

Interim Management Statement of Fortuna Entertainment Group N.V. for the period from January 1, 2013 to May 7, 2013

Fortuna's total EBITDA up 34.4% in the first quarter of 2013

AMSTERDAM/Warsaw/Prague – Fortuna Entertainment Group, the leading Central European fixed-odds betting operator, has announced its unaudited consolidated results for the first quarter of 2013. The reported financial results confirmed a robust performance, which was a continuation of what was seen in the previous reporting period, as well as outstanding top line figures for all key parameters.

The unaudited consolidated results of Fortuna Entertainment Group for the first quarter of 2013 confirmed growth in the main markets where the Company operates.

- **Total Amounts Staked in Q1 2013 increased by 24.0% to EUR 141.2 million**
- **Total Gross Win in Q1 2013 up by 9.0% to EUR 33.5 million**
- **On-line Sports Betting Gross Win in Q1 2013 increased by 33.8% to EUR 13.6 million**
- **Total EBITDA in Q1 2013 grew by 34.4% to EUR 11.3 million**

The Group's Amounts Staked for the first quarter of 2013 was EUR 141.2 million, a strong 24.0% yoy increase. This growth was driven primarily by the expansion of on-line betting in all the countries where Fortuna operates. **The Amount Staked on sports betting reached EUR 137.1 million in the first quarter of 2013, a 26.2% improvement on the first quarter of 2012.** The Amount Staked on lottery betting in the first quarter of 2013 totalled EUR 4.2 million, a 20.6% yoy decline.

In the first quarter of 2013, **the total Gross Win reached EUR 33.5 million, an increase of 9.0% compared to the first quarter of 2012.**

The Gross Win from sports betting was EUR 31.4 million, an 11.7% increase yoy. Of this figure, the Gross Win from on-line betting in the first quarter of 2013 increased to EUR 13.6 million, a substantial gain of 33.8% over the same period of 2012. The Gross Win from retail betting in the first quarter of 2013 amounted to EUR 17.8 million, a 0.8% decline yoy.

In the first quarter of 2013, **the Gross Win from the lottery business was EUR 2.1 million**, a 19.7% decline over the same period of last year.

In the first quarter of 2013, total EBITDA increased to EUR 11.3 million, a 34.4% increase over the same period of last year. The total is drawn from a 17.4% growth in sports betting to EUR 11.3 million and a positive lottery EBITDA of EUR 40 thousand.

“We are pleased to once more report very solid results, this time for the first quarter of 2013. The results confirm a continuation of the strong momentum that started at the end of last year. Fortuna accepted bets in the amount of EUR 141.2 million, which is 24.0% more year on year and 5.5% more than in the preceding quarter. EBITDA was EUR 11.3 million, 34.4% more than in the first quarter of last year. The main driver of our performance was clearly the on-line segment in sports betting which continues to deliver double-digit growth in all the countries where Fortuna is present. In addition, we are reporting positive EBITDA in the lottery segment for the first time, which has also boosted our profitability,” said Radim Haluza, CEO of Fortuna Entertainment Group.

“With respect to our dividend policy, the management is proposing to the upcoming AGM to be held this month to pay out a dividend of EUR 0.67 per share consisting of a dividend from the 2012 net profit, a dividend from retained earnings and a share premium distribution,” added Radim Haluza.

Selected financial indicators – FEG total

(EUR million)	Q1 2013	% yoy
Amounts Staked	141.2	24.0%
- Sports betting	137.1	26.2%
- Lottery	4.1	(20.6%)
Gross Win	33.5	9.0%
- Sports betting	31.4	11.7%
- Lottery	2.1	(19.7%)
Revenues	28.8	5.5%
- Sports betting	26.7	8.1%
- Lottery	2.1	(19.6%)
EBITDA	11.3	34.4%
- Sports betting	11.3	17.4%
- Lottery	0.04	(103.4%)

Country by Country Sports Betting

With the abolishment of the service fee for on-line betting in the Czech Republic, the Czech sports betting market suddenly gained new dynamism. Czech bettors that have previously bet off-shore, having been discouraged by the service fee charged by local operators, have been recently migrating from off-shore operators to the on-shore players. As a result, the competitive situation on the Czech market has suddenly become tougher as local betting operators have been presented with a

unique chance to attract new clients and increase market share. The management of Fortuna has decided that disclosing results country by country on a quarterly basis represents a huge competitive disadvantage for the Company vis-a-vis key local competitors that are not obliged to do so. The management has further concluded that the competition could react to such disclosure in a way which could negatively affect the Company's sales volumes and its ability to compete on the market. Therefore, the Company is to only provide a narrative description of its performance on the individual markets in sports betting – no specific figures will be disclosed from this point on. Nevertheless, Fortuna is committed to providing the new disclosure in such a manner that investors' ability to assess the Company's performance will not be diminished.

Sports Betting – Czech Republic

Sports betting in the Czech Republic generated more than one half of total Amounts Staked for the Company in the first quarter of 2013, a similar proportion to what was recorded for the same period of last year. **Total Amounts Staked in the Czech Republic grew at a double-digit rate compared with the total in the first quarter of 2012, due to higher betting volumes.** The collected service fees in the first quarter of 2013 also declined at a double-digit rate, due to the abolishment of the on-line service fee and a rising share of on-line and live betting in general.

The Gross Win from sports betting in the Czech Republic in the first quarter of 2013 was higher than in the first quarter of 2012. However, the Gross Win margin declined as on-line and live betting grew. The Gross Win generated by on-line increased rapidly in the first quarter of 2013. The Gross Win from retail sports betting in shops declined on an annual basis.

Sports Betting – Slovakia

The contribution of Slovakia represented less than one third of the Group's Amounts Staked in the first quarter of 2013. There was no high-roller impact on the reported figures in the compared periods but **the total Amounts Staked in Slovakia experienced solid double-digit growth in the first quarter of 2013.**

The Gross Win in Slovakia grew in both the retail and on-line segments. The growth of the Gross Win in on-line sports betting in Slovakia was faster and at a double-digit level, while retail grew at a low, single-digit pace in the first quarter of 2013.

As of 1 May, 2013, Mr. Marek Biely was appointed as the CEO of Fortuna Slovakia and Chairman of the Management Board of Fortuna SK. He started his career at Všeobecná úverová banka, a.s., as a business analyst, later becoming a risk manager (1997-2001). During 1994-1996, he was at Poštová banka where he was responsible for internal audit and risk analysis. He worked for Penta from 2001 to 2006 as an investment analyst. Marek Biely was the CEO and Chairman of the Management Board of Fortuna SK from 2006 until 2011. Between 2011 and 2013 he

held several positions at Czech lottery company Sazka, and was lately the COO. Marek Biely has replaced Milan Alakša as the regional (Slovakia) head.

Sports Betting - Poland

Poland's share of the total Amounts Staked in the first quarter of 2013 showed no significant change from the previous year. **The total Amounts Staked in Poland in the first quarter of 2013 grew at a double-digit rate**, driven by the introduction of on-line betting in January 2012 and by the take-over of the former Tipsport PL shops.

The Gross Win from betting in Poland in the first quarter of 2013 also grew at a double-digit rate and the Gross Win margin in Poland showed only a slight decline. A higher relative growth level was recorded by the on-line business, but it was the retail betting that continued to represent the majority of the Gross Win in absolute terms. The Gross Win from the retail betting in the first quarter of 2013 also increased, partly because of the higher number of shops.

The number of registered clients in Poland as of March 31, 2013 was 78 thousand.

In mid-March 2012, Fortuna zakłady bukmacherskie, the Polish subsidiary of Fortuna Entertainment Group NV, obtained permission from the Polish Minister of Finance to operate 80 new betting shops. Most of the shops were previously owned by Tipsport PL – a company controlled by TIPSPORT a.s. Following the acquisition, Fortuna became the biggest Polish betting operator in terms of the total number of betting outlets. Fortuna also managed to nearly double the turnover in the acquired outlets during the 12 months after their acquisition. The results from the newly acquired shops have been included in the consolidated financial statements of Fortuna since the second quarter of 2012.

Sports Betting - FortunaWin

Volumes generated through Fortuna's Maltese off-shore subsidiary represented the smallest share of total volumes generated in sports betting, similarly to the previous reporting period.

Lottery Business in the Czech Republic

In the first quarter of 2013, **the Amounts Staked from the Fortuna Lottery reached EUR 4.1 million**, a 20.6% decline compared with the same period of last year. **The Gross win from the lottery amounted to EUR 2.1 million, which is 19.7% less than in the first quarter of 2012.**

Going forward, Fortuna will no longer split the presentation of the lottery sales figures between numerical games and scratch tickets since this information may be used by the Company's competitors on the Czech lottery market.

The first quarter of 2013 was the first ever quarter in which Fortuna achieved a positive EBITDA from the lottery since the lottery project was launched. The EBITDA from the lottery was EUR 40 thousand, compared with the EUR 1.2 million loss recorded for the first quarter of 2012.

The management of the Company anticipates that the planned break-even point for the lottery project in the first half of 2013 will be achieved. Currently, the management is discussing strategic options concerning the future development of the Fortuna Lottery. A strategic partner could assist in a further development of products and the distribution network and also share costs. The previously agreed disposal of up to a 10% stake in Fortuna Lottery to E-invest should not be affected by any new transaction.

Dividend Payment

The Management Board of Fortuna Entertainment Group N.V. decided at its meeting held on April 11, 2013 to propose a gross dividend per share of EUR 0.67 at the upcoming Annual General Meeting of Shareholders ("AGM").

The total payout shall amount to EUR 0.67 per share and will comprise of three parts:

	TOTAL	per share
Dividend from consolidated net profit for 2012 ¹	EUR 11,960,000	EUR 0.23
Dividend from retained earnings	EUR 5,200,000	EUR 0.10
Share premium distribution	EUR 17,680,000	EUR 0.34
Total payout	EUR 34,840,000	EUR 0.67

The dividend from the 2012 consolidated net profit, the dividend from retained earnings as well as the share premium will be distributed in one single payment during one day. The Management Board of the Company will proposed to the AGM a date of record of June 11, 2013 and two different dates for the dividend payment; either June 26, 2013 or July 30, 2013, depending on the AGM's decision.

The AGM of Fortuna Entertainment Group N.V. will be held on May 28, 2013 in Amsterdam. The total sum allocated for the dividend amounts to EUR 34.84 million, which, based on the total number of shares of 52,000,000 equals EUR 0.67 per share. The respective dividend payments will represent separate agenda items at the AGM and will be voted upon separately.

The long-term dividend policy of the Company for the dividend payout ratio of 70-100% of the consolidated net profit will not be affected by this year's dividend declaration. The different dividend payout methods will affect the taxation.

¹ i.e. approximately 97% of the 2012 consolidated net profit

Information on dividend taxation and the taxation of the share premium distribution will be published by the Company at a future date.

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 January 1, 2013 up to and including May 7, 2013 – the date of the publication of this Interim Management Statement.

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