLotto24 Limited. Tickets are only accepted from customers who confirm that they are not in Germany when submitting their tickets.

In the German part of the Group, Schumann e. K. continues to market the German class lotteries NKL and SKL in cooperation with Tipp24 SE, and skill-based games are still being developed. There is also a focus on identifying and acquiring new business models in Germany and Europe. After the legal situation has been settled in its favour, Tipp24 SE intends to resume its previous activities as a private gaming broker from its base in Germany as swiftly as possible.

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

LEGAL MARKET SITUATION IN GERMANY

The intensive political and legal discussions concerning Germany's gaming market and the respective legal conditions for our sector continued in the past few months. 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.

The German lottery market has suffered significant losses. We estimate that a cumulative volume of approximately EUR 11 billion will be lost in the period up to the end of 2011 as a direct consequence of the – in our view illegal – regulations introduced by the GlüStV. This corresponds to tax and duty revenue of around EUR 5 billion which is no longer available to support important social projects, sport and culture. As far as we can determine, however, the lottery market does not appear to depend on macro-economic conditions.

LEGAL MARKET SITUATION ABROAD

The foreign markets in which we operate generally offer stable legal environments in line with market requirements. The exception here is our legal dispute with Italy's anti-trust authorities. The question to be settled is whether the current obligation for all market participants to run online brokerage of the state-licensed lottery SuperEnalotto via the applet of organiser Sisal represents a contravention of anti-trust law, as the latter has proven insufficiently suitable for the market as yet.

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 main focus was placed on updating, internationalising and standardising the gaming software used in our various national markets. This project is managed directly abroad in cooperation with external service companies. The project is expected to be completed in the current fiscal year. 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 three months of the current fiscal year, an average of 4 employees were involved with R&D activities on a full-time or part-time basis in the Germany segment, and 20 in the Abroad segment. R&D expenses amounted to around EUR 53 thousand (prior year: EUR 740 thousand) in the Germany segment and EUR 205 thousand (prior year: EUR 159 thousand) in the Abroad segment.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

EARNINGS

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

- In January 2009, there was the second largest jackpot in the history of German Lotto (EUR 35 million).
- In the first quarter of 2009, some tickets – especially those in connection with standing orders – could still be brokered to state-run lottery companies.
- Non-recurring costs were incurred in the first quarter of 2009 in connection with the restructuring of business.
- Interest income from exceptionally successful financial investment in Q1/2009.
- Tax effect from offsetting loss carryforwards with profits of Abroad segment in Q1/2009.
- In the first quarter of 2010, the amount paid out for secondary lottery winnings was EUR 4.9 million above the statistical average. This led to a negative revenue effect of the same amount and a negative EBIT effect of EUR 4.5 million.

| First quarter comparison | Q.1 2010 | | Q.1 2009 | | Change |
|--|----------------|--------------|----------------|--------------|---------------|
| | EUR thousand | % | EUR thousand | % | |
| Revenues | 24,991 | 100.0 | 29,355 | 100.0 | -14.9% |
| Personnel expenses | -2,403 | -9.6 | -4,366 | -14.9 | -45.0% |
| Other operating expenses | -15,057 | -60.3 | -10,021 | -34.1 | 50.3% |
| Less other operating income | 1,237 | 4.9 | 271 | 0.9 | 357.2% |
| Operating expenses | -16,223 | -64.9 | -14,117 | -48.1 | 14.9% |
| EBITDA | 8,767 | 35.1 | 15,238 | 51.9 | -42.5% |
| Amortization/depreciation on intangible assets and property, plant and equipment | -705 | -2.8 | -603 | -2.1 | 16.8% |
| EBIT | 8,063 | 32.3 | 14,635 | 49.9 | -44.9% |
| Financial result | 136 | 0.5 | 1,330 | 4.5 | -89.8% |
| Net result before taxes | 8,199 | 32.8 | 15,965 | 54.4 | -48.6% |
| Income taxes | -2,875 | -11.5 | -4,095 | -14.0 | -29.8% |
| Consolidated net profit | 5,324 | 21.3 | 11,869 | 40.4 | -55.1% |
| Breakdown of other operating expenses | | | | | |
| Total marketing expenses | -2,377 | -9.5 | -869 | -3.0 | 173.6% |
| Total direct costs of operations | -7,847 | -31.4 | -5,714 | -19.5 | 37.3% |
| Total other costs of operations | -4,834 | -19.3 | -3,439 | -11.7 | 40.6% |
| Other operating expenses | -15,057 | -60.3 | -10,021 | -34.1 | 50.3% |

(Rounding differences due to presentation in EUR thousand)

EBIT

In the first quarter of 2010, the German segment posted a negative EBIT of EUR -1,855 thousand (prior year: EUR -3,077 thousand). This was a result of the considerable legal restrictions imposed by the GlüStV as well as start-up losses in the Skill Based Games division.

The Abroad segment posted an EBIT result for the first quarter of 2010 of EUR 9,396 thousand (prior year: EUR 17,912 thousand). The prior-year quarter benefited in particular from the second largest jackpot in the history of German Lotto.

In total, consolidated EBIT amounted to EUR 8,063 thousand (prior year: EUR 14,635 thousand). The EBIT margin fell by 17.6 %-points from 49.9% to 32.3%.

Due to greatly reduced interest rates in the period under review, the financial result fell to EUR 136 thousand (prior year: EUR 1,330 thousand). In the same quarter last year, the sale of exceptionally successful financial investments led to a strong financial result.

Consolidated net profit fell to EUR 5,324 thousand (prior year: EUR 11,869 thousand) in the first quarter. Net operating margin after tax amounted to 21.3% (prior year: 40.4%). Tipp24's tax rate rose by 9.4 %-points to 35.1%, compared to the same period last year. The losses of companies which cannot be offset with positive results of other minority investments had a negative influence on the consolidated tax rate. In the first quarter of 2009, loss carryforwards not capitalised of the Abroad segment were netted with profits, leading to a reduction in the tax rate.

There was a corresponding fall in return on equity in the period under review from 18.4% to 7.6%.

Earnings per share (undiluted and diluted) fell from EUR 1.50 to EUR 0.70.

REVENUES

In the Germany segment, revenues amounted to EUR 835 thousand (prior year: EUR 725 thousand). The Abroad segment generated revenues of EUR 24,811 thousand (prior year: EUR 29,022 thousand). As a result, consolidated revenues for the period under review fell by 14.9% from EUR 29,355 thousand to EUR 24,991 thousand.

In contrast to the quarterly reports in 2009, licence and operator fees payable to the British state are carried as costs under »Other operating expenses«. Revenues of the first quarter 2009 have been adapted to the new disclosure in this quarterly report.

DEVELOPMENT OF KEY INCOME STATEMENT ITEMS

At EUR 2,403 thousand, personnel expenses were below the prior-year figure EUR 4,366 thousand. This was mainly due to the strong reduction in headcount compared to last year. The personnel expense ratio fell by 5.3 %-points to 9.6%. At the end of the quarter, the number of employees amounted to 116 (prior year: 185).

There was a year-on-year increase in other operating expenses of 50.3% to EUR 15,057 thousand (prior year: EUR 10,021 thousand) in the first three months of 2010. The development in detail was as follows:

Marketing expenses rose by 173.6% to EUR 2,377 thousand (prior year: EUR 869 thousand) (9.5% of revenues; +6.5 %-points).

Direct operating expenses increased by 37.3% in the period under review to EUR 7,847 thousand (prior year: EUR 5,714 thousand). Additional to the quarterly reports in 2009, this cost item was adjusted for licence and operator fees payable to the British state. In addition, this cost item includes costs of EUR 3,674 thousand (prior year: EUR 23 thousand) in connection with hedging transactions of MyLotto24 Limited.

Other operating expenses increased by 40.6% to EUR 4,834 thousand (prior year: EUR 3,439 thousand). This increase was largely due to costs for outsourcing necessitated by restructuring, which was only used to a limited extent in the previous year. The prior-year period was also burdened by restructuring costs.

Other operating income amounted to EUR 1,237 thousand (prior year: EUR 271 thousand). The strong year-on-year increase resulted from higher income from hedging transactions.

In comparison with the previous year, amortization/depreciation on intangible assets and property, plant and equipment grew by EUR 101 thousand (+16.8%) to EUR 705 thousand. This development is in line with the volume of investments made.

FINANCIAL POSITION

As of 31 March 2010, Tipp24 held a total of 361,180 treasury shares, which reduced equity capital by EUR 3,886 thousand.

Compared with the balance sheet date, Tipp24's equity capital grew by EUR 5,329 thousand to EUR 69,729 thousand. The equity ratio increased by 2.1 %-points to 61.6% compared with the balance sheet date. The balance sheet total rose by 4.6% to EUR 113,118 thousand.

Short-term other liabilities owed to customers from advance payments and winnings payments not yet settled as of the balance sheet date, as well as gaming tax liabilities, grew by 3.1% to EUR 30,750 thousand (31 December 2009: EUR 29,823 thousand).

| Other liabilities in EUR | 31 Mar. 2010 | 31 Dec. 2009 |
|---|----------------------|----------------------|
| Liabilities for gaming operations | 28,487,805.85 | 25,803,902.82 |
| Liabilities for taxes | 1,449,141.31 | 2,435,349.56 |
| Liabilities relating to social security | 126,365.37 | 138,956.69 |
| Others | 687,121.84 | 1,445,010.63 |
| | 30,750,434.37 | 29,823,219.70 |

Investment analysis

In the period under review, investing activities resulted in net cash flow of EUR -42,325 thousand (prior year: EUR -5,974 thousand). Proceeds and disbursements from financial investments resulted in a negative net balance of EUR 39,801 thousand (prior year: EUR 7,590 thousand). In our operating business, a total of EUR 2,525 thousand was invested mainly in the current project to renew gaming operation software and in the ongoing expansion of live systems (prior year: EUR 1,616 thousand). According to information provided, the operating companies aim to complete the project to renew gaming operation software in the current fiscal year. Ongoing system expansion measures are necessary to meet growing capacity requirements and changing security standards.

Liquidity analysis

At EUR 4,517 thousand, cash flow from operating activities was down on the previous year (EUR 19,983 thousand). The difference was mainly due to the decrease in consolidated net profit, the balance of changes in other assets and other liabilities, as well as high disbursements to settle income tax liabilities.

As described above under »Investment analysis«, cash flow from investing activities increased by EUR -36,352 thousand to EUR -42,325 thousand, compared to last year.

Cash flow from financing activities amounted to EUR 0 thousand (prior year: EUR -1,867 thousand). Free cash flow amounted to EUR -37,808 thousand in the period under review (prior year: EUR 25,957 thousand).

| Key cash flow positions in EUR thousand | Q.I 2010 | Q.I 2009 |
|---|----------------|---------------|
| Cash flow from operating activities | 4,517 | 19,983 |
| Cash flow from investing activities | -42,325 | 5,974 |
| <i>of which financial investments</i> | -39,801 | 7,590 |
| <i>of which operative investments</i> | -2,525 | -1,616 |
| Cash flow from financing activities | 0 | -1,867 |
| = Net inflow/outflow from of funds | -37,808 | 24,090 |
| Cash and cash equivalents at the beginning of the period | 69,111 | 20,711 |
| +/- Change in pledged cash | 0 | 300 |
| = Cash, cash equivalents and securities at the end of the period | 31,302 | 45,101 |

(Rounding differences due to presentation in EUR thousand)

ASSET SITUATION

The assets of Tipp24 mainly comprise current assets amounting to EUR 92,571 thousand (31 December 2009: EUR 89,827 thousand). These mostly consist of cash and cash equivalents (EUR 31,302 thousand), short-term financial assets (EUR 51,602 thousand), and other assets and prepaid expenses (EUR 7,789

thousand). Moreover, Tipp24 has intangible assets (mainly software) amounting to EUR 16,173 thousand, financial assets of EUR 1,650 thousand, property, plant and equipment (mainly hardware and office equipment) amounting to EUR 1,817 thousand, and discloses deferred tax assets of EUR 906 thousand.

| Other assets in EUR | 31 Mar. 2010 | 31 Dec. 2009 |
|------------------------------------|---------------------|---------------------|
| Receivables from gaming operations | 3,727,121.03 | 3,579,946.52 |
| Prepaid expenses | 1,504,007.46 | 1,405,710.03 |
| Receivables from tax authorities | 542,729.40 | 529,487.96 |
| Others | 2,014,815.13 | 1,971,328.10 |
| | 7,788,673.02 | 7,486,472.61 |

MANAGEMENT'S ASSESSMENT OF THE ECONOMIC POSITION

As a result of the GlüStV, which has now been fully implemented in Germany, Tipp24's previous business model of brokering state-run lotteries in Germany is completely prohibited and had to be discontinued at the beginning of 2009. At the same time, business activities in the Abroad segment have made such strong progress that they more than compensate for the losses in the Germany segment. Against this backdrop, 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 what we regard as the obvious 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 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. Apart from the extremely low return on financial assets at present, 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.

SIGNIFICANT RISKS

In our Annual Report 2009, 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 CONDITIONS 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 fiscal year 2009, various authorities forbade Tipp24 SE from brokering domestic and foreign games to German customers. 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. Failure to meet these requests would result in coercive payments. However, as Tipp24 SE is not authorised 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. We therefore challenged them in court. This applies all the more since control has been trans-

ferred. It cannot be excluded, however, that certain authorities will still impose 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 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 and its effect questionable.

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 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 trying 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.

As of March 31, 2010 the game »Hush Hasis Mau Mau« was removed from the website as a precautionary measure intended to avoid legal steps being taken by regulatory authorities and lottery companies. 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 intangible assets disclosed in the balance sheet of Tipp24.

BUSINESS RISKS

Bookmaking risk of MyLotto24 Limited

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, 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 – and thus have a 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.

Risks from the assertion of claims from hedging transactions

MyLotto24 Limited has partially limited its bookmaking risk by conducting hedging transactions. The major winnings of EUR 31.7 million which MyLotto24 Limited experienced in September 2009 were also covered in the amount of EUR 21.7 million by such hedging transactions. The company providing the cover has since completely rejected the claims from these transactions, so that MyLotto24 Limited must now enforce them in court. It cannot be fully excluded that the relevant courts fail to recognize the claims, in part or as a whole, or that in the case of an out-of-court settlement such claims are only met in part. This may lead to the partial or whole cancellation of the contingent receivable stated in the Notes to the Annual Report 2009. As this contingent receivable is not carried in the balance sheet, there would be no resulting effect on the earnings, financial position and net assets of MyLotto24 Limited and thus none on Tipp24 through the consolidation process.

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 their respective financing and currency risks.

Risks in the execution of large development projects

The operating companies in the Abroad segment of Tipp24 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 capitalised development costs, 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 in Germany and abroad totalling EUR 83,155 thousand. 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 risk. Both factors apply overwhelmingly to only a part of the potential yield, and only to a minor extent to the invested amounts.

Risks from economic development

The gaming behaviour of customers in those countries in which Tipp24 operates 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 the earnings, financial position and net assets of Tipp24.

FORECAST REPORT

ALIGNMENT OF TIPP24

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. 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

We confirm our forecast that revenues will increase to at least EUR 100 million in fiscal 2010. According to our forecasts, EBIT will reach at least EUR 40 million in the current fiscal year. Statistically unusually high or frequent game winnings in fiscal year 2010, however, would also dampen expectations with regard to revenue and EBIT. Should the current legal and economic conditions remain stable beyond 2010 and into 2011, our forecast for 2010 would apply in the same way for 2011. Against the backdrop of an extremely unstable regulatory environment at present, however, this is subject to considerable uncertainties.

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. 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 SE 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.

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD 1 JANUARY TO 31 MARCH ACC. TO IFRS

| | Q.1 2010 | Q.1 2009 |
|--|----------------------|----------------------|
| in EUR | | |
| Revenues | 24,990,592.59 | 29,354,877.02 |
| Other operating income | 1,237,017.61 | 270,557.83 |
| Total operating performance | 26,227,610.20 | 29,625,434.85 |
| Operating expenses | | |
| Personnel expenses | -2,403,004.99 | -4,366,342.84 |
| Amortization/depreciation on intangible assets and property, plant and equipment | -704,779.72 | -603,366.02 |
| Other operating expenses | -15,057,229.25 | -10,020,950.13 |
| Total marketing expenses | -2,376,833.03 | -868,620.97 |
| Total direct costs of operations | -7,846,583.87 | -5,713,599.28 |
| Total other costs of operations | -4,833,812.35 | -3,438,729.88 |
| Result from operating activities | 8,062,596.24 | 14,634,775.86 |
| Revenues from financial activities | 154,879.48 | 1,378,414.69 |
| Expenses from financial activities | -18,579.75 | -48,613.60 |
| Financial result | 136,299.73 | 1,329,801.09 |
| Result from ordinary activities | 8,198,895.97 | 15,964,576.95 |
| Income taxes | -2,874,850.41 | -4,095,461.52 |
| Consolidated net profit | 5,324,045.56 | 11,869,115.43 |
| Earnings per share (undiluted and diluted, in Euro/share) | 0.70 | 1.50 |
| Weighted \emptyset of ordinary shares outstanding (diluted and undiluted, in shares) | 7,623,908 | 7,895,270 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 1 JANUARY TO 31 MARCH ACC. TO IFRS

| | Q.1 2010 | Q.1 2009 |
|-----------------------------------|---------------------|----------------------|
| in EUR | | |
| Net profit for the period | 5,324,045.56 | 11,869,115.43 |
| Other result | | |
| Unrealised gains/losses | 5,398.00 | -251,868.14 |
| Foreign currency translation | 0.00 | 0.00 |
| Other result after tax | 5,398.00 | -251,868.14 |
| Total net profit after tax | 5,329,443.56 | 11,617,247.29 |

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH ACC. TO IFRS

| | 31 Mar. 2010 | 31 Dec. 2009 |
|-----------------------------------|-----------------------|-----------------------|
| ASSETS in EUR | | |
| Current assets | | |
| Cash & cash equivalents | 31,302,411.78 | 69,110,738.74 |
| Pledged cash | 250,567.50 | 250,567.50 |
| Short-term financial assets | 51,601,958.97 | 11,795,863.96 |
| Trade receivables | 9,958.75 | 9,918.52 |
| Income tax refund claims | 1,617,522.87 | 1,173,834.33 |
| Other assets and prepaid expenses | 7,788,673.02 | 7,486,472.61 |
| Total current assets | 92,571,092.89 | 89,827,395.66 |
| Non-current assets | | |
| Intangible assets | 16,173,298.28 | 14,227,920.03 |
| Property, plant and equipment | 1,816,798.86 | 1,942,198.82 |
| Financial assets | 1,650,000.00 | 1,650,000.00 |
| Deferred tax assets | 906,311.96 | 475,338.36 |
| Total non-current assets | 20,546,409.10 | 18,295,457.21 |
| | 113,117,501.99 | 108,122,852.87 |

| | 31 Mar. 2010 | 31 Dec. 2009 |
|--------------------------------------|-----------------------|-----------------------|
| LIABILITIES in EUR | | |
| Current liabilities | | |
| Trade payables | 5,818,985.01 | 5,256,097.62 |
| Other liabilities | 30,750,434.37 | 29,823,219.70 |
| Financial liabilities | 104,037.90 | 104,037.90 |
| Deferred income | 2,991,375.10 | 3,968,513.54 |
| Income tax liabilities | 1,213,927.71 | 1,732,919.61 |
| Provisions (short-term) | 1,658,430.74 | 2,086,595.02 |
| Total current liabilities | 42,537,190.83 | 42,971,383.39 |
| Non-current liabilities | | |
| Provisions (long-term) | 92,500.00 | 147,500.00 |
| Deferred tax liabilities | 759,263.24 | 604,865.12 |
| Total non-current liabilities | 851,763.24 | 752,365.12 |
| Equity | | |
| Subscribed capital | 7,985,088.00 | 7,985,088.00 |
| Capital reserves | 39,342,251.01 | 39,342,251.01 |
| Other reserves | -140,887.77 | -146,285.77 |
| Retained earnings | 26,428,019.72 | 21,103,974.16 |
| Own shares | -3,885,923.04 | -3,885,923.04 |
| Total equity | 69,728,547.92 | 64,399,104.36 |
| | 113,117,501.99 | 108,122,852.87 |

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY TO 31 MARCH

| | Q.I 2010 | Q.I 2009 |
|--|-----------------------|----------------------|
| in EUR | | |
| Profit before tax | 8,198,895.97 | 15,964,576.95 |
| Adjustments for | | |
| Amortization/depreciation on non-current assets | 704,779.72 | 603,366.03 |
| Result on the disposal of non-current assets | 0.00 | 13,555.59 |
| Revenues from financial activities | -154,879.48 | -1,378,414.69 |
| Expenses from financial activities | 18,579.75 | 48,613.60 |
| Changes in | | |
| Trade receivables | -40.23 | 3,154.46 |
| Other assets and prepaid expenses | -302,200.41 | 6,010,442.94 |
| Trade payables | 562,887.39 | -54,793.69 |
| Other liabilities | 927,214.67 | -3,573,746.72 |
| Provisions (short-term) | -428,164.28 | -1,214,896.84 |
| Deferred income | -977,138.44 | 3,443,762.64 |
| Other non-cash changes | 0.00 | -28,028.50 |
| Provisions (long-term) | -55,000.00 | 23,315.00 |
| Interest received | 154,879.48 | 1,218,734.84 |
| Interest paid | -18,579.75 | -48,613.60 |
| Taxes paid | -4,114,106.33 | -1,048,251.65 |
| Cash flow from operating activities | 4,517,128.06 | 19,982,776.36 |
| Financial investments (short term) | -46,798,972.03 | -35,000.00 |
| Proceeds from financial investments (short term) | 6,998,275.02 | 7,624,540.18 |
| Investments in intangible assets | -2,458,904.53 | -1,393,945.28 |
| Proceeds from intangible assets | 96,000.00 | 0.00 |
| Investments in property, plant and equipment | -161,853.48 | -322,054.72 |
| Proceeds from property, plant and equipment | 0.00 | 100,260.62 |
| Cash flow from investing activities | -42,325,455.02 | 5,973,800.80 |
| Purchase of own shares | 0.00 | -1,866,987.09 |
| Cash flow from financing activities | 0.00 | -1,866,987.09 |

| | Q.1 2010 | Q.1 2009 |
|--|----------------------|----------------------|
| in EUR | | |
| Change in cash, cash equivalents and securities | -37,808,326.96 | 24,089,590.07 |
| Cash, cash equivalents and securities at the beginning of the period | 69,110,738.74 | 20,711,388.10 |
| Change in pledged cash, cash equivalents and securities | 0.00 | 300,000.00 |
| Cash & cash equivalents at the end of the period | 31,302,411.78 | 45,100,978.17 |
| Composition of cash, cash equivalents and securities at the end of the period | | |
| Cash on hand, bank balances and checks | 31,552,979.28 | 43,925,404.84 |
| Cash equivalents (current investments) | 0.00 | 1,425,573.33 |
| Pledged cash, cash equivalents and securities | -250,567.50 | -250,000.00 |
| | 31,302,411.78 | 45,100,978.17 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| in EUR | Share Capital | Capital Reserves | Other Reserves | Retained Earnings | Own Shares | Total Equity |
|--|---------------------|----------------------|--------------------|----------------------|-----------------------|----------------------|
| As at 1 January 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 |
| Withdrawal from capital reserves | 0.00 | -1,268,599.01 | 0.00 | 0.00 | 0.00 | -1,268,599.01 |
| Own shares | 0.00 | 0.00 | 0.00 | 0.00 | 12,861,760.87 | 12,861,760.87 |
| Share-based payments | 0.00 | 0.00 | -28,028.50 | 0.00 | 0.00 | -28,028.50 |
| <i>Unrealised gains/losses</i> | <i>0.00</i> | <i>0.00</i> | <i>-251,868.14</i> | <i>0.00</i> | <i>0.00</i> | <i>-251,868.14</i> |
| Other results | 0.00 | 0.00 | -251,868.14 | 0.00 | 0.00 | -251,868.14 |
| Net profit 2009 | 0.00 | 0.00 | 0.00 | 11,869,115.43 | 0.00 | 11,869,115.43 |
| Total net profit | 0.00 | 0.00 | -251,868.14 | 11,869,115.43 | 0.00 | 11,617,247.29 |
| As at 31 March 2009 | 7,985,088.00 | 39,874,722.35 | -144,177.27 | 18,795,439.49 | -1,866,987.09 | 64,644,085.48 |
| Capital reduction | 0.00 | 887,231.00 | 0.00 | 0.00 | 0.00 | 887,231.00 |
| Reduction of retained earnings due to collection of own shares | 0.00 | -1,268,599.01 | 0.00 | -887,231.00 | 14,728,747.96 | 12,572,917.95 |
| Withdrawal from capital reserves | 42,120,000.00 | -40,851,400.99 | 0.00 | 0.00 | 0.00 | 1,268,599.01 |
| Contribution to capital reserves | -42,120,000.00 | 42,120,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Own shares | 0.00 | 0.00 | 0.00 | 0.00 | -16,747,683.91 | -16,747,683.91 |
| Adjustment of balance sheet loss | 0.00 | -1,419,702.34 | 0.00 | 1,419,702.34 | 0.00 | 0.00 |
| Share-based payments | 0.00 | 0.00 | -8,010.50 | 0.00 | 0.00 | -8,010.50 |
| Dividend payments | 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>5,902.00</i> | <i>0.00</i> | <i>0.00</i> | <i>5,902.00</i> |
| Other results | 0.00 | 0.00 | 5,902.00 | 0.00 | 0.00 | 5,902.00 |
| Net profit 2009 | 0.00 | 0.00 | 0.00 | 5,612,986.83 | 0.00 | 5,612,986.83 |
| Total net profit | 0.00 | 0.00 | 5,902.00 | 5,612,986.83 | 0.00 | 5,618,888.83 |
| As at 31 December 2009 | 7,985,088.00 | 39,342,251.01 | -146,285.77 | 21,103,974.16 | -3,885,923.04 | 64,399,104.36 |

| 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 |
| Capital reduction | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reduction of retained earnings due to collection of own shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Withdrawal from capital reserves | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Contribution to capital reserves | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Own shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Adjustment of balance sheet loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Share-based payments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend payments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Unrealised gains/losses</i> | <i>0.00</i> | <i>0.00</i> | <i>5,398.00</i> | <i>0.00</i> | <i>0.00</i> | <i>5,398.00</i> |
| <i>Foreign currency translation</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> |
| Other results | 0.00 | 0.00 | 5,398.00 | 0.00 | 0.00 | 5,398.00 |
| Net profit 2010 | 0.00 | 0.00 | 0.00 | 5,324,045.56 | 0.00 | 5,324,045.56 |
| Total net profit | 0.00 | 0.00 | 5,398.00 | 5,324,045.56 | 0.00 | 5,329,443.56 |
| As at 31 March 2010 | 7,985,088.00 | 39,342,251.01 | -140,887.77 | 26,428,019.72 | -3,885,923.04 | 69,728,547.92 |

SEGMENT REPORTING

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

Tipp24 SE 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.

| Q.I in EUR thousand | Germany | | Abroad | | Consolidation | | Consolidated | |
|--------------------------------|----------------|---------------|----------------|---------------|----------------|----------------|----------------|---------------|
| | 1 Jan.–31 Mar. | | 1 Jan.–31 Mar. | | 1 Jan.–31 Mar. | | 1 Jan.–31 Mar. | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenue¹⁾ | 835 | 725 | 24,811 | 29,022 | -656 | -392 | 24,991 | 29,355 |
| Depreciation/amortization | 244 | 274 | 461 | 562 | | -232 | 705 | 603 |
| EBIT | -1,855 | -3,077 | 9,396 | 17,912 | 522 | -200 | 8,063 | 14,635 |
| Financial result | 58 | 1,318 | 79 | 12 | 0 | 0 | 136 | 1,330 |
| Income taxes | 272 | 428 | -2,979 | -4,524 | -169 | 0 | -2,875 | -4,095 |
| Consolidated net profit | -1,525 | -1,331 | 6,496 | 13,400 | 354 | -200 | 5,324 | 11,869 |
| Assets | 40,272 | 32,431 | 53,102 | 58,010 | -34,382 | -23,524 | 58,992 | 66,917 |

¹⁾ License and operator fees included in revenues in previous year (€ 4.1 million)

(Rounding differences due to presentation in EUR thousand)

SELECTED EXPLANATORY NOTES

GENERAL

The condensed consolidated interim report as of 31 March 2010 was approved for publication by a resolution of the Executive Board on 6 May 2010.

The condensed consolidated interim report for the first three months of 2010 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 2009.

The reporting period is from 1 January to 31 March 2010.

The same accounting policies and calculation methods were used for this quarterly report as for the consolidated financial statements as at 31 December 2009.

The consolidated Group is unchanged compared to 31 December 2009.

Puntogioco24 S.r.l. has been in liquidation since 31 December 2009.

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.

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. The transactions and legal relationships with

Schumann e. K. are described in detail in our Annual Report 2009 and also continued in the period under review. There were no other significant transactions with related parties during the period under review.

Hamburg, 6 May 2010

The Executive Board
Dr. Hans Cornehl

FINANCIAL CALENDAR

| | |
|------------------------|--------------------------------|
| 8 JUNE 2010 | ANNUAL GENERAL MEETING |
| 5 AUGUST 2010 | HALF-YEAR REPORT |
| 5 NOVEMBER 2010 | NINE-MONTH REPORT |
| IN NOVEMBER 2010 | ANALYST CONFERENCE (FRANKFURT) |

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