

Interim Management Statement of Fortuna Entertainment Group N.V. for the period from July 1, 2012 to November 8, 2012

## Total amounts staked grew 10.7% in the first three quarters of 2012

AMSTERDAM/Warsaw/Prague – Fortuna Entertainment Group, the leading Central European fixed-odds betting operator, recorded total Amounts Staked of EUR 334.1 million during the first nine months of 2012, a year on year increase of 10.7%, according to the preliminary unaudited financial results.

Key highlights of the financial results in the first nine months of 2012:

- **Group's Amounts Staked up 10.7% yoy to EUR 334.1 million**
- **Group's Gross Win up 10.0% yoy to EUR 78 million**
- **Gross Win from on-line sports betting up 23.4% yoy to EUR 25.8 million**
- **Total Revenues up 8.3% yoy to EUR 67.6 million**
- **EBITDA from Lottery segment a EUR 3.5 million loss – in line with budget**

*“The double digit growth in Amounts Staked on the Group level and the high single digit growth reported by the Sports Betting division were mainly driven by a successful expansion of on-line betting in all core markets, including our new regulated on-line business in Poland,” said Wilf Walsh, Chairman of the Management Board of Fortuna Entertainment Group. “We are reporting growth rates which are in line with our long-term targets for sports betting. On top of that, we have completed a comprehensive review of our lottery business in order to minimize EBITDA impact and to reach break-even during the first half of next year.”*

### Group Results Overview

Total Amounts Staked for the first nine months of 2012 reached EUR 334.1 million, which is an increase of 10.7% on the figure recorded for the first nine months of 2011. Total Gross Win reached EUR 78 million, an increase of 10.0% compared with the first nine months of 2011.

Total Group revenues recorded in the first three quarters of 2012 amounted to EUR 67.6 million, up 8.3% yoy.

In the first nine months of 2012, total EBITDA reached EUR 13.3 million, declining 6.2% yoy due to higher betting taxation imposed in the Czech Republic from the beginning of 2012 and expenses related to the lottery project.

## Sports Betting Segment

**In the first nine months of 2012, Amounts Staked from sports betting amounted to EUR 320.2 million**, which is 7.7% more than was seen in the same period last year. This represents an encouraging performance and is fully in line with the Company's long-term target for sports betting which is to grow at a high-single-digit rate.

**Gross Win from sports betting grew 2.9% yoy in the first nine months of 2012 and totalled EUR 71 million.** The Gross Win margin in sports betting was lower than anticipated in the second and third quarters of 2012. In the second quarter, this was due to predictable results during EURO 2012 football championships and in the last weeks of the Premier League. In the third quarter, Gross Win margin was driven down by negative outcome of bets on the Champions League and World Cup Qualifiers in September.

The recorded results were driven in particular by the expanding on-line sports betting business. **Gross Win from on-line sports betting in the first nine months of 2012 rose 23.4% yoy to EUR 25.8 million, primarily on the back of growth in the Polish and Czech markets.**

Gross Win from retail sports betting in the first nine months of 2012 was EUR 45.2 million, down 6.0% yoy.

**EBITDA from sports betting amounted to EUR 16.8 million in the first nine months of 2012, 8% less than the figure recorded for the first nine months of 2011.** This was a consequence of higher betting taxes that took effect in the Czech Republic at the beginning of this year.

### **Sports Betting - Poland**

Poland accounted for a 14.6% share of total Amounts Staked in the first nine months of 2012, compared with a 12.2% share in the same period of 2011. **Total Amounts Staked in Poland reached EUR 48.6 million in the first nine months of 2012, 31.9% more than last year.** Thanks to the introduction of on-line sports betting in Poland at the end of January 2012, the Company was able to reverse the decline in accepted bets from previous periods that was triggered by unfavourable taxation treatment of licenced sports betting.

**Gross Win from betting in Poland reached EUR 17 million in the first nine months of 2012, an increase of 20.1% yoy.** Gross Win from the newly introduced on-line betting was EUR 2.2 million. Gross Win from retail betting in Poland increased in the first nine months of 2012 by 4.7% yoy and totalled EUR 14.8 million. **Fortuna recorded revenues from the Polish market of EUR 11.2 million in the first nine months of 2012, 12.2% more than for the same period of last year.**

At the end of January 2012, Fortuna launched on-line sport betting as the very first licensed operator in Poland. Currently, there are only two sports betting operators in the regulated market in Poland.

## Sports Betting - Czech Republic

The sports betting in the Czech Republic generated 52.2% of total Amounts Staked for the Company in the first nine months of 2012, almost unchanged from the 52.9% share in the same period last year. **Total Amounts Staked came to EUR 174.4 million, 9.3% more than in the first nine months of 2011.**

**Gross Win from sports betting in the Czech Republic amounted to EUR 31.7 million in the first nine months of 2012, 0.2% more than in the previous year.** The lower growth of the Gross Win margin stemmed from the negative outcome of betting on EURO 2012 football championships, the Champions League and the World Cup Qualifiers in September, as already mentioned.

**Gross Win from the on-line segment climbed by 24% yoy and amounted to EUR 14.5 million.** In the opposite, Gross Win from retail sports betting in the Czech Republic declined 13.7% yoy to the level of EUR 17.2 million. **Fortuna recorded revenues from the Czech market of EUR 31.8 million in the first nine months of 2012 which is 0.3% less than last year.**

## Sports Betting - Slovakia

The share of Slovakia in regard to total Amounts Staked in the first nine months of 2012 reached 28.1%, as against 32.5% in the same period of 2011. **Total Amounts Staked reached EUR 93.8 million in the first nine months of 2012, 4.2% less than in 2011,** primarily due to the one-off limitation of high-rolling customers at the beginning of 2012.

**Gross Win in Slovakia amounted to EUR 22.3 million in the first nine months of 2012,** a 3.6% yoy decline. Gross Win from on-line betting was EUR 9.1 million, 0.4% less than in 2011. Gross Win from retail betting in Slovakia declined 5.7% yoy and totalled EUR 13.2 million. **Fortuna recorded revenues from the Slovak market of EUR 17.6 million in the first nine months of 2012, 5.0% less than last year.**

## Sports Betting - FortunaWin

**Total Amounts Staked of FortunaWin based in Malta reached EUR 3.3 million in the first nine months of 2012,** up 15.6% compared with the first nine months of 2011. Gross Win from betting was EUR 76 thousand in the first nine months of 2012, 44.9% less than in the same period last year.

## Lottery Business in the Czech Republic

**Amounts Staked in Fortuna Lottery reached EUR 13.9 million in the first nine months of 2012, up 213.8% yoy.** Gross Win from the lottery amounted to EUR 7 million, which is 255.2% more than in the same period of last year. **Fortuna**

**recorded revenues from the Czech lottery business of EUR 7.1 million in the first nine months of 2012, which is 254.4% more than last year.**

**In the first three quarters of 2012, EBITDA from the lottery came in negative at EUR 3.5 million due to start-up costs driven by marketing costs and further development of the distribution network.** This is fully in line with the anticipated EBITDA loss of EUR 4-5 million for the full year 2012.

In October, Fortuna introduced a special prize in its LOTO numerical game. In addition to standard winnings, a special prize of CZK 1 million is paid to the person who matches the most winning numbers in a draw. The prize is paid out of the LOTO jackpot until the jackpot falls under the minimum level of CZK 20 million. The payment is then suspended until the jackpot exceeds the level of CZK 30 million again.

### **Current Trading and Outlook**

Since the end of September 2012 there has been a substantial improvement in trading performance in sports betting segment. In October 2012, the average daily Gross Win in the sports betting segment was 47.6% higher than the daily average Gross Win recorded in the third quarter of 2012, driven by favourable set of sporting results.

**Selected financial figures (consolidated, unaudited)  
Fortuna Entertainment Group NV Total**

<b>(in thous. EUR)</b>	<b>9M 2011</b>	<b>9M 2012</b>	<b>Change in %</b>
<b>Amounts Staked</b>	<b>301,666</b>	<b>334,074</b>	<b>10.7%</b>
<i>Sport Betting</i>	297,227	320,146	7.7%
<i>Lottery</i>	4,439	13,928	213.8%
- scratch tickets	2,122	3,602	69.7%
- numerical games	2,317	10,326	345.7%
<b>Gross Win</b>	<b>70,932</b>	<b>77,993</b>	<b>10.0%</b>
<i>Sports Betting</i>	68,953	70,963	2.9%
- online	20,920	25,805	23.4%
- retail	48,033	45,158	(6.0%)
<i>Lottery</i>	1,979	7,030	255.2%
- scratch tickets	919	1,304	41.9%
- numerical games	1,060	5,726	440.2%
<b>Revenue</b>	<b>62,431</b>	<b>67,636</b>	<b>8.3%</b>
- sports betting	60,436	60,566	0.2%
- lottery	1,995	7,070	254.4%
<b>EBITDA</b>	<b>14,204</b>	<b>13,327</b>	<b>(6.2%)</b>
- sports betting	18,268	16,816	(8.0%)
- lottery	(4,064)	(3,489)	14.2%

*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, 2012 up to and including November 8, 2012 – the date of the publication of this Interim Management Statement.*