2012 ANNUAL REPORT

bet-at-home.com

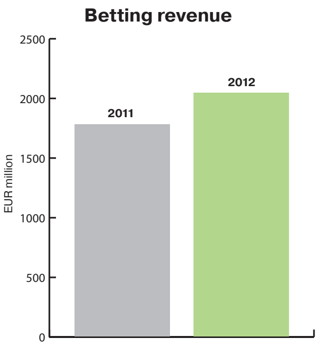
LIFE IS A GAME!

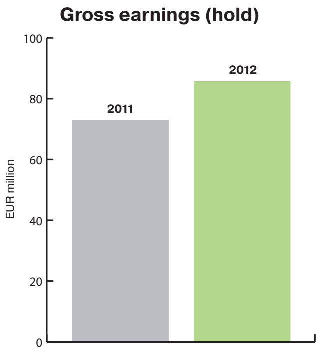
SPORTSBOOK - CASINO - GAMES - POKER

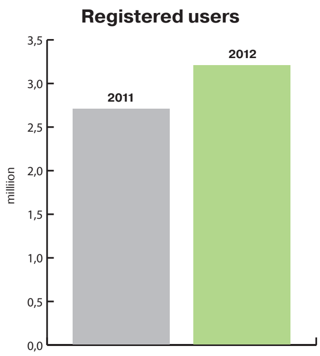
CONTENTS

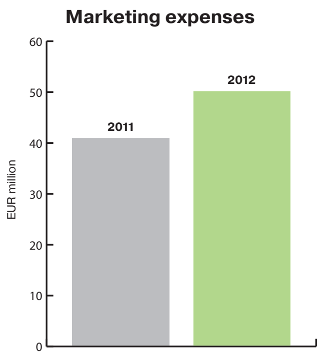
FIS-Team-Tour

REPORT BY THE MANAGEMENT BOARD









Dear Shareholders,

bet-at-home.com AG is a holding company and as such does not have business operations beyond managing its own holdings. All operational activities are carried out exclusively by its subsidiaries.

2012 was a very successful year for the bet-at-home.com AG Group. We were able, for the first time, to distribute a dividend of EUR 0.60 per share to our shareholders. During a year in which new betting duties were introduced in Germany – a particularly important market – and which featured a major sporting event – the European Football Championship hosted by Poland and Ukraine in June/July 2012 – we managed to increase our gross earnings (hold) by an impressive 17.4 percent year-on-year to EUR 85.46 million by means of ambitious marketing investments and major innovations at our subsidiaries. Moreover, we were able to further strengthen our position as one of the top players in the European eGaming market. bet-at-home.com has undoubtedly developed into a strong brand that is very well known across Europe. Once again, our staff have made a significant contribution towards this development. We were very successful in continuing on our growth path also in 2012, and will further improve the bet-at-home.com AG Group's financial performance in particular in the coming financial year.

At home across Europe: more than 3.2 million clients trust in bet-at-home.com

bet-at-home.com reported record sales at the end of the 2012 financial year. We generated betting and gaming revenue of approximately EUR 2,039.78 million (2011: EUR 1,776.30 million), a substantial increase of 14.8 percent compared to the previous year. It was also possible to significantly increase gross earnings (hold), the most important performance figure in the eGaming market, to EUR 85.46 million (2011: EUR 72.81 million). Continuing customer growth is a key indicator for us to know that we are on the right track. More than 3.2 million registered customers have given us their trust already.

Our advertising expenditure rose from EUR 40.81 million in 2011 to EUR 50.02 million in the 2012 financial year (+22.6%). This significant increase is related to a considerable extent to the increase in marketing activities before and during the European Football Championship in Poland and Ukraine. This major sporting event in 2012 presented an important opportunity to acquire new customers and reactivate existing ones. Carefully chosen and targeted marketing measures have contributed considerably to the positive trend in the past year; 230 members of staff work on driving innovations and continuously expanding our product portfolio every day.

Ongoing innovation combined with reliable customer service

Our extensive product portfolio provides our customers with many entertainment opportunities in their spare time. Our product range has also been expanded in all segments this year. We launched a sports betting platform for our Italian customers at the end of June 2012, after receiving the Italian sports betting and casino licence at the end of the 2011 financial year. Ongoing innovation combined with reliable multiple award-winning customer service in 18 languages have further improved customer satisfaction and confidence and continuously strenghtened our competitive position.

In the sports betting segment alone, up to 15,000 bets were placed online on average per day in more than 75 sports. On average, about 14,000 bets were offered per day during the 2011 financial year. Live betting and live streams are becoming increasingly popular, enticing us to continuously improve our range of services. Therefore, our customers had the opportunity to participate in 8,000 games by simply clicking on ‘take a seat in the stadium’.

The Multi-Currency Casino was also very popular during the 2012 financial year. In addition, our Live Casino, which brings a real casino atmosphere into our customers’ homes, had a major influence on the casino segment’s growth. The number of casino games on offer increased significantly year-on-year to a total of 123 games. In addition, we also introduced a separate casino platform for our Italian customers in the middle of October 2012.

In order to meet our customers’ high expectations in the games segment, we increased the number of exciting and entertaining games by about a quarter compared to 55 games in the previous year.

An ever larger selection of tournaments, continuous improvement of communication, more gaming comfort and more interaction with the customer are only a few noteworthy highlights of the previous year in the poker segment. Moreover, our poker software now also runs on Macintosh computers.

Sport: the most important pastime in the world

In 2012, our advertising expenditure totalled EUR 50.02 million, which amounts to an increase of 22.6% (2011: EUR 40.81 million). This also contributed to successfully attracting new customers during the European Football Championship in Poland and Ukraine. As in previous years, we also invested a large proportion of last year’s profit in our growth strategy. In addition to classic TV, internet and print advertising, sports sponsoring remains an important component of our marketing strategy. Sports sponsoring means interaction with viewers who are also our customers, while at the same time promoting clubs, whereby it is always our objective to create long-term partnerships. We were able to considerably increase our profile in recent years by targeted sponsoring of high-exposure sports and thus establishing the bet-at-home.com brand as a reliable partner.

Sponsorship highlights 2012

bet-at-home.com is now among the world’s leading sponsors in the tennis circuit and the main sponsor of tennis tournaments in Hamburg (bet-at-home OPEN) and Kitzbühel (bet-at-home CUP). We also advertise at the ATP tennis tournaments in Umag, Halle, and Stuttgart as well as at the WTA tennis tournament in Linz. Our long-standing cooperation with various regional tennis associations continued during the 2012 financial year.

We also continued sponsoring the German Football League team FC Schalke 04 in 2012. In addition, we are the proud partner of the traditional German football team FC St. Pauli. Since 1 January 2012, we have also been sponsoring the Mönchengladbach team. In Austria, we have been sponsoring the Austrian Football league teams SV Ried and Austria Wien for many years. In the international football arena, bet-at-home.com was represented once again across Europe by large-scale perimeter advertising in the Europa League, the qualifying games for the Champions League and those for the 2014 FIFA World Cup.

We also significantly expanded our sponsorship of the German Handball League team SG Flensburg-Handewitt and we were a sponsoring partner of both the European Handball Championship in Serbia in January 2012 and the EHF Champions League.

We would also like to draw attention to our involvement in ski jumping. We sponsored the FIS Team Tour in Germany already for the second time in 2012. We were also one of the main sponsors for the prestigious Four Hills Tournament. In the field of ice hockey, we have been sponsoring EHC Black Wings Linz since 2006, which underscores our reliability as a long-term partner.

Fairness, trust, responsibility

Well-trained and highly motivated staff are the pivotal foundation for the future business success of our dynamic group. It is therefore not without reason that our core values guiding us on a daily basis are fairness, trust, responsibility, respect and reliability. Despite expansion of our payroll from 181 staff at the end of 2011 to 230 as at 31 December 2012, our company culture remains family business-oriented, which is much appreciated by our staff. As our staff numbers grow, so does our responsibility towards them. In order to retain our staff in the company in the long term, we invest in training and further education measures, provide our staff with career development opportunities and enhance their company loyalty by joint internal activities.

Responsible gaming: fair, conscientious, reliable

Of course, as customer numbers continue to rise, so does bet-at-home.com's responsibility towards them. The developments during the 2012 financial year have shown that bet-at-home.com is on the right track with its responsible gaming measures. In order to ensure maximum fairness for gamers, bet-at-home.com carries out extensive and voluntary product testing at regular intervals. We have always supported our customers with various measures to gamble responsibly and therefore have had a partnership with the Institut Glücksspiel und Abhängigkeit (Gambling and Dependency Institute) for many years. In addition, the ever-growing anti-fraud department investigates the gaming behaviour of customers, in order to prevent gambling addiction. Voluntary membership in the ESSA and EGBA associations, which were established to promote fair competition for providers offering online gambling, combined with annual voluntary compliance audits by the auditing association for the gambling sector – eCogra – round off our measures in this area.

Strong growth in eGaming – Europe in liberalisation fever

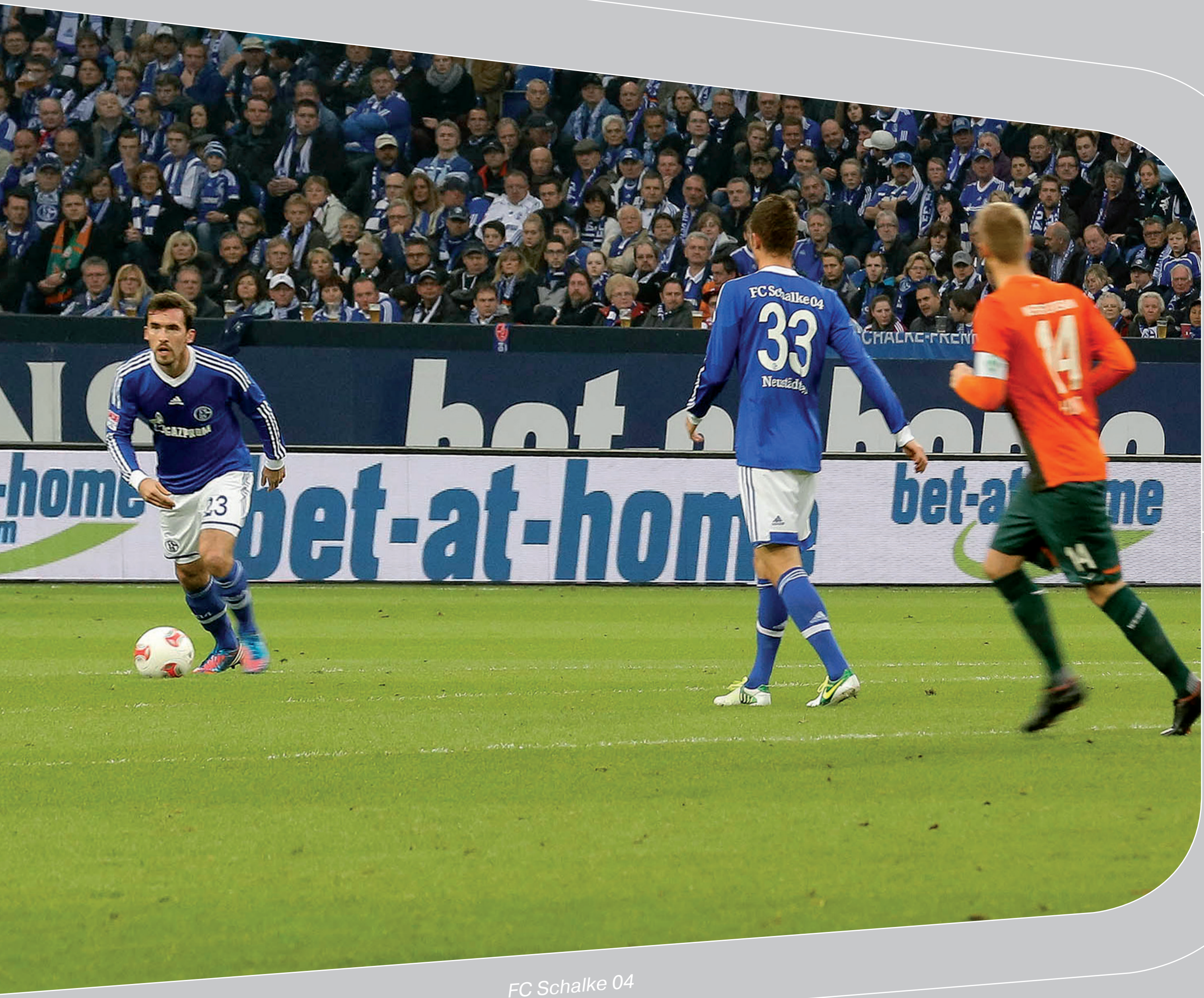
The eGaming sector looks back on another turbulent year. Gambling has been widely discussed, because more and more European countries are becoming aware of the opportunities arising from the liberalisation of these markets. The Management Board expects liberalisation to progress further in almost all EU member states in the coming years. bet-at-home.com has long since set the course to apply for licences in the relevant markets in order to enhance legal certainty. The fact that we received betting and casino licences for the German federal state of Schleswig-Holstein in May and December 2012 demonstrates once again that we are very well prepared for the opening of new markets.

2012 was a very successful year for the bet-at-home.com AG Group. Our successful efforts to make excellent offers and good service to our customers have made us increasingly popular in the market. Efficient marketing measures and our ongoing increasing intense focus on cost control have resulted in a very positive development of our business operations.

We would like to thank all those who have made this such a successful financial year for bet-at-home.com in 2012, most particularly all our staff and shareholders. They have contributed significantly to a very good financial year in 2012, and through their commitment and trust, will ensure a sustainable and successful future for the bet-at-home.com AG Group.

Franz Ömer, graduate engineer
CEO

Michael Quatember, Master's graduate
CEO



FC Schalke 04

REPORT BY THE SUPERVISORY BOARD

Dear Ladies and Gentlemen,

In the past financial year, revenue in the eGaming sector once again increased significantly. The Group's business development is very encouraging. After receiving sports betting and casino licences in Italy during the 2011 financial year, group companies were granted additional gambling licences (sports betting and casino) from the German federal state of Schleswig-Holstein in the 2012 financial year.

The Supervisory Board was involved in this welcome development at the bet-at-home.com Group. During the year under review it carried out its responsibilities and duties in accordance with the law and the Articles of Association and regularly monitored the work of bet-at-home.com AG's Management Board and also offered its advice and support.

For any decisions by the Management Board requiring the Supervisory Board's consent, the Supervisory Board was provided with the information and documents relevant to making the decision in advance. The Supervisory Board then provided its consent following extensive consultation by joint resolution. For decisions of considerable financial importance, the Management Board also provided the Supervisory Board with regular updates on implementation measures required, in addition to the information provided in advance of making decisions.

bet-at-home AG's Supervisory Board held one meeting during the 2012 financial year, and also participated in teleconferences. In addition, the Supervisory Board exchanged information and ideas on a continuous basis. Several resolutions were adopted by circular resolution. There was no need for committees, as there are only three Supervisory Board members.

During the year under review, the Management Board provided us with regular updates on the group's strategy, business development, financial performance and significant business transactions – such as licence applications and loans – and also on risks. We discussed the Group's strategic development, latest financial figures, cost structure, legal developments in the gambling and betting sector, licensing procedures and pending administrative and court proceedings with the Board of Management, and were satisfied that business was conducted in an orderly manner.

Audit of the separate and consolidated financial statements for the year ended 2012

As in previous years, PKF FASSELT SCHLAGE Partnerschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Duisburg, was engaged as auditor of the financial statements of bet-at-home.com AG and of the consolidated financial statements and Group Management Report at the Annual General Meeting. The audits were discussed with the auditor. On completion of the audits, the auditor stated that the audits had not led to any reservations and issued an unqualified audit opinion on the separate and consolidated financial statements, including the accounting records and Group Management Report.

The audited separate and consolidated financial statements as well as Group Management Report, and also the Management Board's proposal for the appropriation of profits pursuant to section 170 of the German Companies Act (AktG) were available to the Supervisory Board together with the audit reports.

The Supervisory Board reviewed the separate and consolidated financial statements as well as Group Management Report and discussed them in detail with the auditor on the 26th of March 2013. The auditor reported in detail on the audit findings.

The auditor also reported on the findings regarding the internal control and risk management system in relation to the accounting process.

All of the Supervisory Board's questions were answered in detail by the Board of Management and the auditor.
Following discussion of the financial statements, consolidated financial statements and the Group Management Report, the Supervisory Board endorsed the auditor's reports and audit findings, did not have any reservations upon completion of its own review and approved the separate and consolidated financial statements. The financial statements of bet-at-home.com AG are thus adopted.

The Supervisory Board concurs with the proposal by the Management Board that EUR 4,210,800.00 of the profit of EUR 5,593,604.82 for 2012 be distributed to the shareholders and the remaining amount of EUR 1,382,804.82 be carried forward to the following financial year.

Audit of the report on related party transactions pursuant to section 312 AktG for the 2012 financial year

The auditor also audited the Management Board's report on related party transactions pursuant to section 312 AktG (related parties report) for the 2012 financial year. The Board of Management prepared the related parties report with a view to the controlling interest held by MANGAS BAH SAS, Paris, France (a company of the Betclic Everest Group SAS, Paris) in bet-at-home.com AG, which specifies legal transactions and measures undertaken within the meaning of section 312 (1) AktG.

As a result of the audit of the related parties report and the financial statements for the year ended 31 December 2012 and based on the associated audit findings the auditor was satisfied that the related parties report contains the information required under section 312 (1) AktG and that the report fairly presents in all material respects the company's accounts.

As the auditor did not raise any objections to the related parties report for the 2012 financial year following the final results of the audit, the auditor issued an independent auditor's report pursuant to section 313 (3) AktG as follows:

"Based on our statutory audit and assessment, we confirm that

1. the disclosures in the report are accurate; and
2. the company's compensation with respect to the legal transactions disclosed in the report was not inappropriately high."

The related parties report and associated auditor's report were submitted in time to all members of the Supervisory Board. The Supervisory Board reviewed these documents and discussed them with the auditor on the 26th of March 2013. The auditor reported on the audit findings. The Supervisory Board's questions were answered by the Board of Management and the auditor.

The Supervisory Board endorsed the auditor's findings on the related parties report. Following the final results of its own review, the Supervisory Board did not raise any objections to the concluding statement by the Board of Management in the related parties report. The concluding statement by the Board of Management in the related parties report is presented in the notes to the consolidated financial statements.

Audit of the related parties reports for the 2009, 2010 and 2011 financial years

The auditor also audited the Management Board's related parties reports for the 2009, 2010 and 2011 financial years, which were prepared as a precautionary measure because of the controlling interest held by MANGAS BAH SAS, Paris, France, in bet-at-home.com AG since the 2009 financial year.

As a result of the audit of the related parties reports for the 2009, 2010 and 2011 financial years and of the previous audit of the financial statements for the years ended 31 December 2009, 31 December 2010 and 31 December 2011 and based on the associated audit findings, the auditor was satisfied that the related parties reports for the 2009, 2010 and 2011 financial years contain the information required under section 312 (1) AktG and that the reports fairly present in all material respects the company's accounts.

As the auditor did not raise any objections to the related parties report for the 2009 financial year following the final results of the audit, the auditor issued an independent auditor's report pursuant to section 313 (3) AktG as follows:

"Based on our statutory audit and assessment, we confirm that

1. the disclosures in the report are accurate; and
2. the company's compensation with respect to the legal transactions disclosed in the report was not inappropriately high."

As the auditor did not raise any objections to the related parties report for the 2010 financial year following the final results of the audit, the auditor issued an independent auditor's report pursuant to section 313 (3) AktG as follows:

"Based on our statutory audit and assessment, we confirm that

1. the disclosures in the report are accurate; and
2. the company's compensation with respect to the legal transactions disclosed in the report was not inappropriately high."

As the auditor did not raise any objections to the related parties report for the 2011 financial year following the final results of the audit, the auditor issued an independent auditor's report pursuant to section 313 (3) AktG as follows:

"Based on our statutory audit and assessment, we confirm that

1. the disclosures in the report are accurate; and
2. the company's compensation with respect to the legal transactions disclosed in the report was not inappropriately high."

The related parties reports for the 2009, 2010 and 2011 financial years and associated auditor's reports were submitted in time to all members of the Supervisory Board. The Supervisory Board reviewed these documents and discussed them with the auditor on the 26th of March 2013. The auditor reported on the results of the audit. The Supervisory Board's questions were answered by the Board of Management and the auditor.

The Supervisory Board endorsed the auditor's findings on the related parties reports for the 2009, 2010 and 2011 financial years. Following the final results of its own review, the Supervisory Board did not raise any objections to the concluding statement by the Board of Management in the related parties reports for the 2009, 2010 and 2011 financial years.

The Board of Management provided the following concluding statement in the related parties reports for the 2009, 2010 and 2011 financial years:

"The Board of Management states pursuant to section 312 (3) of the German Companies Act (AktG) that, according to the circumstances known to the Board at the time when legal transactions were undertaken with related parties, the company received appropriate compensation for each legal transaction. No actions subject to Section 312 AktG were taken or omitted."

Changes to the Board of Management

Mr. Jochen Dickinger, one of the two founders of bet-at-home.com, resigned from the Board of Management for personal reasons on the best of terms at the end of October 2012. The Supervisory Board would like to thank Mr. Dickinger for his outstanding work in building up this company and his successful service on the Board.

The Supervisory Board appointed Mr. Michael Quatember as another Board member with exclusive authority to represent the company as at the beginning of November 2012.

Changes to the Supervisory Board

The former Deputy Chairman of the Supervisory Board, Mr. Nicolas Béraud, resigned from the Board at the beginning of 2012. In its decision dated 27 February 2012, the Düsseldorf District Court thereupon appointed Ms. Isabelle Andres as a new member of the Supervisory Board. Ms. Andres was elected as a Supervisory Board member at the shareholders' meeting held on

4 May 2012. The Supervisory Board has appointed Ms. Isabelle Andres as the Deputy Chairman of the Supervisory Board.

We wish to extend our particular thanks to the Management Board of bet-at-home.com AG and all the Group's staff members. They have contributed significantly to the Group's positive development through their great initiative and excellent work.

Düsseldorf, March 2013

The Supervisory Board

bet-at-home CUP Kitzbühel

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012
bet-at-home.com AG, Düsseldorf

ASSETS

			Note	31/12/2012		31/12/2011
			no.	EUR	EUR	EUR
A.	Total non-current assets					
	1.	Intangible assets	(11)	972,470.76		1,032,499.24
	2.	Goodwill	(12)	1,369,320.30		1,369,320.30
	3.	Property, plant and equipment	(13)	1,054,326.14		873,295.83
					3,396,117.20	3,275,115.37
B.	Total current assets					
	1.	Trade receivables	(14)	0.00		4,643.25
	2.	Receivables and other assets	(15)	8,256,464.29		6,291,122.10
	3.	Securities	(16)	905,848.35		828,747.55
	4.	Cash and cash equivalents	(17)	38,691,157.63		39,291,829.24
					47,853,470.27	46,416,342.14
C.	Prepayments		(18)		2,203,092.26	2,768,694.55
Total assets					53,452,679.73	52,460,152.06

EQUITY & LIABILITIES

			Note	31/12/2012		31/12/2011
			no.	EUR	EUR	EUR
A.	Total equity					
	1.	Share capital	(19)	3,509,000.00		3,509,000.00
	2.	Reserves	(19)	10,875,000.00		10,875,000.00
	3.	Retained earnings		19,910,657.12		18,205,486.87
					34,294,657.12	32,589,486.87
B.	Total non-current liabilities					
		Provisions for employee benefits	(20)		39,045.46	21,684.29
C.	Total current liabilities					
	1.	Trade payables	(21)	3,517,174.47		4,232,339.33
	2.	Current provisions	(22)	4,405,124.86		5,117,420.38
	3.	Other liabilities	(23)	10,307,411.73		9,434,944.13
					18,229,711.06	18,784,703.84
D.	Deferred income		(24)		889,266.09	1,064,277.06
Total equity and liabilities					53,452,679.73	52,460,152.06

EHF Champions League

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012
bet-at-home.com AG, Düsseldorf

	Note	1/1-31/12/2012	1/1-31/12/2011
	no.	EUR	EUR
Gross betting and gaming income	(1)	85,457,685.64	72,813,982.57
Betting fees and gambling levies	(2)	-9,944,585.57	-6,698,095.93
Net gaming income		75,513,100.07	66,115,886.64
Other operating income	(3)	2,121,371.46	1,944,253.46
Results from operating activities		77,634,471.53	68,060,140.10
Personnel expenses	(4)	-11,083,224.54	-8,293,944.31
Advertising expenses	(5)	-50,018,049.89	-40,812,398.84
Other operating expenses	(5)	-14,707,098.90	-13,426,847.82
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		1,826,098.20	5,526,949.13
Write-downs	(6)	-636,043.61	-533,177.08
Earnings before interest and tax (EBIT)		1,190,054.59	4,993,772.05
Finance income	(7)	1,080,827.17	869,014.63
Finance costs	(8)	0.00	-338,276.61
Profit before income tax		2,270,881.76	5,524,510.07
Income tax expense	(9)	-565,711.51	-923,395.09
Profit for the year		1,705,170.25	4,601,114.98
Profit/loss carried forward from the previous year		18,205,486.87	13,604,371.89
Total comprehensive income for the year	(10)	19,910,657.12	18,205,486.87

IFRS-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

bet-at-home.com AG, Düsseldorf

	1/1-31/12/2012	1/1-31/12/2011
	EUR	EUR
Profit for the year	1,705,170.25	4,601,114.98
Items that are potentially reclassifiable to profit or loss subsequently		
Measurement of available-for-sale securities	0.00	0.00
Changes in exchange rates	0.00	0.00
Other comprehensive income	0.00	0.00
Total comprehensive income for the year	1,705,170.25	4,601,114.98

Earnings per share		
Basic earnings per share	0.485941935	1.311232539
Diluted earnings per share	0.485941935	1.311232539

Xandi Huber and Robin Seidl

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

bet-at-home.com AG, Düsseldorf

I. GENERAL DISCLOSURES AND ACCOUNTING PRINCIPLES

bet-at-home.com AG, based in Düsseldorf (Kronprinzenstrasse 82-84) and registered at Düsseldorf District Court under file number HRB 52673 (as holding company), prepared its consolidated financial statements as at 31 December 2012 in accordance with international accounting standards.

The consolidated financial statements as at 31 December 2012 of bet-at-home.com AG were prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as adopted by the EU, by taking account of the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The 2012 Group Management Report was prepared in accordance with the provisions of the German Commercial Code [HGB].

These consolidated financial statements were prepared pursuant to the same accounting policies as applied to the previous year's financial statements as at 31 December 2011.

The following standards and interpretations have already been published, however were not yet mandatory for the consolidated financial statements as at 31 December 2012:

Standard Interpretation	Title	Date of EU endorsement	Effective date
IFRS 1	Amendments to First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	Dezember 2012	1/1/2013
IFRS 1	First-time Adoption of International Financial Reporting Standards – Government Loans	Not yet adopted	1/1/2013
IFRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	Dezember 2012	1/1/2013
IFRS 9	Financial Instruments	Not yet adopted	1/1/2015
IFRS 10	Consolidated Financial Statements	Dezember 2012	1/1/2014
IFRS 11	Joint Arrangements	Dezember 2012	1/1/2014
IFRS 12	Disclosures of Interests in Other Entities	Dezember 2012	1/1/2014
IFRS 13	Fair Value Measurement	Dezember 2012	1/1/2013

Standard Interpretation	Title	Date of EU endorsement	Effective date
IFRS 20	Stripping Costs in the Production of a Surface Mine	Dezember 2012	1/1/2013
IFRS 10; IFRS 11; IFRS 12	Amendments to IFRS 10 Consolidated Financial Statements; IFRS 11 Joint Arrangements; IFRS 12 Disclosures of Interests in Other Entities – Transition Guidance	Not yet adopted	1/1/2013
IFRS 10; IFRS 12; IAS 27	Amendments to IFRS 10 Consolidated Financial Statements; IFRS 12 Disclosures of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities	Not yet adopted	1/7/2014
IAS 12	Amendments to Income Taxes, Deferred Tax: Recovery of Underlying Assets	Not yet adopted	1/1/2013
IAS 27	Revised version, Separate Financial Statements	Dezember 2012	1/1/2014
IAS 28	Revised version, Investments in Associates and Joint Ventures	Dezember 2012	1/1/2014
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	Dezember 2012	1/1/2014

It is not anticipated that application of these standards and interpretations will have any significant effect on the future presentation of bet-at-home.com AG's financial position, financial performance and cash flows. The company has chosen not to exercise the option of voluntary early adoption of these standards and interpretations. This excludes the amendments to IAS 1 (Presentation of Items of Other Comprehensive Income; applicable to financial years beginning on or after 1 July 2012), which were adopted early voluntarily in 2012.

The core business of equity interests held by the holding company is sports betting as well as casino and poker games, exclusively via the internet.

The consolidated financial statements have been prepared in euros.

The Consolidated Income Statement has been prepared in accordance with the nature of expense method.

Since 5 March 2009, Betclic Everest SAS Group, Paris, France has held a controlling interest in the bet-at-home.com group parent. Betclic Everest SAS Group prepares consolidated financial statements, which include bet-at-home.com AG's consolidated financial statements.

II. SCOPE OF CONSOLIDATION

General information

The Austrian subgroup of bet-at-home.com Entertainment GmbH based in Linz, Austria, is included in the financial statements. The subgroup accounts of bet-at-home.com Entertainment GmbH, Linz, include five subsidiaries (second-tier subsidiaries of bet-at.home.com AG, Düsseldorf), in which bet-at-home.com Entertainment GmbH holds all direct and indirect voting rights. bet-at-home.com AG, Düsseldorf, holds all voting rights in bet-at-home.com Entertainment GmbH, Linz.

Apart from the group parent bet-at-home.com AG, Düsseldorf, the following subsidiaries and second-tier subsidiaries were fully consolidated during the financial year:

- bet-at-home.com Entertainment GmbH, Linz, Austria (100% interest)
- bet-at-home.com Holding Ltd., Portomaso, Malta (100% interest)
- bet-at-home.com Entertainment Ltd., Portomaso, Malta (100% interest)
- bet-at-home.com International Ltd., Portomaso, Malta (100% interest)
- bet-at-home.com Internet Ltd., Portomaso, Malta (100% interest)
- Jonsden Properties Ltd., Gibraltar (100% interest)

Pursuant to Maltese company law, the parent company bet-at-home.com AG holds 2% of the shares in each of the four Maltese second-tier subsidiaries in a fiduciary capacity.

There are no non-controlling interests in group equity. Profit (loss) for the year does not comprise amounts attributable to non-controlling interests.

Changes in the scope of consolidation

There were no changes to the group of consolidated companies during the 2012 financial year.

III. BASIS OF CONSOLIDATION

All financial statements included in the consolidated financial statements were prepared in accordance with the same accounting policies. The separate financial statements of consolidated domestic and international entities and the Austrian subgroup accounts were all prepared as at the group reporting date, audited and consolidated in accordance with International Financial Reporting Standards on the basis of a fictitious legal entity.

IFRS 3 (Business Combinations) and the revised standards IAS 36 (Impairment of Assets) and IAS 38 (Intangible Assets) were applied early with retrospective effect from 1 January 2004 in accordance with IFRS 3.85 (limited retrospective application) to the Maltese second-tier subsidiaries, which were included in the Austrian subgroup accounts for the first time in 2004. Accordingly, they have been carried at revalued amounts, i.e. the investment carrying amounts have been offset against the subsidiaries' proportional revalued equity capital (purchase accounting). Initial consolidation of the Maltese second-tier subsidiaries did not result in any differences.

In the case of Jonsden Properties Ltd., Gibraltar, which was included in the Austrian subgroup accounts for the first time in 2008, the difference of EUR 2,000 identified during initial consolidation was recognised as goodwill due to a lack of identifiable assets and written down in full as an impairment loss in the same year.

Jonsden Properties Ltd. has joint venture agreements with both bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd. (agreements for shared conduct of business) pursuant to IAS 31.3, according to which each venturer uses its own assets, incurs its own expenses and liabilities and raises its own funding while carrying out all economic activities on a joint venture basis.

The Austrian subgroup was consolidated for the first time as at 31 December 2005. All capitalisable hidden reserves were disclosed in the Austrian IFRS subgroup accounts. These were therefore consolidated at the subgroup's revalued equity. Initial consolidation resulted in a surplus of EUR 1,052 thousand stated under assets. This was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment.

Trade receivables, loans and other receivables are offset against the corresponding payables and provisions during the elimination of intercompany payables and receivables of entities included in the consolidated financial statements. All gains and losses on intercompany trade receivables are offset as part of income and expense consolidation. Unless negligible, unrealised gains and losses on intercompany trade receivables were eliminated. Discounts and other entries affecting only profit or loss were eliminated from the consolidated financial statements.

IV. ACCOUNTING POLICIES

Use of estimates and assumptions

The preparation of consolidated financial statements in conformity with IAS/IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures in the notes and in the consolidated income statement. These estimates and related assumptions are based on empirical values and other factors of influence, which are deemed appropriate under the circumstances, and which serve as a basis for assessing the carrying amounts of assets and liabilities that cannot be derived from other sources. Actual amounts may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies (IFRSs) that have the most significant effect on the amounts recognised in the consolidated financial statements, and estimation uncertainties that may bear the risk of requiring a material adjustment of recognised assets and liabilities in subsequent financial years, are as follows:

- Estimating the possibility of a positive outcome of pending civil and criminal litigation;
- Impairment of goodwill, the customer base and software is assessed on the basis of anticipated future cash flows;
- Impairment of financial assets is assessed on the basis of anticipated future cash flows (identification of events as causes for impairment).

Intangible assets and property, plant and equipment

Acquired and internally-produced intangible assets and office equipment are measured at cost less write-downs.

Internally-produced intangible assets are capitalised from the time they become technically feasible, provided no future economic benefit arises from these assets and their cost can be reliably measured. As part of the further development of software, the personnel expenses for each individual member of the project team were measured separately and capitalised as intangible assets (IAS 38). Cost includes direct costs. No other costs were capitalised.

Assets subject to wear and tear are written down on a straight-line basis over their estimated useful lives using the straight-line method. The following depreciation and amortisation rates were used for estimating the useful lives of assets:

	Years
Fixtures and fittings	3-10
Customer base	2
Software	3

If an asset acquired during the financial year is used for more than six months, the depreciation and amortisation charge recognised for the asset in the subgroup accounts with be the full annual amount, while in the case of a shorter period of use, it will be recognised at half the annual amount or on a monthly basis. In the Austrian subgroup, assets acquired at a cost of EUR 400 or less are fully written down in the year of acquisition and immediately recognised as disposals. In Germany, such items are written down on a pro rata temporis basis. Assets acquired at a cost of EUR 150 or less are expensed in full as incurred during the year of acquisition. Assets acquired at a cost between EUR 150 and EUR 1,000 are written down in five equal annual instalments, on the assumption that these assets will be sold after five years.

Intangible assets with finite useful lives and items of property, plant and equipment are tested for impairment. In the event of evidence of impairment, recoverable amounts are determined for the assets concerned. If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognised.

Intangible assets with indefinite useful lives are tested for impairment on an annual basis or in the event of evidence of impairment. The carrying amount of the intangible asset is compared with its recoverable amount. If there is objective evidence of impairment, the associated expense is recognised in profit or loss under write-downs.

Goodwill

Goodwill has an indefinite useful life and is not amortised, but tested annually for impairment instead (so-called ‘impairment-only’ approach). An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Please refer to item 15 of these Notes for further information.

Financial assets and liabilities

Financial assets and liabilities are recognised as soon as contractual rights or obligations are incurred. These transactions are recognised as at the value date. They are derecognised as soon as control over such contractual rights (including the asset) ceases. This is usually the case when the asset is sold or all cash flows relating to the asset are directly transferred to an independent third party.

Financial assets – marketable securities

In accordance with IAS 39, securities are measured at cost on initial recognition and classified as ‘available for sale’ if their fair value can be derived from market rates. A gain or loss on an available-for-sale financial asset shall be recognised at fair value directly in equity (revaluation reserve) at the reporting date, except for impairment losses and foreign exchange gains and losses (IAS 39.55 (b) in conjunction with IAS 39.67). Fair values are derived from market rates.

Cash and cash equivalents

bet-at-home.com AG treats cash, demand deposits and time deposits with original maturities of up to three months as cash and cash equivalents. Longer-term time deposits are also treated as cash and cash equivalents, if they are callable within six months.

Receivables and other assets

Receivables and other assets are recognised under loans and receivables at the lower of amortised cost and fair value (nominal value) less individual impairment allowances for estimated irrecoverable amounts.

Other provisions

Other provisions are recognised in the event of a legal or actual obligation to a third party due to a past event and when it is probable that this obligation will result in cash outflows. Provisions are recognised in the amount of the best estimate available at the time of preparing the financial statements. When a reasonable estimate is not possible, no provision is recognised and this is disclosed in the notes to the consolidated financial statements.

Provisions for termination benefits

Due to legal and individual contractual obligations, bet-at-home.com Entertainment GmbH must render a one-off severance payment to employees if their contract is terminated or upon retirement. This payment is dependent upon years of service and the relevant salary level at the time of termination or retirement. A provision is made for such obligations. Provisions for employee benefits were calculated by an actuary in accordance with IAS 19 (Employee Benefits) and recognised in profit or loss. The corridor method was not used.

Trade payables

Trade payables are recognised at cost equal to the repayable amount.

Revenue recognition

Betting revenue of the Maltese second-tier subsidiaries is recognised in accordance with bets placed as at the reporting date, provided the underlying bets have already been settled. Bets placed for sports events that will not take place until after the reporting date, however have already been deducted from customer accounts prior to the reporting date (pending bets), are reclassified to deferred income. Betting fees and gambling levies are taken into account in net gaming income.

Income taxes

Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and at their values relevant for tax purposes. Deferred taxes are determined in accordance with IAS 12 (income taxes) using the balance sheet liability method. Deferred tax assets for loss carryforwards are recognised in the amount of probable loss carryforwards within a foreseeable period of time. In the 2012 financial year, the income tax refund from the Maltese tax entity, in which all Maltese group companies are combined for income tax purposes, was recognised in the financial statements of the same year, as was done in the previous year.

Net finance income (cost)

Net finance income (cost) includes all interest and similar income received on financial assets. Interest is recognised on an accrual basis. Net finance income (cost) also includes current yields on securities, income from the sale of securities and impairment losses on securities held (IAS 39.67) or income from reversals of impairment losses on securities held as well as interest and similar income.

V. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS AND THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The following sections provide additional information on individual items of the Consolidated Income Statement, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity. The previous year's comparative figures were taken from the IFRS consolidated financial statements of bet-at-home.com AG, Düsseldorf, as at 31 December 2010.

V.1. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

The Consolidated Income Statement was prepared in accordance with the nature of expense method.

(1) Gross betting and gaming income and segment reporting

For clarity of presentation of the consolidated financial statements, gross betting and gaming income is shown in the consolidated statement of income. A breakdown of gross betting and gaming income (betting and gaming revenue less payout of winnings) is now shown in the notes to the consolidated financial statements.

The Group operates in the product and operating segments Sports Betting and eGaming. The eGaming segment includes casino games, dog betting, games and poker games.

These operating segments correspond to the Group's internal organisational and managerial structure and the internal financial reporting system.

Reporting by operating segment pursuant to IFRS 8:

	Operating segment			
2012	Sports betting	eGaming (casino, poker, dog betting)	Unallocated segments/ consolidation	Group total
	In thousands of euro	In thousands of euro	In thousands of euro	In thousands of euro
Betting and gaming revenue	597,217	1,442,564	0	2,039,781
Payout of winnings	-558,506	-1,395,817	0	-1,954,323
Betting fees and gambling levies	-4,134	-5,811	0	-9,945
Gross gaming profit (net gaming income)	34,577	40,936	0	75,513
Segment assets	2,020	5,912	45,521	53,453

	Operating segment			
2011	Sports betting	eGaming (casino, poker, dog betting)	Unallocated segments/ consolidation	Group total
	In thousands of euro	In thousands of euro	In thousands of euro	In thousands of euro
Betting and gaming revenue	529,977	1,246,320	0	1,776,297
Payout of winnings	-498,417	-1,205,066	0	-1,703,483
Betting fees and gambling levies	-1,375	-5,323	0	-6,698
Gross gaming profit (net gaming income)	30,185	35,931	0	66,116
Segment assets	3,602	7,054	41,804	52,460

Segment reporting – additional information

Geographical segmentation of betting and gaming revenue is based on the gamblers' country of origin as follows:

	2012 In thousands of euro	2011 In thousands of euro
Austria	525,446	456,135
Western Europe	802,760	716,546
Eastern Europe	698,029	593,574
Other	13,546	10,042
Total	2,039,781	1,776,297

Countries with similar markets are grouped together by region as follows:

Western Europe
Andorra, Belgium, Denmark, Germany, Faroe Islands, Finland, France, Gibraltar, Greece, United Kingdom, Ireland, Iceland, Italy, Virgin Islands (UK), Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Sweden, Switzerland, Spain, Cyprus

Eastern Europe
Albania, Armenia, Bosnia and Herzegovina, Bulgaria, Estonia, Georgia, Croatia, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Czech Republic, Ukraine, Hungary, Belarus

(3) Other operating income

	2012 In thousands of euro	2011 In thousands of euro
Refund of customer expenses	1,426	1,220
Intercompany clearing	10	3
Income from the reversal of provisions	147	475
Other	538	246
	2,121	1,944

Other operating income includes proceeds from the sale of the Spanish customer base in the amount of 319 thousand.

(4) Personnel expenses

Breakdown of personnel expenses:

	2012	2011
	In thousands of euro	In thousands of euro
Salaries	8,534	6,445
Termination benefits and employee pension fund	135	89
Statutory social security contributions, payroll-related taxes and compulsory contributions	2,305	1,687
Other social benefits	109	73
	11,083	8,294

Termination benefits and employee pension funds include payments in accordance with the Austrian Staff and Self-Employment Provisions Act [BMSVG 'new termination benefits'] totalling EUR 117 thousand (previous year: EUR 84 thousand).

Movements in **staffing levels**:

	As at reporting date		Average	
	31/12/2012	31/12/2011	2012	2011
Salaried staff	230	181	216	164
Management Board of the group parent and Managing Directors of bet-at-home.com Entertainment GmbH	1	2	2	2

(5) Advertising and other operating expenses

These expenses include the following items:

	2012 In thousands of euro	2011 In thousands of euro
Advertising expenses		
Sponsorship	10,301	9,541
Advertising costs	28,215	23,048
Bonus payments, vouchers	10,738	7,484
Jackpot expenses	764	739
	50,018	40,812
Other operating expenses		
Supervisory Board emoluments	10	18
Rent and lease expenses	580	395
Software provider expenses	3,591	3,644
Live streaming expenses	2,389	2,446
Legal, audit and advisory fees	1,409	1,090
Incidental bank charges	3,846	3,815
Expenses for annual reporting, general shareholders' meeting, stock exchange fees	187	91
Additions to provisions for impairment losses on receivables, loan losses and claims	70	89
Other costs	2,625	1,839
	14,707	13,427

(6) Write-downs

	2012 In thousands of euro	2011 In thousands of euro
on intangible assets	224	223
on property, plant and equipment	372	270
on minor-value assets	40	40
	636	533

(7) and (8) Finance income and costs

	2012	2011
	In thousands of euro	In thousands of euro
Financial income		
Interest and similar income	1,004	859
Reversal of impairment loss on marketable securities	77	1
on the disposal of short-term securities	0	9
	1,081	869
Finance costs		
Write-downs on marketable securities	0	-338
	1,081	531

(9) Income tax expense

Changes in deferred tax assets were reconciled to recognised tax income and expenses as follows:

	2012	2011
	In thousands of euro	In thousands of euro
Current taxes		
Current income taxes for the year under review, Austria	566	696
Tax expense/income in previous years, Austria	0	7
	566	703
Deferred taxes		
Changes in deferred taxes on temporary differences recognised during the year under review:		
Germany	0	220
Tax expense	566	923

As in the previous year, significant temporary differences did not arise between the carrying amounts stated in the Consolidated Statement of Financial Position and those recognised for tax purposes during the year under review. Accordingly, there were no deferred tax assets or liabilities.

Difference between the estimated and actual income tax expense:

	2012	2011
	In thousands of euro	In thousands of euro
Profit before income tax	2,271	5,525
of which tax offsettable (loss carryforwards), Germany	257	224
	2,528	5,749
Calculated income tax expense, Austria (25%)	632	1,437
Tax income/expense in previous years, Austria	0	7
Differences due to changes in deferred taxes, other differences and changes in tax rate	-66	-521
Tax expense	566	923

(10) Total comprehensive income for the year

The total comprehensive income for the year of EUR 19,910,657 (previous year: EUR 18,205,487) is exclusively attributable to shareholders of the parent company.

V.2. COMMENTS ON ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2012

(11) and (12) Intangible assets and Goodwill

A breakdown of non-current assets and their movements during the financial year is presented in the Changes in Non-current Assets for the Group (appendix to the notes).

Internally-produced software

Internally-produced software has a useful life of three years. As at 31 December 2012, the carrying amount of internally-produced intangible assets was EUR 131 thousand (previous year: EUR 198 thousand).

(12) Goodwill

Breakdown of goodwill

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Take-over of the 'Wetten-Schwechat' operating unit	155	155
Take-over of the Starbet International Ltd. operating unit	162	162
Take-over of bet-at-home.com Entertainment GmbH, Linz (Austria)	1,052	1,052
	1,369	1,369

Take-over of the 'Wetten-Schwechat' operating unit

By agreement dated 1 July 2007, Betcompany s.a., Uruguay, transferred the customer base for the wetten-schwechat.at, wetten-schwechat.com and wetten-schwechat.de domains to bet-at-home.com Internet Ltd., Malta. Purchase price allocation in accordance with IFRS 3 resulted in a) an asset value of EUR 18 thousand (customer base for depositing users), which will be written down over its anticipated useful life of two years, and b) remaining goodwill of EUR 155 thousand. Pursuant to IFRS 3, this goodwill is not subject to systematic amortisation; it is tested for impairment annually instead. There was no objective evidence of impairment.

Take-over of the Starbet International Ltd. operating unit

By agreement dated 14 January 2008, Starbet International Ltd., Ta´Xbiex, Malta, transferred the starbet.de and starbet.com domains (and all related customer relationships) to bet-at-home.com Internet Ltd., Malta. In accordance with IFRS 3, this asset deal must be treated in the same way as a share deal. Therefore, it was initially consolidated at the time of acquisition pursuant to IFRS 3. Once the disclosed difference had been allocated to identifiable assets, the remainder (EUR 162 thousand) was recognised as goodwill. There was no objective evidence of impairment.

Take-over of bet-at-home.com Entertainment GmbH, Linz

As at 31 December 2005, bet-at-home.com Entertainment GmbH, including its subgroup, was included and consolidated for the first time. All capitalisable hidden reserves were disclosed in the Austrian IFRS subgroup financial statements. These were therefore consolidated based on the subgroup's revalued equity. Initial consolidation resulted in a surplus of EUR 1,052 thousand stated under assets. This surplus was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment.

(13) Property, plant and equipment

A breakdown of non-current assets and their movements during the financial year is presented in the Changes in Non-current Assets for the Group (appendix to the notes).

(14) and (15) Receivables and other assets

All receivables and other assets have residual terms of up to one year and comprise the following:

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Trade receivables	0	5
Receivables from credit card companies	5,192	4,466
Receivables from customers	13	7
Tax receivables	889	1,444
Other receivables	2,162	374
	8,256	6,291

Other receivables include EUR 1,550 thousand in connection with the dividend paid by the parent company in 2012, as explained in section C of the Management Report.

(16) Marketable securities

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Mutual fund shares	906	829

All securities have been classified as available for sale and been measured at fair value. Changes in fair value are recognised directly in equity as revaluation reserve, if they are not write-downs or reversals of impairment losses or constitute currency translation gains/losses.

In 2012, write-downs on securities at reporting date amounted to EUR 0 (previous year: EUR 338 thousand). In 2012, reversals of impairment losses on securities amounted to EUR 77 thousand (previous year: EUR 1,000).

(17) Cash and cash equivalents

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Cash and cash equivalents	38,691	39,292

(18) Prepayments

Prepayments mainly concern prepayments on the basis of advertising and sponsorship as well as maintenance agreements.

(19) Total equity

Breakdown of the Group's equity capital:

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Share capital	3,509	3,509
Reserves	10,875	10,875
Retained earnings	19,911	18,205
	34,295	32,589

Please also refer to the Consolidated Statement of Changes in Equity included in the consolidated financial statements for more information on group equity.

The Group's share capital is divided into 3,509,000 no-par-value shares.

The reserves are the result of a capital increase in 2005 by 290,000 shares at an issue price of EUR 11.00 per share (totalling EUR 2,900,000) and a further capital increase in 2006 by 319,000 shares at an issue price of EUR 26.00 per share (totalling EUR 7,975,000). Pursuant to the shareholder resolution dated 31 August 2009, the Management Board is entitled, with the Supervisory Board's consent, to increase the company's share capital by 30 August 2014 by issuing new bearer shares (no-par value shares) for cash or non-cash contributions, once or several times, by a maximum amount of EUR 1,754,500.00.

(20) Non-current liabilities

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Provisions for employee benefits	39	22

In order to calculate provisions for termination benefits in accordance with IAS 19 by applying the projected unit credit method, an actuary's opinion was obtained, which is based on a discount rate of 3.00% (previous year: 4.75%) and an annual growth rate of 2.5%. The corridor method was not used.

(21) to (24) Total current liabilities and deferred income

Breakdown of total current liabilities and deferred income:

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Trade payables	3,517	4,233
Current provisions	4,405	5,117
Other current liabilities	10,308	9,435
	18,230	18,785
Deferred income	889	1,064
	19,119	19,849

Movements in provisions during the 2012 financial year (in thousands of euro):

	Balance at 1/1/2012	Utilisation	Reversal	Allocation	Balance at 31/12/2012
Non-current					
Employee benefit obligations	22	0	0	17	39
Current					
Taxes	1,601	1,601	0	438	438
Untaken leave	338	338	0	420	420
Audit and advisory	234	203	31	215	215
Outstanding invoices	1,944	1,845	99	1,430	1,430
Betting fees and gambling levies	446	446	0	1,147	1,147
Other	554	170	17	388	755
	5,117	4,603	147	4,038	4,405
	5,139	4,603	147	4,055	4,444

As from 1 January 2011, Austria has introduced a betting fee and a gambling levy on bets and gambling originating from Austria. The Management Board anticipates that this legal regulation is unconstitutional. Nonetheless, these fees and levies are paid on a monthly basis. In the consolidated financial statements as at 31 December 2012, a provision was made for betting fees and gambling levies for December 2012; they were paid in January 2012.

Other current liabilities include liabilities to customers of EUR 9,907 thousand (previous year: 9,043 thousand).

Deferred income consists of bets already deducted from customer accounts prior to the reporting date (pending bets). However, the sports events relating to these bets will not take place until after the reporting date (mostly in January 2013).

V.3. COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents recognised in the statement of cash flows exclusively refers to the line item ‘cash and cash equivalents’ in the statement of financial position.

V.4. COMMENTS ON THE IFRS CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The changes in group equity are presented in the Consolidated Statement of Changes in Equity.

VI. OTHER DISCLOSURES

VI. 1. FINANCIAL INSTRUMENTS

Non-derivative financial assets

We refer to the Consolidated Statement of Financial Position for further details on non-derivative financial assets. The group does not trade in derivatives and only holds shares in mutual funds (mostly money market funds), and cash and cash equivalents.

Liquidity exposure

Liquidity exposure reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group's liquidity exposure is very limited due to its low level of debt. The Group is in a position to cover its current liquidity requirements with existing cash and cash equivalents.

Credit risk

Credit risk (default risk) is understood to represent the risk that one party to a financial instrument may cause the other party to incur a financial loss by failing to meet a financial obligation. The amounts stated on the assets side (receivables and other assets) are equal to maximum credit and default risk because there are no netting arrangements. Provisions have been made for anticipated reversals arising from amounts credited to credit cards. Default risk relating to bank balances must be considered very minor as the lending institutions concerned are A-rated banks. The default risk associated with mutual fund shares can also be considered minor due to the issuer's credit rating. There are no overdue and/or impaired financial assets. Allowances for default risk arising from receivables and other assets are not necessary.

Market price risk

Market price risk may arise from marketable securities. Mutual fund shares with limited price risk compared to equity investments were held as at the reporting date. Nonetheless, securities dropped in price considerably in 2008 as a result of market developments, although it was possible to offset most of these price declines again in the 2009 to 2012 financial years. Market prices rose further during the 2012 financial year. A drop (or rise) in market price by five percentage points would decrease (or increase) the Group's profit for the year by EUR 45 thousand (previous year: EUR 41 thousand).

Interest rate risk

The interest rate risk associated with investments is considered insignificant. Interest on bank balances is dependent on market interest rates in relation to maturities. A change in the currently low level of interest by 0.5% would change the financial result by EUR 193 thousand (previous year: EUR 196 thousand). All other financial instruments (assets and liabilities) are current and non-interest bearing.

Foreign currency and exchange risk

Foreign currency and exchange risk is caused by fluctuations in exchange rates. Despite the Group's international orientation, most cash flows are denominated in group currency (euros). In 2012, material currency risks arose from transactions denominated in Polish zloty, while transactions denominated in other currencies were of minor importance. There are no hedges of foreign currency risk. A 10% appreciation (depreciation) in the zloty would have increased (decreased) profit for the period, or equity, by about EUR 113 thousand (previous year: EUR 89 thousand). Changes in these risk variables were assessed in relation to the potential for risks inherent in each financial instrument portfolio as at the closing date.

Fair value

The fair values of securities are equal to their carrying amounts. Due to their short maturities, the fair values of other financial instruments (receivables, liabilities) are almost equal to their carrying amounts. Fair values were therefore not determined for such assets and liabilities.

Reconciliation of carrying amounts and fair values (by category) in accordance with IAS 39

	Carrying amount at 31/12/12	At amortised cost		At fair value	Total carrying amount of financial instruments	Fair value of financial instruments	No financial instruments
		loans & receivables	at amortized cost	available-for-Sale			
Current assets							
Receivables and other current assets	8,256	7,367	0	0	7,367	7,367	889
Securities	906	0	0	906	906	906	0
Cash and cash equivalents	38,691	0	38,691	0	38,691	38,691	0
Current liabilities							
Provisions	4,444	0	4,006	0	4,006	4,006	438
Trade payables	3,517	0	3,517	0	3,517	3,517	0
Other liabilities and deferred income	11,197	0	10,308	0	10,308	10,308	889

	Carrying amount at 31/12/11	At amortised cost		At fair value	Total carrying amount of financial instruments	Fair value of financial instruments	No financial instruments
		loans & receivables	at amortized cost	available-for-Sale			
Current assets							
Receivables and other current assets	6,296	4,852	0	0	4,852	4,852	1,444
Securities	829	0	0	829	829	829	0
Cash and cash equivalents	39,292	0	39,292	0	39,292	39,292	0
Current liabilities							
Provisions	5,117	0	3,516	0	3,516	3,516	1,601
Trade payables	4,232	0	4,232	0	4,232	4,232	0
Other liabilities and deferred income	10,499	0	9,410	0	9,410	9,410	1,089

Legal risks

We refer to Section VI.3 of these Notes to the Consolidated Financial Statements for details on legal risks.

Risk management

The group parent's Management Board is responsible for establishing risk management policies. Compliance with these policies is monitored by the managing directors and department heads of subsidiaries. Among the basic components of risk management are general principles for risk prevention, such as the segregation of duties and the principle of dual control for important internal control procedures.

Also part of this risk management system are provisions for the use of financial instruments. The Group does not hold any derivatives, nor does the Management Board intend to use such financial instruments in the future.

We refer to Section VI.3 of these Notes to the Consolidated Financial Statements for details on legal risks.

VI. 2. RELATED PARTY TRANSACTIONS

Members of the Board of Management of bet-at-home.com AG, Düsseldorf, during the 2012 financial year:

- Mr. Franz Ömer, Dipl.-Ingenieur [graduate engineer], Ansfelden, Austria
- Mr. Jochen Dickinger, engineer, Linz, Austria (until 31 October 2012)
- Mr. Michael Quatember, Master's degree, Linz, Austria (since 1 November 2012)

In 2012, the emoluments of the Board of Management totalled EUR 258 thousand (previous year: EUR 280 thousand).

During the 2012 financial year, Mr. Ömer and Mr. Dickinger (until 31 October 2012) as well as Mr. Michael Quatember (since 1 November 2012) were also active as managing directors of the subgroup bet-at-home.com Entertainment GmbH, Linz.

The emoluments of the managing directors of the subgroup totalled EUR 308 thousand in 2012 (previous year: EUR 280 thousand).

Members of the Supervisory Board of bet-at-home.com AG, Düsseldorf, during the 2012 financial year:

- Martin Arendts, MBL-HSG, lawyer, Grünwald – Chairman
- Jean-Laurent Nabet, Director, Paris, France
- Nicolas Beraud, Director, Paris, France (until 8 February 2012)
- Isabelle Andres, Director, Paris, France (since 27 February 2012)

In 2012, the members of the Supervisory Board received emoluments and compensation for travel expenses totalling EUR 10 thousand (previous year: EUR 18 thousand).

In 2012, significant related party transactions involved loans extended by the parent company bet-at-home.com AG to a company belonging to the Betclic Everest SAS Group, Paris, in accordance with prevailing market conditions. There were no other significant related party transactions.

The Board of Management states pursuant to section 312 (3) of the German Companies Act (AktG) that, according to the circumstances known to the Board at the time when legal transactions were undertaken with related parties, the parent company received appropriate compensation for each legal transaction. No actions subject to Section 312 AktG were taken or omitted.

VI. 3. OTHER COMMITMENTS AND CONTINGENT LIABILITIES

Other commitments

Future commitments based on rental and lease agreements total EUR 3,135 thousand (previous year: EUR 2,215 thousand) for the next five years. Of this amount, EUR 627 thousand (previous year: EUR 443 thousand) falls due within one year, consisting of rent for office space in Linz, Portomaso (Malta) and Düsseldorf. As the current tenancy of the offices in Linz, which represents most of these commitments, can be terminated after expiry of a no-termination period of 48 months at the end of each month with three months' notice, the total commitment under this tenancy cannot be more specifically ascertained due to the indefinite contract period.

Regulatory developments and general legal conditions

In some European countries, especially Austria, Germany and Switzerland, betting and gaming providers are under legal challenge in an effort to persuade them to suspend offering and advertising their activities, in particular due to government monopoly regulations relating to the gambling sector. The Group was involved in two related proceedings in the past financial year.

The current status of these proceedings is as follows:

Criminal proceedings on the grounds of gambling pursuant to section 168 of the Austrian Criminal Code [StGB] are currently pending before the Linz District Court against the Managing Director of bet-at-home.com Entertainment GmbH, Mr. Franz Ömer (graduate engineer) and the former Managing Director of bet-at-home.com Entertainment GmbH, Mr. Jochen Dickinger (engineer), as individuals, and against bet-at-home.com Entertainment GmbH as a legal entity pursuant to the Austrian Corporate Criminal Liability Act [Verbandsverantwortlichkeitsgesetz]. During the main hearing held on 21 October 2008 before the Linz District Court the decision was made by the Linz District Court to submit the case to the European Court of Justice for a preliminary ruling. The preliminary hearing focused on the interpretation of EU regulations, in particular the freedom to provide services in relation to the Austrian Gambling Act [Glücksspielgesetz], and thus their applicability, which provides the legal basis for a punishable offence under section 168 StGB. In its ruling of 15 September 2011, the European Court of Justice clarified that an expansionary policy on the part of the monopolist associated with intensive promotional expenditure – as is pursued by casinos in Austria in the opinion of the referring court – is unlawful. In addition, the European Court of Justice found that criminal sanctions may not be imposed against foreign economic operators should monopolies be in breach of European Union law. All defendants and the accused entity were exonerated by the Court in its ruling of 6 February 2013. The public prosecutor waived its right to seek further redress, thus acquitting the accused of all charges, rendering this a final judgement.

During the 2009 financial year, an administrative order was issued against bet-at-home.com Entertainment GmbH, ordering it not to organise or broker public gambling via the internet in Bavaria, or to participate in it, either on its own or via third parties. The appeal of this decision at the court of first instance is still pending. Due to an interim injunction, the Mittelfranken government has imposed an administrative fine of EUR 100 thousand and declared debt enforcement. In acknowledging an enforcement agreement between Austria and Germany, which permits the enforcement of a fixed administrative fine in another country only in the event of a non-appealable judgment by a court of law, the government agency has agreed to waive enforcement in the interim. Consequently, no payment is due until a final ruling in these proceedings. A stay of proceedings has been proposed in view of new German legislation with the enactment of the Amendment to the [German] Agreement on Gambling (Glücksspieländerungsstaatsvertrag) on 1 July 2012. A ruling is still outstanding in this regard.

In addition, litigation is pending against subsidiaries in the states of North Rhine-Westphalia, Baden-Württemberg, Bavaria, Hamburg, Hesse, Rhineland-Palatinate, Lower Saxony, Berlin and Brandenburg. As a result of new German legislation, a settlement was reached in respect of the proceedings against companies in Berlin and Hesse, while execution of proceedings has been waived in Bavaria, Brandenburg and Hamburg, making penalty payments very unlikely at this time.

Other proceedings against the parent company are still pending. bet-at-home.com AG, Düsseldorf, is involved in administrative proceedings in six German federal states. The current status of these proceedings is as follows:

Several injunctions against bet-at-home.com AG were handed down by the Düsseldorf Regional Government, the Mittelfranken Government, the Karlsruhe Regional Council and the states of Baden-Württemberg, Lower Saxony and Berlin. Under these injunctions, bet-at-home.com AG is prohibited from offering or advertising gambling services provided by its subsidiaries bet-at-home.com Internet Ltd., Malta, and bet-at-home.com Entertainment Ltd., Malta, in the states concerned. Proceedings have been stayed in Berlin and Lower Saxony due to new German legislation with the enactment of the Amendment to the Agreement on Gambling on 1 July 2012. The other proceedings have not been formally declared closed so far, however it is not likely that penalty payments will be imposed before the licence is granted in mid-2013.

The following major court proceedings were initiated against individual group companies for the repayment of gaming losses in response to actions brought by customers during the 2012 financial year:

One customer has sued bet-at-home.com Entertainment Ltd. and bet-at-home.com Internet Ltd., Malta, for the repayment of losses he incurred in the online casino in the amount of EUR 950,000. This action was rejected in its entirety by the Linz District Court in its ruling of 22 March 2012. The customer has filed an appeal against this ruling. The regional appeal court, Linz Higher Regional Court, has granted the appeal. bet-at-home.com Entertainment GmbH has appealed this decision to the Supreme Court. The Austrian Supreme Court is therefore entrusted with resolving this legal dispute. A final decision by the court of last instance is not expected until the middle of 2013 at the earliest. In view of the very clear and detailed ruling by the European Court of Justice with respect to the unlawfulness of the Austrian Gambling Act under EU law, we believe that there is a good prospect of a positive outcome of the appeal to the Supreme Court.

Three other customers have sued individual group companies for the repayment of gaming losses. One of these proceedings has already been finally concluded in favour of bet-at-home.com Entertainment GmbH by the District Court in Wels. The other proceedings are still at the prelitigation stage. We also consider the prospects of success very good in this case given the unlawfulness of Austrian gambling rules under EU law.

Summary of developments in the regulatory environment:

Schleswig-Holstein liberalised its gambling market with the enactment of its own gambling act on 1 January 2012. A Maltese subsidiary applied for online sports betting and online casino licences, which were issued on 21 May 2012 (sport betting) and 19 December 2012 (casino), respectively, and are valid until 2018.

The Amendment to the [German] Agreement on Gambling (Glücksspieländerungsstaatsvertrag) took effect on 1 July 2012 in the remaining 15 German federal states (with the exception of Schleswig-Holstein). This amendment was enacted by the German federal states in response to a warning by the European Court of Justice to regulate the German gambling market in a coherent and systematic manner. One Maltese subsidiary participated in a tender to obtain one of twenty sports betting licences to be issued. These licences will not be granted until April/ May 2013 at the earliest. It is doubtful whether the Amendment to the [German] Agreement on Gambling is in compliance with European legislation. In particular, the Board of Management considers the lack of substantiation as to the reasons for restricting the number of licences to twenty discriminatory and thus in violation of EU law. Therefore, there is still legal uncertainty in Germany despite the introduction of a new law. In the event that the Maltese subsidiaries are granted sports betting licences under the new Amendment to the Agreement on Gambling in addition to the Schleswig-Holstein licences, the Management Board expects major advantages compared to non-licenced competitors despite legal uncertainty.

Individual countries have authorised so-called provider blocks, making bet-at-home.com's internet pages inaccessible to potential customers from these countries. bet-at-home.com group companies are actively involved in lawsuits against Slovenia to lift these blocks, which are designed to defend monopolist positions in breach of EU law and whose constitutionality appears to be in doubt. The outcome of these proceedings is currently considered uncertain.

In September 2010, the European Court of Justice held in its 'Engelmann' judgment (C-64/08) that the Austrian legal situation, according to which only companies domiciled in Austria may apply for a casino licence and operate a casino, violates freedom of establishment under EU law. This caused the Austrian legislator to issue new tenders for casino licences across Europe. One Maltese subsidiary applied for the only online casino licence on 29 July 2011. This is likely to further improve legal certainty in Austria, similar to the existing domestic sports betting licences and Maltese gambling licences. As expected, the discriminatory conditions, which were clearly tailored to the Austrian monopolist, resulted in a negative decision, which was forwarded to the company on 10 October 2011. The appeal against the decision before the Constitutional Court explicitly specifies the infringements of the law underlying the tender procedure. But, the appeal was rejected on 9 January 2013 nonetheless. The negative decision by the Constitutional Court does not affect the business activities of the Maltese subsidiaries, as they can offer casino services based on the current Maltese licence given the unlawfulness of the Austrian gambling rules under EU law.

In several relevant judgments, the European Court of Justice has further restricted the scope for national legislators to restrict access. In its judgments of 30 June 2011 (Zeturf Ltd) and 15 September 2011 (Ömer/Dickinger) the European Court of Justice for the first time explicitly addresses the internet as a distribution channel. The European Court of Justice clarified that a member state may not disadvantage this distribution channel in its national legislation without providing evidence. In future, the internet must be treated equally to agency-based distribution channels. Special restrictions, applicable only to the online sector, are not permissible.

Moreover, the judgment concerning the two board members of bet-at-home.com AG clearly states that the promotion of state monopolies is only permitted with further restrictions, and that governments must prove that monopolies are necessary.

At the political level, the European Parliament already adopted a legislative initiative in support of a proposal by the EU Commission in 2011 targeted at harmonising national gambling laws. The first step will be to largely harmonise gambler and data protection regulations as well as control mechanisms. Due to diverging interests among member states and national tax jurisdictions, substantial further harmonisation of relevant national gambling regulations is not anticipated in the foreseeable future.

Based on the positive judgments by the European Court of Justice, the Management Board expects the liberalisation of the eGaming market commenced in 2011 to progress further in many EU member states in the coming years. However, a number of draft laws contain discriminatory regulations for foreign providers with a view to keeping the market sealed off to the benefit of national providers/monopolists. The Management Board will closely monitor future developments and strives to obtain eGaming licences in countries facilitating fair market access, in an effort to enhance legal certainty.

Negative outcomes to the above-mentioned proceedings could have significant adverse effects on the Group's financial position, performance and changes in financial position.

VI.4. AUDITORS' FEE

Auditing expenses totalled EUR 92 thousand in 2012, which break down as follows:

- Audit of the consolidated financial statements: 22 EUR thousand
- Audit of the financial statements: 14 EUR thousand
- Other audit services: 28 EUR thousand
- Tax advisory services: 28 EUR thousand

VI.5. MATERIAL SUBSEQUENT EVENTS

In its judgement of 6 February 2013 regarding criminal proceedings on the grounds of gambling against a board member and managing director as well as former board member of a group company, as individuals, and against the group company as a legal entity, the Linz District Court has acquitted the accused of all charges; the judgement is final.

There were no other events materially affecting the Group's business development and financial position in the period between the end of the 2012 financial year and preparation of the consolidated financial statements.

Düsseldorf, 25 February 2013

Signed: Franz Ömer   Signed: Michael Quatember

APPENDIX TO THE NOTES

CHANGES IN NON-CURRENT ASSETS AS AT 31 DECEMBER 2012

bet-at-home.com AG, Düsseldorf

		At cost					Accumulated write-downs					
		Balance at 1/1/2012	Additions	Disposals	Reclassifi-cations	Balance at 31/12/2012	Balance at 1/1/2012	Additions	Disposals	Balance at 31/12/2012	Carrying amount 31/12/2012	Carrying amount 31/12/2011
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1.	Intangible assets	2,854,196.25	164,453.77	2,062.71	0.00	3,016,587.31	1,821,697.01	224,482.25	2,062.71	2,044,116.55	972,470.76	1,032,499.24
1.1.	Software, internet domains and similar rights and benefits and licences derived therefrom	2,850,796.25	164,453.77	2,062.71	3,400.00	3,016,587.31	1,821,697.01	224,482.25	2,062.71	2,044,116.55	972,470.76	1,029,099.24
1.2.	Advance payments	3,400.00	0.00	0.00	-3,400.00	0.00	0.00	0.00	0.00	0.00	0.00	3,400.00
2.	Goodwill	1,369,320.30	0.00	0.00	0.00	1,369,320.30	0.00	0.00	0.00	0.00	1,369,320.30	1,369,320.30
3.	Property, plant and equipment	2,102,678.27	592,591.68	40,491.41	0.00	2,654,778.54	1,229,382.44	411,561.37	40,491.41	1,600,452.40	1,054.326.14	873,295.83
3.1.	Furniture and fixtures, office equipment	1,918,078.27	369,940.68	40,491.41	184,060.00	2,431,587.54	1,229,382.44	411,561.37	40,491.41	1,600,452.40	831,135.14	688,695.83
3.2.	Construction in progress	184,600.00	222,651.00	0.00	-184,060.00	223,191.00	0.00	0.00	0.00	0.00	223,191.00	184,600.00
		6,326,194.82	757,045.45	42,554.12	0.00	7,040,686.15	3,051,079.45	636,043.62	42,554.12	3,644,568.95	3,396,117.20	3,275,115.37

bet-at-home.com

EHC Black Wings Linz

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

bet-at-home.com AG, Düsseldorf

		Note	2012	2011
		no.	EUR x 1,000	EUR x 1,000
Profit for the year			1,705	4,601
+	Depreciation of non-current assets	(7)	636	533
-	Decrease in provisions		-695	-2,395
-	Increase in trade and other receivables not attributable to investing or financing activities		-1,472	-269
+	Increase/decrease in trade and other payables not attributable to investing or financing activities		-18	3,596
=	Cash flows from operating activities		156	6,066
-	Acquisition of assets (excluding investments)		-757	-888
=	Cash flows from investing activities		-757	-888
=	Net cash from operating, investing and financing activities		-601	5,178
=	Net increase in cash and cash equivalents		-601	5,178
+	Cash and cash equivalents at 1 January		39,292	34,114
=	Cash and cash equivalents at 31 December	(19)	38,691	39,292

FIS-Team-Tour

STATEMENT OF CHANGES IN IFRS GROUP EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2012

bet-at-home.com AG, Düsseldorf

	Share capital	Reserve	Retained earnings	Total equity
	EUR	EUR	EUR	EUR
Balance at 1 January 2012	3,509,000.00	10,875,000.00	18,205,486.87	32,589,486.87
Profit (loss) for the period	0.00	0.00	1,705,170.25	1,705,170.25
Total comprehensive income for the year	0.00	0.00	1,705,170.25	1,705,170.25
Balance at 31 December 2012	3,509,000.00	10,875,000.00	19,910,657.12	34,294,657.12

	Share capital	Reserve	Retained earnings	Total equity
	EUR	EUR	EUR	EUR
Balance at 1 January 2011	3,509,000.00	10,875,000.00	13,604,371.89	27,988,371.89
Profit (loss) for the period	0.00	0.00	4,601,114.98	4,601,114.98
Total comprehensive income for the year	0.00	0.00	4,601,114.98	4,601,114.98
Balance at 31 December 2011	3,509,000.00	10,875,000.00	18,205,486.87	32,589,486.87

Borussia Mönchengladbach

GROUP MANAGEMENT REPORT

2012 GROUP MANAGEMENT REPORT

bet-at-home.com AG, Düsseldorf

A) BUSINESS DEVELOPMENT IN 2012

Sector development

Once again, the eGaming sector grew rapidly in 2012, with the online segment reporting the largest gains. Both the Group's Management and research companies covering the sector anticipate significant growth in the medium term.

Financing measures

Financing measures were not required during the 2012 financial year.

Revenue and financial performance

bet-at-home.com AG, Düsseldorf, is a holding company and as such does not have business operations beyond managing its own holdings. All operating activities are carried out exclusively by indirect and direct associates.

Group revenue and financial performance in 2012:

Business development was highly satisfactory overall. All divisions reported very high growth during the 2012 financial year.

Gross sports betting income (betting revenue less payout of winnings) increased by 22.7% to EUR 38.7 million during the 2012 financial year (previous year: EUR 31.6 million) as a result of the European Football Championship hosted by Poland and Ukraine.

Gross eGaming income (gaming revenue less payout of winnings) increased by 13.3% to EUR 46.7 million during the 2012 financial year (previous year: EUR 41.3 million). eGaming comprises the products Casino, Poker, Games and Dog Betting.

As a consequence, total gross betting and gaming income increased by 17.4% from EUR 72.8 million in the 2011 financial year to EUR 85.5 million in the 2012 financial year.

By taking account of betting fees and gambling levies, the Group generated net gaming income of EUR 75.5 million during the 2012 financial year (previous year: EUR 66.1 million).

The Group further strengthened its position, and in particular that of the bet-at-home.com brand, once again primarily in Eastern and Southern Europe, also during the 2012 financial year. The number of registered customers increased to more than 3,200,000 (previous year: 2,700,000).

Employees

During the 2012 financial year, the average number of staff (excluding the Board) employed by the Group rose to 216 (previous year: 164). The Group employed 230 staff (previous year: 181) as at the 2012 reporting date. Targeted personnel development combined with the recruitment of highly qualified professionals form the basis for the Group's continued successful development. The quality of recruitment measures is underpinned by a very low fluctuation rate. Another key component to success is intensive further professional training.

Material events during the financial year

As a result of increased efficiency in the area of marketing, we were able to accelerate our dynamic growth also during the 2012 financial year due to the European Football Championship hosted by Poland and Ukraine.

Group-wide bundling of the procurement of marketing services at the Gibraltar subsidiary acquired during the 2008 financial year resulted in significant synergies also during the 2012 financial year, which have influenced the Group's development positively.

During the 2012 financial year, we intensified the evaluation of cost cutting potentials within the Betclic Everest SAS Group, resulting in successful implementation measures that have shown positive effects.

As in previous years, further investments in the area of non-current assets and their continuing operation ensured the Group's technical capacity in order to meet the demands associated with rapid growth during the year under review as well as in future years.

Product development remained a central focus also in 2012, by taking advantage particularly of the Group's internal IT expertise.

Further expansion in the area of live betting combined with a much wider range of live streaming options will strengthen the Group's market position further and ensure its continued positive development.

Acquisition of the Italian sports betting and eGaming licence during the 2011 financial year and of the sports betting and casino licence for the German federal state of Schleswig-Holstein during the 2012 financial year provides a major strategic opportunity, which will ensure continuing growth in a market with great affinity for gambling in the long term.

B) FINANCIAL PERFORMANCE INDICATORS – FINANCIAL POSITION, PERFORMANCE AND CHANGES IN FINANCIAL POSITION

As at 31 December 2012, the Group's **financial position** and **performance** were as follows:

Assets	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Total non-current assets	3,396	3,275
Total current assets		
Receivables, other assets and prepayments	10,460	9,064
Securities	906	829
Cash and cash equivalents	38,691	39,292
	53,453	52,460

Cash and cash equivalents	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Total equity	34,295	32,589
Total non-current liabilities (provisions)	39	22
Total current liabilities (payables, provisions, deferred income)	19,119	19,849
	53,453	52,460

The Group's equity ratio increased from 62.1% as at 31 December 2011 to 64.2% as at 31 December 2012, whereby the increase in total equity was caused by the consolidated profit reported for 2012.

During the 2012 financial year, the Group's earnings position was as follows:

	31/12/2012	31/12/2011
	In thousands of euro	In thousands of euro
Net gaming income	75,513	66,116
Results from operating activities	77,634	68,060
EBT (Earnings Before Taxes) *)	2,271	5,525
EBIT (Earnings Before Interest and Taxes) **)	1,190	4,994
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) ***)	1,826	5,527

*) corresponds to profit before income tax in the Consolidated Income Statement

**) EBT less finance income/costs in the Consolidated Income Statement

***) EBIT plus write-downs in the Consolidated Income Statement

The betting fees and gambling levies payable in various countries decreased earnings by EUR 9,945 thousand during the 2012 financial year (previous year: EUR 6,698 thousand).

Marketing expenses (promotional expenses plus sponsoring) rose from EUR 40,812 thousand to EUR 50,018 thousand, most of which was attributable to increased marketing activities in connection with the European Football Championship in 2012.

In line with the increase in staff, personnel expenses rose by EUR 2,789 thousand, from EUR 8,294 thousand in the 2011 financial year to EUR 11,083 thousand in the 2012 financial year.

The Group's economic position was very positive overall as at 31 December 2012.

C) MATERIAL RISKS OF FUTURE DEVELOPMENT

Risk management

The group parent's Management Board is responsible for establishing risk management policies. Compliance with these policies is monitored by the managing directors and department heads of subsidiaries. Among the basic components of risk management are general principles for risk prevention, such as the segregation of duties and the principle of dual control for important internal control procedures. A variety of partially automated software systems are also used.

Some of the measures to manage risks include credit ratings and risk system audits, which are carried out on an ongoing basis by means of credit card checks, disbursement controls and analyses of gaming behaviour. In addition, we have further intensified our controlling activities in the marketing, partner programme, payment systems and intercompany clearing subsegments.

Reputable external legal advisors are engaged to reduce legal risks and take account of the complex regulatory environment.

Legal risks

In Austria, Germany and Switzerland, betting and gaming providers are under legal attack in an effort to persuade them to suspend offering and advertising their activities, in particular by means of monopolist government policies in the area of gambling. Based on the positive judgments by the European Court of Justice and other regulatory developments, the Management Board expects further liberalisation of the eGaming market in many EU member states in the coming years. However, a number of draft laws contain discriminatory regulations with respect to foreign providers intended to continue sealing off the market for national providers/monopolists. The Management Board will closely monitor future developments and strives to obtain eGaming licences in countries facilitating fair market access, in an effort to enhance legal certainty. But, there is the risk that individual countries could prohibit customers from participating in private foreign gaming offers by imposing provider blocks, in particular because new legislation concerning eGaming explicitly provides for such measures, in violation of European law.

We explicitly refer to the detailed explanation of changes in the regulatory and/or legal environment and proceedings of concern to the bet-at-home.com Group in the Notes to our Consolidated Financial Statements for the Year Ended 31 December 2012 (section ‘Other commitments and contingent liabilities’).

Market risks

The liberalisation anticipated by us could entice large gaming and media groups to enter the (continental) European market, which could result in a loss in market share for our Group.

Due to changes in the law and judicial decisions on eGaming, restrictions could be imposed on individual submarkets, and markets could even become inaccessible to private betting providers.

Tax risks

In addition to the betting fees and gambling levies payable in various countries, new (adverse) tax laws could be introduced in other countries with significant effects on the Group’s financial position, performance and changes in financial position.

Technical risks

The products and services offered by the Group depend on the reliable functioning of numerous technical systems. Serious interference with IT systems, particularly through negative external influences such as hacker attacks, DDos attacks etc., could therefore significantly affect the Group's financial position, performance and changes in financial position. Another steep rise in business volume will place increasing demands on the accounting and controlling systems of associated entities.

We expect that all possible measures have been taken to minimise these risks. The Management Board and executive staff regularly analyse the risk environment and evaluate new and alternative measures for the prevention and reduction of risk.

Operational risks

Acquired software (casino, poker) could involve specific risks caused by hardware and software errors. Likewise, wrong betting rate estimates by bookmakers could result in higher payments to customers. This risk is minimised by a multitude of backup systems and continuous betting rate monitoring through comparison with the market. The IT project team continues to develop all the software required to provide a competitive product in the betting market. All measures necessary to minimise these risks have been implemented.

Other risks

In connection with the dividend distribution of EUR 0.60 per share adopted by shareholder resolution of bet-at-home.com AG on 4 May 2012, some shareholders may hold the view that the dividend paid for the 2012 financial year should not be deducted from profit for the year to be distributed for 2012, but be paid out in addition as profit for the year. The Management Board considers this a minor risk overall.

D) USE OF FINANCIAL INSTRUMENTS

Freely available cash and cash equivalents were invested in time deposits and mutual fund shares. The Management Board only decides to invest in securities in the event of positive earnings and growth forecasts associated with excellent credit ratings of issuers.

E) FUTURE DEVELOPMENT

The bet-at-home.com brand is continuously enhanced in the international market, cost effectively, by means of innovative marketing strategies. Expansion activities will continue to focus mainly on Eastern and Southern Europe. In accordance with regulatory developments in individual countries, we are working intensively towards gaining further market share in submarkets.

During the 2013 financial year, the number of staff employed by the Group will probably rise to just below 277 staff as at the 31 December 2013 reporting date.

From our current point of view, we anticipate a rise in the Group's gross betting and gaming income to about EUR 76 million during the 2013 financial year, in an effort to generate significant positive earnings.

F) RESEARCH AND DEVELOPMENT

One of the most important assets of the Group is functioning state-of-the-art software. We are continuously enhancing and developing this software.

G) MATERIAL SUBSEQUENT EVENTS

In its judgement of 6 February 2013 regarding criminal proceedings on the grounds of gambling against a board member and managing director as well as former board member of a group company, as individuals, and against the group company as a legal entity, the Linz District Court has acquitted the accused of all charges; the judgement is final.

There were no other material subsequent events.

Düsseldorf, 25 February 2013

Franz Ömer	Michael Quatember

bet-at-home OPEN Hamburg

AUDITOR'S REPORT

Independent Auditors' Report

We have audited the accompanying consolidated financial statements of bet-at-home.com AG, Düsseldorf, which comprise the consolidated statement of financial position as at 31 December 2012, the consolidated statements of income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements and also the Group Management Report. The Company's legal representatives are responsible for the preparation and fair presentation of these consolidated financial statements and the Group Management Report in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and supplementary provisions under section 315a (1) of the German Commercial Code [HGB]. Our responsibility is to express an opinion on these consolidated financial statements and the Group Management Report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with section 317 HGB and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [Institut der Wirtschaftsprüfer – IDW]. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and Group Management Report are free from material misstatement and violations affecting the presentation of the net assets, financial position and results of operations in accordance with the applicable accounting standards. An audit involves performing procedures to obtain audit evidence about the Group's business activities, economic and legal environment as well as assessments of the risk of material misstatement.

An audit includes examining, primarily on a test basis, the effectiveness of the internal control system and evidence supporting the amounts and disclosures in the consolidated financial statements and the Group Management Report.

An audit also includes assessing the adequacy of the financial statements included in consolidated financial statements, the scope of consolidation, the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and Group Management Report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not led to any reservations.

In our opinion, based on our audit findings, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2012, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the supplementary provisions under section 315a (1) of the German Commercial Code (HGB). The Group Management Report is consistent with the consolidated financial statements and presents fairly, in all material respects, the financial position of the Group and presents accurately the opportunities and risks of future development.

Without qualifying our opinion, we draw attention to the legal risks presented in the notes to the consolidated financial statements and the Group Management Report.

Duisburg, 28 February 201

PKF FASSELT SCHLAGE
Partnerschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

Dr. Schöneberger	Th. Pannenbäcker
German Public Auditor	German Public Auditor

(The above independent auditors' report refers to the consolidated financial statements as at 31 December 2012 (group's total assets EUR 53,452,679.73; consolidated profit for the year EUR 1,705,170.25) and the Group Management Report for the 2012 financial year of bet-at-home.com AG, Düsseldorf.)

EHF Champions League

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The individual financial statements of bet-at-home.com AG are available for inspection at our Düsseldorf office.

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