

Interim Management Statement of Fortuna Entertainment Group N.V. for the period from July 1, 2011 to November 3, 2011

In the first nine months of 2011 Fortuna accepted 9.3% more bets than last year and confirmed growth

Gross Win from On-line Betting grew 37% yoy in first three quarters of 2011

AMSTERDAM/Prague/Warsaw - 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 first nine months of 2011 of EUR 301.67 million, a 9.3% increase yoy**, according to the preliminary unaudited financial results. In the third quarter of 2011, the total Amounts Staked reached EUR 92.64 million, up 9.7% on the same period a year ago. Financial results of the Company in the third quarter of 2011 confirmed strong growth dynamics already achieved in the previous periods, despite the absence of big sports events in 2011. Key drivers of the growth were the on-line segment in the Czech and Slovak Republic and newly introduced lottery segment in the Czech Republic.

„In the third quarter our sports betting business continued to grow due to a strong performance of online segment, despite a lack of attractive sports events this year. The further development of on-line segment of sports betting business is crucial for our future performance. The expansion of on-line betting has been strongly supported by our existing retail network which significantly contributed to its success. We are fully focused on additional enhancement of our existing on-line and retail sports betting services. We also hope that we will be able to start providing on-line betting in Poland based on local licence very soon.

In addition, we reported new revenues from sale of the scratch tickets as well as from numerical lottery Fortuna Loto launched in July. We are very pleased that with the successful roll-out of our lottery products and we are confident to meet our targets set for this year. “ said Fortuna Entertainment Group CEO Jiří Bunda.

In the first nine months of 2011 total Gross Win reached EUR 70.93 million, an increase of 6.7% compared with the first nine months of 2010. In the third quarter of 2011, Gross Win reached EUR 23.08 million, up 9.2% yoy.

The recorded results were driven in particular by the increasing revenues of the online sports betting business. **Gross Win from online sports betting in the first**

nine months of 2011 rose 37% yoy to EUR 20.9 million. In the third quarter of 2011, Gross Win from online sports betting grew 31.3% yoy to EUR 6.3 million.

Gross Win from retail sports betting in the first nine months of 2011 was EUR 48 million, down 6.2% yoy. In the third quarter of 2011, Gross Win from retail sports betting declined 6.8% yoy to EUR 15.2 million. The decline in retail betting was driven by absence of major sports betting events in 2011 and concerned both Czech and Slovak market.

Gross Win from lottery amounted to EUR 2 million in the first nine months of 2011 and consisted of EUR 1.1 million of numerical games and EUR 919 thousands of scratch tickets sales. In the third quarter 2011, Gross Win from lottery was EUR 1.6 million; of which EUR 1.1 million were numerical games (Loto) and EUR 493 thousands were sold scratch tickets. The Gross Win from the sale of scratch tickets grew 15.7% in the third quarter of 2011 when compared with the second quarter 2011.

EBITDA decreased in the first nine months of 2011 by 17.3% to EUR 14.2 million. This decline came from lottery results which was however fully planned and anticipated. **EBITDA from sports betting amounted to EUR 18.3 million in the first nine months of 2011, which is 6.4% more than in the first nine months of 2010.** This is a result of higher Amounts Staked and strict operating cost management, primarily in the Czech Republic. In the same reporting period, EBITDA from lottery came to negative EUR 4.1 million, primarily due to start-up costs and new marketing campaign.

Czech Republic – Sports Betting

The sports betting in the Czech Republic generated 52.9% of total amounts staked for the Company in the first nine months of 2011, unchanged if compared with same period in 2010. **Total Amounts Staked came to EUR 159.6 million, 9.0% more than in the first nine months of 2010.** Total Amounts Staked in the Czech Republic sports betting amounted to EUR 48.9 million in the third quarter of 2011, 6.7% more than in the previous year.

Gross Win from sports betting in the Czech Republic amounted to EUR 31.6 million in the first nine months of 2011, 3.0% more than in the previous year. This growth was driven primarily by the on-line expansion; Gross Win from the on-line segment climbed by 38.6% yoy and amounted to EUR 11.7 million. On the contrary, Gross Win from retail sports betting in the Czech Republic declined 10.4% yoy and totalled EUR 19.9 million. In the third quarter of 2011, Gross Win from sports betting in the Czech Republic grew 0.4% yoy to EUR 9.7 million, driven by the on-line growth of 43.3% yoy while the retail sports betting declined 15.3% yoy.

Czech Republic – Lottery

Contact:

Vladan Crha

Tel.: +420 267 218 133

Mobil: +420 739 607 562

E-mail: crha.vladan@ifortuna.cz

Total Amounts Staked from lottery came to EUR 4.4 million in the first nine months of 2011, out of which EUR 2.1 million were scratch tickets and EUR 2.3 million numerical games (Loto). In the third quarter 2011, total Amounts Staked from lottery totalled EUR 3.7 million (EUR 1.3 million scratch tickets and EUR 2.3 million Loto).

Gross Win in the Czech Republic lottery amounted to EUR 2 million in the first nine months of 2011, out of which scratch tickets sales represented EUR 919 thousands and Loto EUR 1.1 million. In the third quarter 2011, Gross Win from lottery was EUR 1.6 million; of which EUR 1.1 million were numerical games and EUR 493 thousands were sold scratch tickets.

Slovakia

The share of Slovakia in regard to total Amounts Staked in the first nine months of 2011 reached 32.5%, and increased from 31.7% stake in the same period in 2010. **Total Amounts Staked reached EUR 97.9 million in the first nine months of 2011, 11.7% more than in 2010.** In the third quarter 2011, the total amounts staked in Slovakia were EUR 27.6 million, by 4.9% yoy more.

Gross Win in Slovakia amounted to EUR 23.1 million in the first nine months of 2011, 8.9% more than in the previous year. Gross Win from on-line betting was EUR 9.1 million, 33.5% more than in 2010. Gross Win from retail betting in Slovakia decreased by 2.7% yoy and totalled EUR 14 million. In the third quarter of 2011, Gross Win in Slovakia reached EUR 6.9 million, 4.5% yoy more. It was driven by the on-line growth - 16.5% yoy or EUR 2.5 million, while the retail betting declined by 1.3% yoy to EUR 4.4 million.

Poland

Poland accounted for a 12.2% share of total Amounts Staked in the first nine months of 2011, compared with a 15.1% share in 2010. **Total Amounts Staked in Poland reached EUR 36.9 million in the first nine months of 2011, 11.8% less than in 2010.** The reason for the drop was a change in the tax rate on the Amounts Staked that was implemented in mid 2010 and the impossibility of operating some products. In the third quarter of 2011, the total Amounts Staked were EUR 11.8 million and decline moderately by 3.0% yoy. This shows that the decline in accepted bets which Fortuna experienced throughout 2011 was primarily related to the taxation change and should not continue in such big scale going forward.

Gross Win from betting in Poland reached EUR 14.1 million in the first nine months of 2011, a drop of 3.3% yoy. In the third quarter of 2011, Gross Win in Poland was EUR 4.8 million, a modest growth of 0.8% yoy.

FortunaWin

Total amounts staked of FortunaWin based in Malta reached EUR 2.9 million in the first nine months of 2011, compared with EUR 277 thousand recorded in the same period last year. In the third quarter of 2011, total Amounts Staked of FortunaWin were EUR 702 thousands, up by 247.5% yoy.

Gross Win from betting was EUR 138 thousands in the first nine months of 2011 and EUR 41 thousand in the third quarter of 2011.

Lottery Czech Republic

Scratch tickets have recorded enormous success since their introduction to the market in May 2011. The series I issued in total volume of 1.5 million pieces was sold out in less than 6 months. The series II with a total issue volume of 3 million tickets was introduced at the beginning of October 2011. Every fourth ticket can win and the paid-out prizes constitute of up to 60% of Amounts Staked.

As of 1 November, Fortuna introduced a new numerical game Golden 11 with a daily jackpot of CZK 300 million (EUR 12 million), the largest jackpot offered in the history of the Czech lottery ever. To win the full jackpot amount, people must stake a minimum bet of CZK 100 (EUR 4). The drawing takes place seven days a week, including holidays. The bets can be placed at 1,300 terminals located all over the Czech Republic. The Golden 11 is the second numerical game introduced by Fortuna after Loto which was launched in July this year.

Poland: On-line and Acquisition of Tipsport PL

With respect to the development of licensed on-line betting in Poland, Fortuna is currently anticipating the consent of the Polish Ministry of Finance. Once the licence is awarded, the Company is ready to launch its on-line operation immediately. As a part of preparation for the launch of on-line fixed odds betting offer, Fortuna zakłady bukmacherskie, a subsidiary of Fortuna Entertainment Group NV, has started taking registrations at efortuna.pl and subscribers data verification. Since the beginning of September there have been already over 12,000 individual subscribers confirmed as Fortuna website users.

Fortuna further continues in the takeover of Polish Tipsport. While the decision of the Polish Ministry of Finance related to the change of the shareholding in Tipsport PL is still being expected, Fortuna has completed its due diligence process and currently revises its strategy concerning the takeover of individual sales points of Tipsport PL. The acquisition represents an opportunity for Fortuna to increase its market share in the Polish fixed-odds betting market and further strengthen its position as the largest fixed-odds betting operator on the Polish market.

Contact:

Vladan Crha

Tel.: +420 267 218 133

Mobil: +420 739 607 562

E-mail: crha.vladan@ifortuna.cz

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In the third quarter of 2011 Fortuna PL and other licensed Polish betting operators received permission to take bets on Polish football league matches which was not possible until now. The permission was a result of negotiations with the Association of Employers and Employees of Betting Companies held since 2010.

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, 2011 up to and including November 3, 2011 – the date of the publication of this Interim Management Statement.



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Appendix - Selected financial figures (consolidated, unaudited)

Fortuna Entertainment Group NV: Sports Betting Segment

(in thous. EUR)	9M 2010	9M 2011	Change in %
Amounts Staked Sport Betting	276,112	297,227	7.7%
Gross Win Sports Betting	66,509	68,953	3.7%
- online	15,275	20,920	37.0%
- retail	51,234	48,033	(6.2%)
EBITDA sports betting	17,167	18,268	6.4%

Fortuna Entertainment Group NV Total

(in thous. EUR)	9M 2010	9M 2011	Change in %
Amounts Staked	276,112	301,666	9.3%
<i>Sport Betting</i>	<i>276,112</i>	<i>297,227</i>	<i>7.7%</i>
<i>Lottery</i>	<i>0</i>	<i>4,439</i>	<i>n/a</i>
- Lottery: Scratch Tickets	0	2,122	n/a
- Lottery: Numerical Games	0	2,317	n/a
Gross Win	66,509	70,932	6.7%
<i>Sports Betting</i>	<i>66,509</i>	<i>68,953</i>	<i>3.7%</i>
- online	15,275	20,920	37.0%
- retail	51,234	48,033	(6.2%)
<i>Lottery</i>	<i>0</i>	<i>1,979</i>	<i>n/a</i>
- Scratch Tickets	0	919	n/a
- Numerical Games	0	1,060	n/a
EBITDA	17,167	14,204	(17.3%)
- sports betting	17,167	18,268	6.4%
- lottery	0	(4,064)	n/a

Fortuna Entertainment Group NV Total

(in thous. EUR)	Q3 2010	Q3 2011	Change in %
Amounts Staked	84,477	92,644	9.7%
<i>Sport Betting</i>	<i>84,477</i>	<i>88,981</i>	<i>5.3%</i>
<i>Lottery</i>	<i>0</i>	<i>3,663</i>	<i>n/a</i>
- Lottery: Scratch Tickets	0	1,346	n/a
- Lottery: Numerical Games	0	2,317	n/a
Gross Win	21,123	23,075	9.2%
<i>Sports Betting</i>	<i>21,123</i>	<i>21,522</i>	<i>1.9%</i>
- online	4,810	6,138	31.3%
- retail	16,313	15,204	(6.8%)
<i>Lottery</i>	<i>0</i>	<i>1,553</i>	<i>n/a</i>
- Scratch Tickets	0	493	n/a
- Numerical Games	0	1,060	n/a
EBITDA	5,557	2,314	(58.4%)
- sports betting	5,557	5,416	(2.54%)
- lottery	0	(3,102)	n/a

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