

Interim Management Statement of Fortuna Entertainment Group N.V. for the period from January 1, 2014 to May 7, 2014

Fortuna accepted bets of EUR 165.9 million up 17.5% in the first quarter of 2014

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 2014.

The unaudited consolidated results of Fortuna Entertainment Group for the first quarter of 2014 confirmed growth in the main markets where the Company operates.

- **Total Amounts Staked in Q1 2014 increased by 17.5% to EUR 165.9 million**
- **Total Gross Win in Q1 2014 up by 1.8% to EUR 34.1 million**
- **On-line Sports Betting Gross Win in Q1 2014 increased by 19.2% to EUR 16.2 million**

The Group's Amounts Staked for the first quarter of 2014 was EUR 165.9 million, a strong 17.5% yoy 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 162.0 million in the first quarter of 2014, an 18.2% improvement on the first quarter of 2013.** The Amount Staked on lottery betting in the first quarter of 2014 totalled EUR 3.8 million, a 7.7% yoy decline related to the depreciation of CZK against EUR on annual basis.

In the first quarter of 2014, **the total Gross Win reached EUR 34.1 million, an increase of 1.8% compared to the first quarter of 2013.**

The Gross Win from sports betting was EUR 32.4 million, a 3.0% increase yoy. Of this figure, the Gross Win from on-line betting in the first quarter of 2014 increased to EUR 16.2 million, a substantial gain of 19.2 % over the same period of 2013. The Gross Win from retail betting in the first quarter of 2014 amounted to EUR 16.2 million, a 9.3% decline yoy.

In the first quarter of 2014, **the Gross Win from the lottery business was EUR 1.7 million**, a 16.2% decline over the same period of last year.

In the first quarter of 2014, total EBITDA reached EUR 9.4 million, a 17.0% decrease over the same period of last year. The total is drawn from a 16.9% decline in sports betting to EUR 9.4 million and a positive lottery EBITDA of EUR 22 thousand,

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down 44.6% over the last year. Lower EBITDA and slower Gross Win growth compared to the first quarter of the last year resulted from unfavourable sporting results in January, primarily football results in the first two January weeks.

“In the first quarter of 2014, the Company continued in a strong growth of Amounts Staked and we accepted EUR 165.9 million of bets, which is 17.5% more than last year. The Amounts Staked grew double digits in all our key markets, primarily driven by on-line betting expansion. Although we did not exceed our last year EBITDA figure, we believe that our full year guidance will be met and our lottery segment EBITDA was positive. The number of registered users exceed a half million in the first quarter of this year which is 40% more than a year ago,” said Radim Haluza, CEO of Fortuna Entertainment Group.

“As far as the dividend payment is concerned, the management of the Company will proposed to the AGM a dividend payment of EUR 0.22 per share, fully in line with our long-term dividend policy,” added Radim Haluza.

Selected financial indicators – FEG total

(EUR million)	Q1 2014	% yoy
Amounts Staked	165.9	17.5%
- Sports betting	162.0	18.2%
- Lottery	3.8	(7.7%)
Gross Win	34.1	1.8%
- Sports betting	32.4	3.0%
- Lottery	1.7	(16.2%)
Revenues	28.5	(0.9%)
- Sports betting	26.8	0.3%
- Lottery	1.8	(16.1%)
EBITDA	9.4	(17.0%)
- Sports betting	9.4	(16.9%)
- Lottery	0.02	(44.6%)

Country by Country Sports Betting

Sports Betting – Czech Republic

Sports betting in the Czech Republic generated more than one half of total Amounts Staked for the Company in the first quarter of 2014, a similar proportion to what was recorded for the same period of last year. **Total Amounts Staked in the Czech Republic grew at a double-digit rate compared with the total in the first quarter of 2013, due to higher betting volumes.** Service fee declined on annual basis by more than one third due to its abolishment on on-line betting in the course of the first quarter of 2013.

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The Gross Win from sports betting in the Czech Republic in the first quarter of 2014 was slightly higher than in the first quarter of 2013. The Gross Win from retail sports betting in shops declined on in year to year comparison.

Sports Betting – Slovakia

The contribution of Slovakia represented less than one third of the Group's Amounts Staked in the first quarter of 2014. **The total Amounts Staked in Slovakia experienced double-digit growth in the first quarter of 2014.**

The Gross Win in Slovakia grew in the on-line segment while the retail Gross Win declined.

Sports Betting - Poland

Poland's share of the total Amounts Staked in the first quarter of 2014 showed no significant change from the previous year. **The total Amounts Staked in Poland in the first quarter of 2014 grew at a double-digit rate.**

The Gross Win from betting in Poland in the first quarter of 2014 increased. A higher relative growth level was recorded by the on-line business, but 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 2014, **the Amounts Staked from the Fortuna Lottery reached EUR 3.8 million**, a 7.7% decline compared with the same period of last year. **The Gross Win from the lottery amounted to EUR 1.7 million, which is 16.2% less than in the first quarter of 2013.**

The EBITDA from the lottery was EUR 22 thousand, down 44.6% compared with the first quarter of 2013.

Dividend Payment and Corporate Affairs

The Management Board of Fortuna Entertainment Group N.V. decided at its meeting to propose a gross dividend of EUR 0.22 per share of EUR at the upcoming Annual General Meeting of Shareholders ("AGM").

The Management Board of the Company will propose to the AGM a date of record on 19 June 2014 and the dividend payment 26 June 2014.

The AGM of Fortuna Entertainment Group N.V. will be held on in Amsterdam. The total sum allocated for the dividend amounts to EUR 11.44 million, which, based on the total number of shares of 52,000,000 equals EUR 0.22 per share.

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The long-term dividend policy of the Company for the dividend payout ratio of 70-100% of the consolidated net profit remains unchanged.

Effective 31 March 2014, Marek Šmrha resigned from his position as member of the Supervisory Board of the Company. His position remains vacant until further notice.

Wilf Walsh, Chairman of the Management Board of Fortuna Entertainment Group N.V., decided not to extend his position in the Management Board. His office term will end at the AGM held on 6 June 2014.

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, 2014 up to and including May 7, 2014 – the date of the publication of this Interim Management Statement.

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