

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

## Fortuna's total EBITDA grew 36.2% in the first three quarters 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 three quarters of 2013. The reported financial results confirmed a strong performance as well as outstanding top line figures for all key parameters.**

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

- **Total Amounts Staked increased by 21.3% to EUR 405.2 million**
- **Total Gross Win up by 6.9% to EUR 83.4 million**
- **Gross Win from on-line sports betting increased by 40.1% to EUR 36.2 million**
- **Total EBITDA grew by 36.2% to EUR 18.1 million**

**The Group's Amounts Staked for the first nine months of 2013 was EUR 405.2 million, a strong 21.3% 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 394.1 million in the first nine months of 2013, a 23.1% improvement on the first nine months of 2012.** The Amounts Staked on lottery betting in the first nine months of 2013 totalled EUR 11.1 million, a 20.5% yoy decline.

**In the first nine months of 2013, the total Gross Win reached EUR 83.4 million, an increase of 6.9% compared to the first nine months of 2012.**

**The Gross Win from sports betting was EUR 78.1 million, a 10.0% increase yoy.** Of this figure, the Gross Win from on-line betting in the first nine months of 2013 increased to EUR 36.2 million, a substantial gain of 40.1% over the same period of 2012. The Gross Win from retail betting in the first nine months of 2013 amounted to EUR 41.9 million, a 7.1% decline yoy.

**In the first nine months of 2013, the Gross Win from the lottery business was EUR 5.3 million, a 24.9% decline over the same period of last year.**

**In the first nine months of 2013, total EBITDA increased to EUR 18.1 million, a 36.2% increase over the same period of last year.** Of this, a 9.7% growth in sports betting represented an EBITDA of EUR 18.4 million. The lottery EBITDA loss equalled to EUR 300 thousand, compared with a loss of EUR 3.5 million in first nine months of 2012.

*“We are pleased to once more report very good results for the first nine months of 2013. Fortuna accepted total bets in the amount of EUR 405.2 million, which is 21.3% more than last year and our Group EBITDA reached EUR 18.1 million, up 36.2% year on year. The main driver of our performance was expansion of internet and mobile sports betting which has been growing rapidly this year in all the countries where Fortuna is present. We remain positive concerning our performance for the rest of 2013 and we believe that our targets for this year will be met,”* said Radim Haluza, CEO of Fortuna Entertainment Group.

#### *Selected financial indicators – FEG total*

<b>(EUR million)</b>	<b>9M 2013</b>	<b>% yoy</b>
Amounts Staked	405.2	21.3%
- Sports betting	394.1	23.1%
- Lottery	11.1	(20.5%)
Gross Win	83.4	6.9%
- Sports betting	78.1	10.0%
- Lottery	5.3	(24.9%)
Revenues	69.4	2.7%
- Sports betting	64.1	5.9%
- Lottery	5.3	(24.9%)
EBITDA	18.1	36.2%
- Sports betting	18.4	9.7%
- Lottery	(0.3)	91.4%

#### **Business performance by countries**

The revenues breakdown according to the markets in which the Company operates is driven by demographics, the legislative environment, absolute market shares, the average spend per capita and the growth potential of each individual market.

**Sports betting in the Czech Republic** generated more than a half of total Amounts Staked for the Company in the first nine months of 2013. Total Amounts Staked in the Czech Republic grew at a double-digit rate compared with the total in the first nine months of 2012, due to higher betting volumes. The collected service fee in the first nine months of 2013 declined by 1/3 due to the abolishment of the on-line service fee and a rising share of on-line and lives betting overall. The Gross Win generated by on-line grew double digit in the first three quarters of 2013. The Gross Win from retail sports betting in shops declined on an annual basis.

The contribution of the **Slovak sports betting** business represented less than one third of the Group's Amounts Staked in the first three quarters of 2013. The total Amounts Staked in Slovakia experienced a double-digit growth in the first nine months of 2013. The Gross Win in Slovakia grew in both 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 nine months of 2013. Gross Win margin in Slovakia is stable.

**Poland's** share of the total Amounts Staked in the first three quarters of 2013 is similar to the level recorded last year. The total Amounts Staked in Poland in the first nine months of 2013 grew at a high single digit rate, driven by the on-line betting, yet the increase is the lowest from the three markets due to a high betting taxation. The Gross Win from betting in Poland in the first nine months of 2013 grew at the similar rate as accepted bets. A higher relative growth level was recorded by the on-line business, but it was the retail betting that delivered approximately  $\frac{3}{4}$  of the Gross Win in absolute terms.

### **Czech Republic Lottery**

In the first three quarters of 2013, the Amounts Staked from the Fortuna Lottery reached EUR 11.1 million, a 20.5% decline compared with the same period of last year. The Gross Win from the lottery amounted to EUR 5.3 million, which is 24.9% less than in the first nine months of 2012. The decline in lottery is related to lower sales of numerical games while the scratch tickets continued to perform well.

*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, 2013 up to and including November 7, 2013 – the date of the publication of this Interim Management Statement.*

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