

## Interim Management Statement of Fortuna Entertainment Group N.V.

(For the period from July 1, 2010 to November 10, 2010)

The results of Fortuna Entertainment Group („Fortuna“ or „the Company“) for the first three quarters confirm the Company is experiencing continuous growth. Fortuna, the leading Central European fixed-odds betting operator present on the markets of Poland, the Czech Republic, Slovakia and Hungary, recorded **a total Amounts Staked figure for the reporting period of EUR 276.1 million, a 11.7% increase y-o-y**, according to the preliminary unaudited financial results. In the third quarter of 2010, the total Amounts Staked reached EUR 84.5 million, up 11.4% on the same period a year ago.

*„The very positive financial results that Fortuna recorded in the third quarter follow on from the strong performance of the Company in the first half of this year. Apart from achieving rapid growth in the online betting segment, we also managed to improve our retail betting results across all markets, which I consider to be very important. It also confirms that our chosen sales strategy, focusing not only on internet betting but also on our advanced retail network, is successful,“* said Fortuna Entertainment Group CEO Jiří Bunda. *„I am convinced that the expansion of our distribution network through partner outlets in cooperation with successful local entities will become the next positive driver for this segment,“* added Bunda.

**In the first nine months of 2010, Gross Win reached EUR 66.5 million, an increase of 12.4% compared with the same period of 2009.** In the third quarter of 2010, Gross Win reached EUR 21.1 million, up 17.6% y-o-y.

**EBITDA increased in the first nine months of 2010 by 19.0% to EUR 17.2 million.** Net profit for the first three quarters reached EUR 11.9 million, 21% more than in the same period a year ago.

The recorded results were driven in particular by the increasing revenues of the online betting business. Gross Win from online betting in the first nine months of 2010 rose 51% y-o-y to EUR 15.3 million. The Gross Win figures from online betting in the Czech Republic and Slovakia increased by 53% and 48%, respectively.

Gross Win from retail betting in the first nine months of 2010 was EUR 51.2 million, up 4% y-o-y. The biggest increase was recorded in Poland, where Gross Win from

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retail betting increased 18% y-o-y. In the Czech Republic, it edged down slightly by 3% y-o-y. In Slovakia, the Gross Win total grew 4% y-o-y.

*„Since the end of the third quarter, the Company’s total bets received (Amounts Staked) figure has continued to grow dynamically. October saw us achieve an historic high, with the Company collecting its biggest ever monthly volume of bets, approximately EUR 35 million. In the year’s final quarter, our challenge will be to exceed the fourth quarter 2009 results which were strong thanks to favourable results, from a Company point of view, of the sport games“,* added Michal Vepřek, CFO of the Group.

## **Products and Distribution Network**

The rapid development of internet betting is visible both in the Czech Republic and Slovakia. Through its subsidiary FortunaWin, which is licensed in Malta, in June Fortuna also introduced internet betting in Hungary. In the upcoming months, the Company will also closely follow the development of the applicable regulatory framework in Poland, where the future of online betting is still being decided. The Gross Win from online betting in the current markets grew during the first nine months of 2010 by more than 50% compared with the same period in 2009.

Fortuna has also achieved its positive figures through the further development of “Live betting” (real-time bets placed while particular games or events are taking place), a segment that currently represents more than 15% of the amounts staked through the internet.

Although the internet betting has recorded double-digit growth, the retail outlets network remains the primary distribution channel of Fortuna and contributes more than 75% of the Gross Win of the Company. Another important role of the retail outlets network is the support it provides for the online betting segment – internet clients may use all customer services, such as deposits and withdrawals and the customer queries and solutions service, free of charge.

Given these and other factors, the focus on the development and efficiency of the outlet network is an important feature of the Company’s strategy in all three markets in which it operates. For the additional expansion of the retail network, the Group will primarily use a partnership model with successful local businesses, such as sport bars. Fortuna will also continue developing its partnerships with leading sport teams in all the countries in which it is present.

## **IPO**

On October 21, 2010 Fortuna successfully completed the Initial Public Offering (IPO) of its shares with the issue price set at EUR 4.3 per share. In the Offering, a total number of 18.2 million shares were sold, including 2 million newly-issued shares, with the total Offering volume totalling EUR 78.26 million. The demand for the shares



**FORTUNA**

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exceeded the initial expectations of the Company and of its majority shareholder, and the issue price was set just under the upper end of the indicated price range.

There have been no material events, transactions or changes in the financial position of the Group other than as outlined in this statement. Furthermore, the Board of Directors is not aware of any material events, transactions or changes in the financial position of the Group which have occurred since July 1, 2010 up to and including November 10, 2010 – the date of the publication of this Interim Management Statement.

Amsterdam, November 10, 2010

Board of Directors of Fortuna Entertainment Group N.V.

#### Appendix- Selected financial figures (consolidated, unaudited)

(mil. EUR)	9M 2009	9M 20092010	Change in %
<b>Amounts Staked</b>	247.2	276.1	11.7 %
<b>Gross Win</b>	59.2	66.5	12.4 %
- online	10.1	15.3	51 %
- retail	49.1	51.2	4 %
<b>EBITDA</b>	14.4	17.2	19 %
<b>Net Profit</b>	9.9	11.9	21 %

(mil. EUR)	Q3 2009	Q3 2010	Change in %
<b>Amounts Staked</b>	75.8	84.5	11.4 %
<b>Gross Win</b>	18.0	21.1	17.6 %
- online	3.1	4.8	54 %
- retail	14.8	16.3	10 %

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