

Interim Management Statement of Fortuna Entertainment Group N.V. for the period from January 1st, 2015 to May 6th, 2015

Fortuna accepted bets of EUR 199.3 million up 20.2% in the first quarter of 2015

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 2015.

The unaudited consolidated results of Fortuna Entertainment Group for the first quarter of 2015 confirmed growth in the amount of bets in all countries.

- **Total Amounts Staked in Q1 2015 increased by 20.2% to EUR 199.3 million**
- **Total Gross Win in Q1 2015 up by 3.7% to EUR 35.4 million**
- **On-line Sports Betting Gross Win in Q1 2015 increased by 22.9% to EUR 19.9 million**

The Group's Amounts Staked for the first quarter of 2015 was EUR 199.3 million, a solid 20.2% y-o-y increase. This growth was driven primarily by the double-digit growth in on-line betting in all the countries where Fortuna operates. **The Amount Staked on sports betting reached EUR 194.6 million in the first quarter of 2015, a 20.1% improvement on the first quarter of 2014.** The Amount Staked on lottery betting in the first quarter of 2015 totalled EUR 4.7 million, a 23.7% y-o-y increase.

In the first quarter of 2015, **the total Gross Win reached EUR 35.4 million, an increase of 3.7% compared to the first quarter of 2014.** The Gross Win in the first quarter 2015 was impacted by the abolishment of the handling fee on on-line betting in Slovakia, which apart from the absence of the fee led to an acceleration of online live betting growth and migration from Retail to Online which implies further Gross Win margin pressure. Also, the Company's Gross Win in the first quarter was affected by unfavourable sporting results in March 2015.

The Gross Win from sports betting was EUR 33.3 million, a 3.0% increase y-o-y. Of this figure, the Gross Win from on-line betting in the first quarter of 2015 increased to EUR 19.9 million, a substantial increase of 22.9% over the same period of 2014. The Gross Win from retail betting in the first quarter of 2015 amounted to EUR 13.4 million, a 17.1% decline y-o-y.

Contact:

Klára Klímová

Mobil: +420 724 255 715

E-mail:klara.klimova@fortunaeg.nl

In the first quarter of 2015, the **Gross Win from the lottery business was EUR 2.0 million**, a 17.2% growth over the same period of last year.

Starting from the first quarter 2015, Fortuna is changing reporting of the betting taxation in the Czech Republic. Previously, the betting tax on Gross Win was deducted as an expense below the Revenues item. While in Slovakia and Poland, the withholding tax paid was deducted from the Gross Win and the “Revenues” were already reported net of the withholding tax. In order to show more consistency and transparency in the financial reporting, the Company decided to unify all betting taxes in one item which will be stated prior to the “Revenue” item (i.e. same reporting as for Slovakia and Poland until today). Reported revenues will therefore be net of all betting taxes.

In the first quarter of 2015, total EBITDA reached EUR 7.4 million, a 21.0% decrease over the same period of last year. The total is drawn from a 23.8% decline in sports betting to EUR 7.1 million and the lottery EBITDA of EUR 277 thousand, up 1,152% over the last year. Lower EBITDA is still in line with the full year guidance and was affected by unfavourable sporting results in March as well as the effects related to the abolishment of the online handling fee in Slovakia.

“In the first quarter of 2015, the Company continued to deliver strong growth in Amounts Staked and we accepted EUR 199.3 million of bets, which is 20.2% more than last year. The Amounts Staked grew double digits in all our key markets, primarily driven by the on-line betting growth. In terms of Gross Win, we have, as expected, been negatively impacted by the abolishment of the online handling fee in Slovakia as well as by unfavourable sporting results, mainly in football, in March,” said Per Widerstrom, CEO of Fortuna Entertainment Group.

Selected financial indicators – FEG total

(EUR million)	Q1 2015	% y-o-y
Amounts Staked	199.3	20.2%
- Sports betting	194.6	20.1%
- Lottery	4.7	23.7%
Gross Win	35.4	3.7%
- Sports betting	33.3	3.0%
- Lottery	2.0	17.2%
Revenues	25.1	(1.2%)
- Sports betting	23.4	(2.3%)
- Lottery	1.7	17.5%
EBITDA	7.4	(21.0%)
- Sports betting	7.1	(23.8%)
- Lottery	0.3	1,152.8%

Contact:
 Klára Klímová
 Mobil: +420 724 255 715
 E-mail:klara.klimova@fortunaeg.nl

Country by Country Sports Betting

Sports Betting – Czech Republic

Sports betting in the Czech Republic generated almost 60% of total Amounts Staked for the Company in the first quarter of 2015. **Total Amounts Staked in the Czech Republic grew at a solid double-digit rate compared with the first quarter of 2014.**

The 2015 first quarter Gross Win from sports betting in the Czech Republic was slightly higher than in the first quarter of 2014. The Gross Win growth was driven by online while retail sports betting declined double digit on a y-o-y comparison.

Sports Betting – Slovakia

The contribution of Slovakia represented more than one quarter of the Group's Amounts Staked in the first quarter of 2015. **The total Amounts Staked in Slovakia experienced double-digit growth in the first quarter of 2015.**

The total Gross Win in Slovakia declined y-o-y in the first quarter 2015, due to the abolishment of handling fee on on-line betting. The Gross Win in Slovakia grew in the on-line segment while the retail Gross Win declined.

Sports Betting - Poland

The total Amounts Staked in Poland in the first quarter of 2015 grew at a strong double-digit rate, the highest relative growth reported of all three countries.

The Gross Win from betting in Poland in the first quarter of 2015 went up double digit. A solid growth of the Gross Win was recorded by the on-line business, while the Gross Win in the retail segment declined. However, it was the retail betting that continued to represent the majority of the Gross Win in absolute terms.

Lottery Business in the Czech Republic

In the first quarter of 2015, **the Amounts Staked from the Fortuna Lottery reached EUR 4.7 million**, a 23.7% increase compared with the same period of last year, driven by the double digit growth of scratch cards and a moderate increase in the numerical games. **The Gross Win from the lottery amounted to EUR 2.0 million, which is 17.2% more than in the first quarter of 2014.**

The EBITDA from the lottery was EUR 277 thousand, up 1,152.8% compared with the first quarter of 2014.

Contact:

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Mobil: +420 724 255 715

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Guidance update

In light of the latest business development, Fortuna is changing its full year guidance which was communicated in March. The Company now anticipates that the total Amounts Staked could grow up to EUR 790 million (previously EUR 730 million). EBITDA in 2015 could record a 25 - 30% decline, changed from a previous 20 – 25% decline, (excluding the one-off item of EUR 0.6 million in 2014). Main drivers are online handling fee abolishment in Slovakia which drives further acceleration of online live betting growth and migration from Retail to Online implying further Gross Win margin pressure as well as higher betting tax in Slovakia (paid as 6% from Amount Staked) and further investments into future growth.

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, 2015 up to and including May 6, 2015 – the date of the publication of this Interim Management Statement.

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