



euro adhoc: BETandWIN.com Interactive Entertainment AG
Quarterly or
Semiannual Financial Statements
:BETANDWIN.COM REPORTS PRELIMINARY
RESULTS OF THE FINANCIAL YEAR NOW ENDED

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:NOTES

To facilitate comparison with previous periods, this report contains selected preliminary key figures in a pro forma consolidated form and also using the at equity method.

This report contains statements about possible future developments that have been made on the basis of the information available. These statements reflect the current opinion of the Executive Board with respect to such future events, and should not be taken as a guarantee of future performance, since they entail risks and uncertainties that are difficult to predict. For many different reasons, actual events or circumstances may differ significantly from the assumptions made for such statements.

:HIGHLIGHTS

:Q4 2004

(SELECTED PRELIMINARY KEY FIGURES, PRO FORMA CONSOLIDATED)

Successful implementation of ongoing strategy for growth

- Record quarterly turnover of EUR 314 million, up 150 per cent
- Record net winnings after commission and taxes of EUR 18 million, up 123 per cent
- 150,000 active betting customers - number of bets more than doubled compared to same period the previous year
- Promising development of multiplayer poker application "Poker Lounge"

:FINANCIAL YEAR 2004

(SELECTED PRELIMINARY KEY FIGURES, PRO FORMA CONSOLIDATED)

- Annual turnover of over EUR 856 million more than doubled compared to same period the previous year, up 114 per cent and 127 per cent* respectively (2003 adjusted for third-party turnover)
- Net winnings after commission and taxes of EUR 50 million, up 101 per cent and 128 per cent* respectively (2003 adjusted for third-party turnover)
- 259,403 active sports betting customers, of whom 180,511 new active customers

:DEVELOPMENT OF BUSINESS IN FOURTH QUARTER OF 2004

As in the third quarter, the development of business in the fourth quarter was characterised by the successful implementation of the strategy for growth approved in the spring of 2004. betandwin was able to improve its market position in target markets such as Germany, Turkey, Spain, Poland and Denmark on the strength of its extensive core competences particularly in the areas of sales and marketing. This positive development is reflected by selected key figures such as turnover, net winnings after commission and taxes and the number of active customers. This satisfactory trend continued on into the new financial year, and

the development of business in the first few weeks of the year 2005 exceeded expectations in all product areas.

betandwin is not only expanding its product portfolio, but also preparing innovative technologies and sales channels with a view to securing the greatest possible share in the forecast rapid growth of the entire European online gaming market.

- Record quarterly turnover of EUR 314 million, up 150 per cent betandwin increased turnover from its betting and casino operations as well as games to EUR 314.2 million after a turnover of EUR 125.7 million in the same period the previous year. (Note: Due to the addition of further games to the games portfolio in November 2004, with effect from Q4/2004 reporting the former product area of Lottery Games with options such as bingo is now shown under "Games".) This represents a rise in turnover of EUR 188.5 million, or 150 per cent. Turnover from betting operations totalled EUR 134.9 million, up EUR 81.3 million, or 152 per cent (Q4 2003: EUR 53.6 million). Record turnover was once again achieved with both casino operations and the product area of "Games". Turnover from casino operations amounted to EUR 171.2 million (Q4 2003: EUR 70.8 million, up EUR 100.4 million, or 142 per cent), whilst turnover in the product area of Games** totalled EUR 8.1 million, up more than six fold (Q4 2003: EUR 1.3 million, up EUR 6.8 million).

- Record net winnings after commission and taxes of EUR 18 million, up 123 per cent

In the fourth quarter, net winnings after commission and taxes from betting and casino operations as well as games more than doubled to EUR 18.1 million (Q4 2003: EUR 8.1 million, up EUR 10.0 million, or 123 per cent).

Net winnings after commission and taxes from betting operations in Q4 2004 totalled EUR 13.1 million, up EUR 7.0 million, or 115 per cent, a significant increase on the previous year's figure of EUR 6.1 million. Net winnings after commission and taxes from casino operations rose to EUR 4.5 million (Q4 2003: EUR 1.9 million, up EUR 2.6 million, or 137 per cent). AT EUR 0.5 million, net winnings after commission and taxes from the product area games** were more than four times higher than the comparable period the previous year (Q4 2003: EUR 0.1 million, up EUR 0.4 million).

The net winnings margin after commission and taxes from betting and casino operations and games** was 5.8 per cent (Q4 2003: 6.5 per cent). The net winnings margin after commission and taxes from betting operations was 9.7 per cent (Q4 2003: 11.3 per cent). The net winnings margin after commission and taxes from casino operations fell very slightly to 2.6 per cent (Q4 2003: 2.8 per cent). With an expanded product portfolio compared to Q4/2003, the product area of games** produced a net winnings margin after commission and taxes of 5.7 per cent (Q4 2003: 7.9 per cent). The decline in the net winnings margin after commission and taxes from product are games** was attributable to customer's different regional preferences. As a result of an intensive marketing effort since the summer of 2004 in markets like Greece and Turkey, there was a steady increase in the number of players preferring game variants designed with lower margins.

- 150,000 active betting customers - number of closed bets more than doubled compared to same period the previous year

The number of registrations in the fourth quarter totalled 119,069 as compared to 109,160 in the fourth quarter of 2003 (this figure includes both newly registered customers and customer migrations as a result of two acquisitions).

The number of active sports betting customers in Q4 2004 was 150,070 compared to 89,044 in the fourth quarter of 2003 (up 61,026, or 68 per cent). A total of 54,908 of these customers were first timers in the period under review. In the same period of 2003, the number of customers becoming active for the first time was 51,991: this figure included customer migrations as a result of acquisitions totalling 4,372.

The number of bets was also up to 17,529,983 bets (Q4 2003: 7,985,435), an increase of 120 per cent.

- Promising development of multiplayer poker application "Poker Lounge"

Poker commissions earned on the basis of multiplayer poker applications offered under a third-party licence amounted to EUR 0.4 million in the fourth quarter of 2004. A fully functional version of this application has been available on the platforms

www.betandwin.com, www.beteurope.com and www.playit.com since the third quarter (Due to the difficulty of comparing betting turnover generated by the product poker with that from other product groups, only net winnings are reported in line with international convention.).

As already announced, betandwin expects to achieve strong positive cash flow for the fourth quarter of 2004 despite its increased focus

on growth and the resulting investment in marketing.

:DEVELOPMENT OF BUSINESS IN FINANCIAL YEAR 2004

• Annual turnover of over EUR 856 million more than doubled compared to same period the previous year, up 114 per cent and 127 per cent* respectively (2003 adjusted for third-party turnover)

In the financial year 2004, betandwin increased turnover from its betting and casino operations as well as games** to EUR 855.7 million after a turnover of EUR 400.2 million* in the previous financial year. This represents a rise in turnover of EUR 455.5 million, or 114 per cent. Adjusted for third-party turnover* - turnover generated by distribution partners was also reported up until June 2003 - this meant that turnover was up EUR 478.5 million, or 127 per cent. Turnover from betting operations more than doubled in the financial year 2004 to EUR 378.7 million (2003: EUR 169.6 million*, up EUR 209.1 million, or 123 per cent). Adjusted for third-party turnover*, the increase in turnover was EUR 232.1 million, or 158 per cent. Net winnings after commission and taxes from casino operations amounted to EUR 458.5 million (2003: EUR 226.3 million, up EUR 232.2 million, or 103 per cent). Turnover from games** rose to EUR 18.5 million (2003: EUR 4.3 million), equivalent to an increase of EUR 14.2 million, or 330 per cent.

(*) Up to and including June 2003, the key indicators reported included sports betting turnover / net winnings after commission and taxes from a contract with distribution partner: turnover from sports betting generated by the distribution partner in the amount of EUR 23 million was reported in the previous period along with net winnings after commission and taxes of EUR 2.9 million.

(**) Due to the addition of further games to the games portfolio in November 2004, with effect from Q4 reporting the former product area of Lottery Games with options such as bingo is now shown under "Games".

• Net winnings after commission and taxes of EUR 50 million, up 101 per cent and 128 per cent* respectively (2003 adjusted for third-party turnover)

Net winnings after commission and taxes from betting and casino operations as well as games** amounted to EUR 50.0 million in the financial year 2004 (2003: EUR 24.8 million*, up EUR 25.1 million, or 101 per cent). Adjusted for third-party net winnings after commission and taxes*, this represented an increase of EUR 28.0 million, or 128 per cent.

Net winnings after commission and taxes from betting operations totalled EUR 36.4 million in the financial year 2004 (2003: EUR 18.4 million*, up EUR 18.0 million, or 98 per cent). Adjusted for third-party net winnings after commission and taxes*, this increase was EUR 21.0 million, or 136 per cent. Net winnings after commission and taxes from casino operations amounted to EUR 12.5 million (2003: EUR 6.3 million, up EUR 6.2 million, or 98 per cent). Net winnings after commission and taxes from games** amounted to EUR 1.1 million (2003: EUR 0.1 million).

The net winnings margin after commission and taxes from betting and casino operations as well as games** was 5.8 per cent (2003: EUR 6.2 per cent or 5.8 per cent adjusted*). The net winnings margin after commission and taxes from betting operations was 9.6 per cent (2003: 10.8 per cent or 10.5 per cent adjusted), whilst that from casino operations was 2.7 per cent (2003: 2.8 per cent). The net winnings margin after commission and taxes from games** doubled from 3.1 per cent in the same period the previous year to 6.1 per cent.

• 259,403 active sports betting customers, of whom 180,511 new active customers

The number of new registrations in the financial year 2004 increased to 372,449 compared to 213,711 in the financial year 2003.

At 259,403, the number of active sports betting customers was more than twice the previous year's figure (2003: 129,606). A total of 180,511 sports betting customers were first timers during the period under review (2003: 94,444).

The number of bets increased by 121 per cent to 48,892,129 (2003: 22,121,816).

Further Details:

http://www.betandwin.ag/media/pdf/quartals_berichte/ad_hoc_quartal_03022005_uk.pdf

Final results for the fourth quarter and the financial year 2004 will be published on 19 April 2005.

end of announcement

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