bet-at-home.com

2014
ANNUAL REPORT

CONTENTS

COMPANY PROFILE 3

REPORT BY THE MANAGEMENT BOARD 7

REPORT BY THE SUPERVISORY BOARD 13

CORPORATE GOVERNANCE REPORT 19

BET-AT-HOME.COM SHARE 35

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 41

CONSOLIDATED STATEMENT OF INCOME 45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 49

CONSOLIDATED STATEMENT OF CASH FLOWS 83

STATEMENT OF CHANGES IN IFRS GROUP EQUITY 87

GROUP MANAGEMENT REPORT 91

AUDITOR'S REPORT 103

IMPRINT 107

bet-at-home.com

FC Schalke 04

COMPANY PROFILE

bet-at-home.com AG group is an online gaming and sports betting company. With 4.0 million registered customers around the world, the listed company and its subsidiaries make up one of the most successful online gaming providers in Europe. The varied options offered on www.bet-at-home.com include sports betting, casino, games and poker. Currently there are more than 24,000 bets offered on over 75 sports every day. bet-at-home.com has companies in Germany, Austria, Malta and Gibraltar. The successful development of the company can be attributed to its 264 employees as at 31 December 2014.

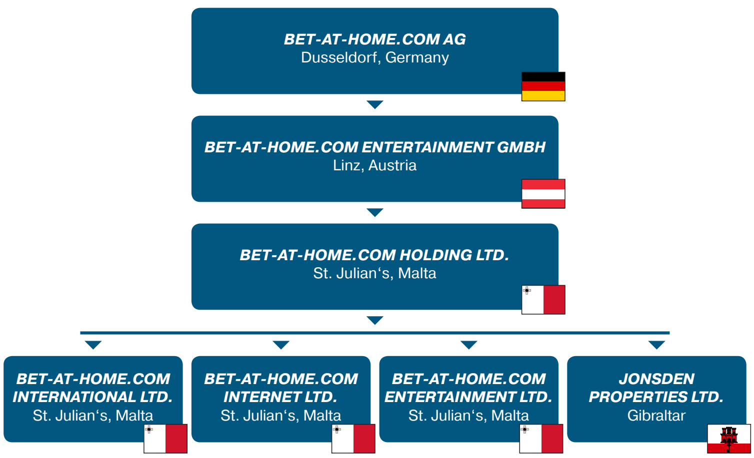
The company holds licences via its Maltese companies for a variety of online sports betting and gaming. The licences allow the company to organise and market online sports betting and online casinos.

bet-at-home.com was founded in 1999 in Wels, Austria, by Jochen Dickinger and Franz Ömer and was originally focused on online sports betting only. Thanks to an extensive growth strategy over the past years, bet-at-home.com AG and its subsidiaries recorded gross gaming revenue of EUR 107.0 million with a turnover of EUR 2,136.4 million in 2014. Shares in bet-at-home.com AG are traded on the Frankfurt Stock Exchange (Xetra) in the Entry Standard segment.

bet-at-home.com AG group structure in detail:

bet-at-home.com AG, Dusseldorf, is listed on the Frankfurt Stock Exchange (XETRA). The core business of equity interests held by the company is sports betting as well as casino and poker games, exclusively via the internet.

The company holds 100% of bet-at-home.com Entertainment Gmbh. The company based in Linz, Austria, is mainly responsible for the constant transfer of technology within the group as well as for further developing its own software. The business in Malta is part of bet-at-home.com Holding Ltd. Since 2009, bet-at-home.com AG has been a member of the Betclic Everest S.A.S. Group, a leading French group specialising in online gambling and sports betting. The following chart illustrates the corporate structure in detail:



From the initial vision to a successful international company

Founded in 1999 as a German limited liability company, its capital was increased in 2004 and the company was transformed into a company limited by shares. In December of the same year the company was floated in the stock market. Further capital increases were made in the following years. Since April 2009, bet-at-home.com AG has been a significant part of the Betclic Everest Group, a leading French group specialising in online gambling and sports betting.

Fairness, trust, responsibility

Well-trained and highly motivated staff are the pivotal foundation for the future business success of this dynamic group. It is therefore not without reason that the core values guiding bet-at-home.com on a daily basis are fairness, trust, responsibility, respect and reliability. In order to retain staff in the long term, bet-at-home.com invests in training and further education measures to 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 2014 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 beyond the extent required by law. bet-at-home.com has always supported its 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.

Executive bodies

- Franz Ömer, CEO
- Michael Quatember, CEO

- Martin Arendts, President of the Supervisory Board
- Isabelle Andres, Member of the Supervisory Board
- Jean-Laurent Nabet, Member of the Supervisory Board

bet-at-home Open Hamburg

REPORT BY THE MANAGEMENT BOARD

Dear Sir/Madam,
Esteemed shareholders,

For the bet-at-home.com AG group, 2014 was another extremely successful year financially, one which has further increased the company's profile. The Football World Cup in Brazil in June and July 2014 constituted a major sports event, one which – thanks to the goals-orientation of our marketing activities and our continuing efforts to boost efficiency – led to record earnings in the history of our company. Gross betting and gaming income increased by 25.0% to EUR 107.0 million in comparison with the previous year.

The strong commitment of our staff and the trust instilled in us by our customers and investors played a great role in the sustained growth recorded by the bet-at-home.com brand in 2014.

In spite of significantly higher marketing expenses in the 2014 financial year because of the international advertising campaign surrounding the World Cup 2014 in Brazil, group EBITDA increased by EUR 11.7 million or 78.4% to EUR 26.7 million in comparison with the previous year. This was the result of increased efficiency in the area of marketing and the constant intensification of cost control.

Moreover, the bet-at-home.com AG group was able to further strengthen its 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.

At home across Europe: 4.0 million customers trust in bet-at-home.com

In the 2014 financial year, the bet-at-home.com AG group generated betting and gaming revenue of EUR 2,136.4 million (2013: EUR 1,834.8 million). In contrast to the 2013 financial year, the World Cup played an important role as from 12 June 2014 with the expected higher gaming volume. Continuing customer growth is a key indicator for us to know that the bet-at-home.com AG group will continue on the right track. A total of 4.0 million registered customers have given the bet-at-home.com brand their trust already.

As part of its international advertising campaign in connection with the World Cup 2014, bet-at-home.com could be seen around the statue of Jesus Christ in Rio de Janeiro in TV commercials, on posters and in online media throughout Europe in 2014. This included an extensive bonus campaign, which was received by our customers with great enthusiasm.

A major event of this magnitude has always been an ideal opportunity for bet-at-home.com to raise awareness of the brand and to win new registered customers for the long term. Total marketing expenses in 2014 amounted to EUR 41.1 million, which is 19.8% higher than a year before (EUR 34.3 million).

264 members of staff work on improving our efficiency, driving innovations and continuously expanding and optimising our product portfolio every day.

Ongoing innovation combined with reliable customer service

The extensive product portfolio provides customers with an extensive entertainment programme in their spare time. Ongoing innovation combined with reliable multiple award-winning customer service in 17 languages have further improved customer satisfaction and confidence and continuously strengthened our international competitive position.

In the sports betting segment alone, over 24,000 bets were offered on average per day in more than 75 sports online in the year under review. Live betting is again increasingly popular, enticing us to continuously improve our range of services. Therefore, customers had the opportunity to participate in 8,000 games by simply clicking on “take a seat in the stadium”.

In addition, Live Casino, which brings a real casino atmosphere into our customers’ homes, had a major influence on the casino segment’s success. The casino bonus campaigns were also a complete success.

To meet customers’ high demand for games, 52 games were offered in the period under review. Since May 2014, bet-at-home.com now offers Poker customers a larger selection of tournaments, many new features and more attractive bonuses through its new software.

Continuing enhancement of mobile platform

After the launch of the mobile platform for sports betting and live betting in December 2013, Mobile Casino and Mobile Games were added to the range of mobile offerings in 2014. For bet-at-home.com, the now fully fledged mobile version is a new milestone in the company’s development by keeping pace with customer behaviour and the trend towards access anywhere at any time via all current mobile user devices.

Sponsoring highlights in the 2014 financial year

Besides traditional advertising on TV, online and in print media, sport sponsoring remains a cornerstone of bet-at-home.com’s market strategy and means interaction with viewers 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 brand value and thus establishing the bet-at-home.com brand as a reliable partner.

We extended our premium partnership with German Football League and Champions League team FC Schalke 04 to June 2016 following our successful partnership in the 2013 financial year.

In Austria, bet-at-home.com has been sponsoring the Austrian Football league teams SV Ried and FK Austria Wien for many years. In the international football arena, bet-at-home.com was represented in 2014 at the qualifying games for the 2016 European Football Championship in France.

As the main sponsor of the bet-at-home OPEN in Hamburg and bet-at-home CUP in Kitzbühel, bet-at-home.com was again among the world's leading sponsors in the tennis circuit in 2014. In addition, bet-at-home.com advertises every year at the WTA tennis tournament in Linz. Our long-standing cooperation with various regional tennis associations continued during the 2014 financial year.

In handball, bet-at-home.com has also been a sponsor of the EHF Champions League since the 2006/07 season, and in 2014 it continued to contribute to the event's success with its long-time partnership. The extensive advertising package comprises bet-at-home.com's representation at selected games of the VELUX EHF Champions League, including the VELUX EHF FINAL4, Women's EHF Champions League and men's and women's European Cup. In the first half of 2014, bet-at-home.com continued its sponsorship of the German Handball League team SG Flensburg-Handewitt. The team crowned its successful season by winning the VELUX EHF Champions League, where bet-at-home.com was able to benefit doubly as a partner for both marketing formats.

Since the beginning of the 2013/2014 season, bet-at-home.com has become involved in sponsoring the German Ice Hockey League as the official partner to the Cologne Sharks. One of the top teams in the German Ice Hockey League and with eight German championship titles to their name, the Cologne Sharks are one of Germany's most famous teams with an excellent reputation in Europe as well. We have also been sponsoring EHC Black Wings Linz since 2006, which underscores our reliability as a long-term partner.

We would also like to draw attention to our involvement in ski jumping. In January 2014, bet-at-home.com was again one of the main sponsors for the prestigious Four Hills Tournament.

Expansive growth of the online gambling industry

The global online gambling market continues on its record-breaking run, with Europe (EU 28) contributing the most to its growth worldwide in the past ten years. Given the attractive offering and the broad-based acceptance of e-commerce, this trend will continue and thus help the gambling sector – which does not depend on the state of the economy – on its way to further sustained growth in the years to come.

The industry's strong growth in Europe in particular confirms bet-at-home.com's strategy. Further investment in the strong brand presence in our European core markets will also consolidate the company's position in the future.

Gambling and e-gaming were again widely discussed in 2014 as internet commerce gained greater acceptance and because more and more European countries are becoming aware of the opportunities arising from the liberalisation of these markets.

bet-at-home.com has long since set the course to apply for sports betting and casino licences in the economically relevant markets in order to enhance legal certainty.

We would like to thank all those who have made this such a successful financial year for bet-at-home.com in 2014, most particularly all our staff. They have contributed significantly to a very good financial year and, through their commitment and trust, will ensure a sustainable and successful future for the bet-at-home.com AG group. We would also like to express our gratitude to the shareholders for their trust in us.

Franz Ömer CEO	Michael Quatember CEO

Cologne Sharks

REPORT BY THE SUPERVISORY BOARD

Dear Ladies and Gentlemen,

In 2014, the bet-at-home.com AG group's business development was again very encouraging, thanks in part to the Football World Cup in Brazil. Therefore, at the Annual General Meeting on 12 May 2014, it was again decided to pay out a dividend. In addition, some 4 million registered customers today attest to the success and presence of the brand.

The Supervisory Board was involved in this welcome development at the bet-at-home.com AG group. 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.

The Supervisory Board of bet-at-home.com AG met on 13 March 2014 in Dusseldorf, on 12 May 2014 in Frankfurt am Main, on 23 July 2014 and 17 September 2014 in Paris as well as on 10 December 2014 in Linz, in particular to discuss the business strategy with the Management Board. At their meeting on 12 March 2015 in Dusseldorf, the Supervisory Board discussed the separate financial statements, consolidated financial statements, group management report, corporate governance report, related parties report and audit procedures with PKF FASSELT SCHLAGE Partnerschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte, Duisburg, the auditor appointed by the AGM.

Several resolutions were adopted by circular resolution. A number of decisions meetings were passed using the written resolution procedure. There was no need for committees – just as in the past – 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, the marketing strategy (especially the sponsorship contracts signed to raise awareness of the brand), legal developments in the gaming and betting sector (e.g. the sports betting licensing procedure in Germany running since 2012) and pending administrative and court proceedings with the Board of Management, and were satisfied that business was conducted in an orderly manner.

For the first time, the Management Board and Supervisory board have voluntarily prepared a Corporate Governance Report in accordance with the German Corporate Governance Code with a view to greater transparency and to account for the company's increased perception in the capital market and its current market capitalisation. Please see the information in the annual report 2014 of the bet-at-home.com AG group for further details.

Audit of the separate and consolidated financial statements for the year ended 2014

As in previous years, PKF FASSELT SCHLAGE Partnerschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Duisburg, was engaged the 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 results of 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 the Group Management Report and discussed them in detail with the auditor on 12 March 2015. 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 retained earnings of EUR 6,486,654.43 for 2014 be distributed to the shareholders and the remaining amount of EUR 2,275,854.43 be carried forward to the following financial year.

Audit of the report on related party transactions pursuant to section 312 AktG for the 2014 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 2014 financial year. The Board of Management prepared the related parties report with a view to the controlling interest held by MANGAS BAH S.A.S., Paris, France (a company of the Betclic Everest Group S.A.S., 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 2014 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 2014 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 reports and discussed them in detail with the auditor on 12 March 2015. 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 Management Board in the related parties report is presented under the statement of financial position in the financial statements and in the notes to the consolidated financial statements.

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.

Dusseldorf, March 2015

The Supervisory Board

FK Austria Wien

CORPORATE GOVERNANCE REPORT

Dear Shareholders,

For the first time, bet-at-home.com AG (hereinafter also referred to as the "company") has decided to report to the shareholders on the company's corporate governance for the year 2014. Corporate governance refers to the set of mechanisms by which companies are managed and supervised.

The company is a company limited by shares under the laws of Germany. The company's shares are traded in Entry Standard on the Frankfurt Stock Exchange. Entry Standard is a segment of the unofficial market with additional transparency requirements above and beyond the requirements of the unofficial market. The company's shares on the unofficial market can also be traded on other stock exchanges in Germany.

a) Declaration of conformity and Corporate Governance Code

Pursuant to Section 161 of the German Companies Act [AktG], the Management Board and Supervisory Board make a yearly statement to the effect that the recommendations of the "government commission of the German Corporate Governance Code", which are published by the Federal Ministry of Justice in the official section of the Federal Gazette, have been and will be complied with or which recommendations have not or will not be implemented and why not. This is known as the "declaration of conformity". A company is listed within the meaning of Section 3(2) AktG if its shares are admitted to a market regulated and overseen by officially recognised authorities, which regularly takes place and which is directly or indirectly available to the public. Even though its shares are listed on the unofficial market, bet-at-home.com AG is not a listed company within the meaning of Section 161 AktG, as listing on the unofficial market does not require admission within the meaning of Section 3(2) AktG. This is why the Management Board and Supervisory Board had never previously issued a declaration of conformity. However, the German Corporate Governance Code (hereinafter referred to as the "Code") states in its preamble that while the Code is primarily directed to listed companies, non-publicly traded companies are also recommended to observe the Code.

The company has therefore decided, not least because of its increased perception in the capital market, to act on the recommendations of the Code, i.e. to explain in a voluntary, annual declaration of conformity which recommendations of the Code have been and will be complied with or which recommendations have not or will not be implemented and why not.

b) Corporate Governance Report/voluntary corporate governance statement

General commitment to the recommendations of the Code entails that in accordance with Article 3.10 of the Code, the Management Board and Supervisory Board report each year on the company's corporate governance (hereinafter referred to as the "Corporate Governance Report").

The Code provides for the following content of the Corporate Governance Report:

- according to Article 5.4.1 of the Code, the objectives of the Supervisory Board regarding its composition (diversity) and the status of their implementation,
- according to Article 6.3 of the Code, disclosure of the entire holdings of all members of the Management Board and Supervisory Board in shares in the company and
- according to Article 7.1.3 of the Code, information on share option programmes and similar share-based incentive systems within the company unless this information is already provided in the financial statements, consolidated financial statements or compensation report.

The Management Board and Supervisory Board are to publish the Corporate Governance Report along with the “corporate governance statement”. The corporate governance statement is laid down in Article 289a of the German Commercial Code [HGB]. Accordingly, listed companies limited by shares have to include a corporate governance statement in their management report. The corporate governance statement can also be made available to the public on the company’s website.

The corporate governance statement has to include (i) the declaration of conformity, (ii) relevant information on corporate governance practices, and (iii) a description of the working procedure of the Management Board and Supervisory Board as well as the composition and working procedure of their committees. As the company is not a listed company limited by shares in a legal sense (see above), it is not required to issue a corporate governance statement. Yet the company has decided to include the information required by Article 289a of the German Commercial Code in the Corporate Governance Report by way of a corporate governance statement.

c) Voluntary compensation report

Article 4.2.5 of the Code assumes that the principles of the compensation system for members of the Management Board are presented in a compensation report as part of the management report. Article 289(2), No. 5, of the German Commercial Code states that the principles of the compensation system must be presented in the management report if the company is a listed company limited by shares. A similar provision for the group management report is contained in Article 315(2) of the German Commercial Code. As the company is not listed, there is no statutory basis to prepare a compensation report as part of the management report or group management report.

The company has decided, however, to include a voluntary compensation report in the Corporate Governance Report (hereinafter referred to as the “compensation report”). This also includes disclosure of the information required by the Code in relation to the Supervisory Board, unless the declaration of conformity states otherwise.

I. VOLUNTARY DECLARATION OF CONFORMITY IN ACCORDANCE WITH SECTION 161 AKTG

On 12 March 2015, the Management Board and Supervisory Board issued the following voluntary declaration of conformity:

Voluntary declaration of conformity of the Management Board and Supervisory Board of bet-at-home.com AG with the German Corporate Governance Code in accordance with Section 161 AktG

Pursuant to Section 161 of the German Companies Act [AktG], the Management Board and Supervisory Board of listed companies are required to make a yearly statement to the effect that the recommendations of the "government commission of the German Corporate Governance Code", which are published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, have been and will be complied with or which recommendations have not or will not be implemented and why not. According to Section 161 AktG, the declaration must be made permanently available to the shareholders.

The Management Board and Supervisory Board of bet-at-home.com AG voluntary declare, i.e. without any obligation within the meaning of Section 161 AktG, that bet-at-home.com AG will implement the recommendations of the German Corporate Governance Code in the version dated 24 June 2014 ("Code") with the following exceptions (the Articles below are those of the Code):

Deductible for the D&O policy for the Supervisory Board (Article 3.8)

The company has a D&O policy without any deductible for the members of the Supervisory Board. In the view of the company, such a deductible is not necessary to ensure the motivation and sense of responsibility of the members of the Supervisory Board. A deductible could even run counter to the company's efforts to obtain people of excellence from within German and abroad for its Supervisory Board. The Supervisory Board was also expressly excluded (Section 116 AktG) from the new statutory measures on the deductible for members of the Supervisory Board in the Act on the Appropriateness of Management Board Compensation [VorstAG].

The Management Board must have a chairman or CEO (Article 4.2.1)

No chairman or CEO of the Management Board has been appointed. The Management Board and Supervisory Board are of the opinion that the two members of the Management Board have worked together efficiently and like good colleagues hitherto. No need has therefore been seen to appoint a CEO or chairman thus far, especially since the

Management Board presently consists of two people, for which the appointment of a chairman or CEO is not mandatory for organisational reasons either.

Disclosure of Management Board compensation (Article 4.2.5)

Although not required by law to do so, the company includes a voluntary compensation report in its Corporate Governance Report.

The emoluments received by each member of the Management Board are not shown separately. The reason is that, as the Management Board consists of only two people, this would be of no additional informational value.

Committees (Article 5.3)

Under the Articles of Association, the company's Supervisory Board consists of three members. Given this size, it would appear neither necessary nor expedient to set up committees, as the imaginable tasks of committee could be performed just as effectively and competently by the entire Supervisory Board.

Components and disclosure of Supervisory Board compensation (Article 5.4.6)

Compensation of the members of the Supervisory Board includes the position of chairman but not that of deputy chairman. Nor does there appear to be a need to differentiate between a deputy chairman and ordinary member, as the participation of all members is required for resolutions in the Supervisory Board of three people, so that cases where the chairman is represented by the deputy rarely occur in practice.

List of third-party companies (Article 7.1.4)

The company's group financial statements include all subsidiaries. While the amount of the shareholding is indicated, no information is given – for competition reasons – on the amount of equity or the past financial year's earnings.

Dusseldorf, March 2015

II. DISCLOSURES REQUIRED BY ARTICLE 289A(2), NO. 2 AND 3, OF THE GERMAN COMMERCIAL CODE

The company is a company limited by shares under the laws of Germany. It is therefore governed in particular by Germany company law and capital market regulations as well as the provisions of the Articles of Association and the rules of procedure for the Management Board and Supervisory Board.

A two-tier management and supervision structure arises from the Management Board and Supervisory Board. Both executive bodies are committed to the interests of the shareholders and the good of the company. The AGM is the company's third executive body. It serves the decision-making process of the shareholders.

1. Management Board

The Management Board represents the company to the outside world. It conducts its business in accordance with the law, the Articles of Association and the rules of procedure for the Management Board and ensures suitable risk management. The Management Board develops the company's strategy, coordinates it with the Supervisory Board and ensures its implementation. The Management Board has the task of creating long-term value on its own responsibility. Under the principle of collective responsibility, the members of the Management Board share the responsibility for the entire management.

The Supervisory Board has issued rules of procedure for the Management Board. Under the rules of procedure for the Management Board, actions and business by the Management Board of fundamental importance require the approval of the Supervisory Board.

The Management Board makes regular, timely and comprehensive reports to the Supervisory Board about all material aspects of the trend in business, significant transactions and the current earnings situation including the risk situation and risk management. Deviations in the trend in business from plans and targets are explained to and discussed with the Supervisory Board. Furthermore, the Management Board regularly reports on compliance, i.e. the actions taken to comply with laws and company regulations, which fall under the Management Board's responsibility.

2. Supervisory Board

The Supervisory Board advises the Management Board in the management of the company. It supervises its activities. The Supervisory Board appoints and dismisses the members of the Management Board, determines the compensation system for the members of the Management Board and agrees their respective compensation.

The Supervisory Board is involved in all decisions of fundamental importance to the company.

The Supervisory Board can make certain transactions contingent on its approval. The main tasks of the Supervisory Board also include making nominations for election to the Supervisory Board and for the appointment of the auditor. In this respect, the Management Board has no right of nomination.

The principles of cooperation in the Supervisory Board are laid down in the Supervisory Board's rules of procedure.

3. AGM

The shareholders safeguard their rights at the AGM. There they exercise their voting rights. The AGM is held annually within the first eight months of a financial year. The agenda for the AGM, including the reports and documents required for the AGM, is also posted on the company's website. To facilitate them in personally safeguarding their rights, the company places a proxy at the instruction of the shareholders. In calling the AGM, i.e. in notices to the shareholders, an explanation is given of how to submit proxy voting instructions prior to the AGM.

The AGM passes resolutions on granting discharge to the Management Board and Supervisory Board. It decides on the appropriation of the retained earnings and on the election of the auditor. The AGM is also responsible for decisions on corporate actions and approval of intercompany agreements and alterations to the Articles of Association.

4. Disclosures on corporate governance practices

At the core of the management culture of the company and its subsidiaries are values enshrined in laws or company regulations and instructions. Of particular importance in this respect are concepts which further the interests in making a profit. By the same token, serious and comprehensive customer protection, in particular protection for youth and prevention, are of extreme importance.

This is the basis of the common understanding between the management and staff to combine lasting growth with financial success and, at the same time, to take effective measures to prevent the negative impact of services.

To achieve this objective, all staff must be aware of these demands and be willing and able to take responsibility for them. Taking one's own responsibility and initiative presumes an understanding of the company's strategy. Which is why the management regularly informs the staff about the company's objectives, current trend in business, market and its competition. Efficient management and cooperation therefore hinge on clearly defined company structures, areas of responsibility and workflows. In conjunction with defined yet ever improving processes, this structure makes it possible to align management activities to the company's objectives and to check on a regular basis whether those objectives have been achieved.

Particular importance is attached in this respect to the motivation and appreciation of the company's staff. For high commitment, productivity and efficiency can only be achieved in a positively experienced work environment where people closely identify with the company and its objectives.

It is for this reason that the company promotes a balance between the expected high-quality and concentrated work performed in a dynamic market, on the one hand, and the needs and requirements of private life, on the other (work-life balance).

5. Compliance

The Management Board is responsible for compliance with the law and company regulations and works towards that throughout the group company. In conducting its business, the bet-at-home group must orient itself towards legal systems in different countries. This is especially true because of the different legislative conditions for betting and gambling, which are anchored in the free movement of goods and services enshrined in European law.

There where state licensing is possible in a European legal framework, our aim is to obtain licences and fulfil the respective requirements for the long term. In addition, we pay – mark you, also in countries seeking to maintain state betting and gambling monopolies and which restrict private providers – all applicable levies and taxes on betting and gambling.

We expect our staff to conduct themselves ethically and in accordance with the law in their daily business. For precisely as a provider of betting and gambling, maximum integrity is indispensable in our highly regulated markets in order to justify the trust instilled in us by the authorities and, above all, by our customers.

In training sessions conducted with the assistance of the respective compliance officers, our staff are familiarised with the relevant codes of conduct as well as the laws and regulations.

6. Accounting

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

The group management report and company financial statements are prepared in accordance with the provisions of the German Commercial Code.

Financial reports and half-year reports are published within the statutory deadlines and in accordance with the regulations for the Entry Standard segment of the Frankfurt Stock Exchange.

7. Transparency

Our shareholders are informed, in particular, in the annual report and by the publication of important information as well as current press releases on significant events within the company and the group.

Publication of important information follows the regulations for the Entry Standard segment of the Frankfurt Stock Exchange, which differ, however, from the provisions of the Securities Trading Act [WpHG] for the publication of insider information (particularly the ad hoc disclosure in accordance with Section 15 WpHG).

In order to achieve even greater transparency, the Management Board has decided to observe, to the extent possible, and anchor within the company in the course of 2015 the regulations of WpHG on the publication of insider information, insider lists and trading by managers for their own account. This will also take place in the light of the fact that, by virtue of the market abuse regulation (REGULATION (EU) No 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014), the company will fall within the scope of the related provisions as from 3 July 2016.

III. DIVERSITY IN THE SUPERVISORY BOARD

1. Objectives in the composition of the Supervisory Board

The company's Supervisory Board consists of three members elected by the shareholders. According to Article 5.4.1 of the Code, the Supervisory Board must be composed in such a way that its members as a group possess the knowledge, ability and expert experience required to perform their tasks in a proper manner. Given the company's specific situation, the Supervisory Board must set specific objectives for its composition which take into account the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Article 5.4.2 of the Code, an age limit for members of the Supervisory Board and diversity. These specific objectives must, in particular, provide for an appropriate degree of female representation.

According to Article 5.4.2 of the Code, the Supervisory Board must include what it considers an adequate number of independent members. Within the meaning of this recommendation, a Supervisory Board member is particularly not considered independent if he or she has personal or business relations with the company, its executive bodies, a controlling shareholder or an enterprise associated with the latter which may cause a substantial and not merely temporary conflict of interests. The Supervisory Board may have no more than two former members of the Management Board among its members. Supervisory Board members must not hold directorships or provide advisory services to the company's major competitors.

The Supervisory Board is in consent with the content of the Code, whereby besides its balanced professional qualification, the Supervisory Board will also have an appropriate degree of internationality and female representation at all times (diversity).

The composition of the Supervisory Board must therefore take account of the fact that bet-at-home.com AG is an innovative and international company and that it relies on modern means of communication over the internet for the provision of its services.

Yet diversity does not mean that a person is nominated as a candidate for the Supervisory Board solely because he or she possesses a certain personal quality; hence, no mandatory quota requirements are imposed.

For companies within the meaning of Article 264d of the German Commercial Code, at least one independent member of the Supervisory Board must, in accordance with Section 100(5) AktG, have expertise in accounting or auditing. Even though the company is not a company within the meaning of Article 264d of the German Commercial Code, the Supervisory Board is convinced that expertise in accounting or the audit of financial statements must still be taken into account as a diversity criterion.

On 12 March 2015, the Supervisory Board set the following objectives regarding its composition:

- To take into account the international activity of the company and its subsidiaries
- To take into account professional/technical expertise and industry knowledge, especially in relation to online betting and gambling
- Expertise in accounting or auditing
- At least one independent member within the meaning of the current recommendations of the Code
- Prevention of conflicts of interest
- Availability and commitment
- Maximum of three supervisory board positions in non-group companies
- To take into account the age limits defined in the rules of procedure of the Supervisory Board
- A one-third ratio of women

2. Status of implementation of these objectives in the view of the Supervisory Board

All relevant professional competences are represented in the Supervisory Board at present. This holds particularly true for the industry-related requirements as well as in respect of accounting and auditing. Comprehensive experience in the international business community is also present, just as are members from different countries.

Members at present:

- Mr. Martin Arendts, MBL-HSG, lawyer, chairman of the Supervisory Board, is the founder and owner of law firm ARENDTS ANWÄLTE. Specialised in investment law as well as gambling and betting law, he has a high level of expertise in not only issues of company law, capital market law and governance but also in the main legal issues for bet-at-home.com Group in relation to gambling and betting.
- Mrs. Isabelle Andres is CEO of Betclic Everest Group S.A.S., Paris, France. Mrs. Andres was previously the CFO and a member of the board of directors of Betclic Everest Group S.A.S.. As the parent company of bet-at-home.com AG, Betclic Everest Group S.A.S. pools various gambling and betting activities. Mrs. Andres therefore has excellent, relevant market expertise and accounting knowledge.
- Mr. Jean-Laurent Nabet was the head of M&A at Vivendi Universal before working as an investment banker for Deutsche Bank in Paris. As the CEO of Betclic Everest Group S.A.S. and investment manager (Head of Investment) for Lov Group Invest S.A.S., Paris, France, Mr. Nabet has excellent, relevant market expertise and knowledge of the entertainment industry as well as investment and internet business.

All members of the Supervisory Board have sufficient time to perform their tasks. None of the members of the Supervisory Board has exceeded the limit of supervisory board positions held outside the group.

Independence within the Supervisory Board has been preserved. In the estimation of the Management Board and Supervisory Board, the members of the Supervisory Board have no personal or business relations with the company, its executive bodies, a controlling shareholder or an enterprise associated with the latter which could cause a substantial and not merely temporary conflict of interests. Mrs. Andres and Mr. Nabet do occupy positions at Betclic Everest Group S.A.S., which holds the majority of the shares in the company. Yet in the estimation of the Management Board and Supervisory Board, this has not created a substantial and not merely temporary conflict of interests. For there are no ongoing operational relations between Betclic Everest Group S.A.S. and the company. If and when any particular business relations arise, any existing conflicts of interest will be addressed through tried and tested procedures, e.g. abstention from voting. In addition, the relations between Betclic Everest Group S.A.S. and the company are governed by the reporting and auditing duties set out in Sections 312 et sqq. AktG. These audits, especially by the external auditor, have shown that appropriate compensation has been received so far for these business relations.

No former members of the Management Board belong to the Supervisory Board. Nor do the incumbent members of the Supervisory Board hold board positions at or provide advisory services to the company's major competitors.

The Supervisory Board will also take the objectives defined for its composition into account to the greatest extent possible in its search for suitable candidates for any premature vacancies on the board and in its nominations for routine elections.

IV. SHAREHOLDINGS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

At 31 December 2014, members of the Management Board and Supervisory Board directly or indirectly held the following shares:

1. Management Board

Franz Ömer 3.75% of the share capital

2. Supervisory Board

Members of the Supervisory Board do not hold any shares in the company.

V. DISCLOSURES ON SHARE OPTION PROGRAMMES AND SIMILAR SHARE-BASED INCENTIVE SYSTEMS

There are no share option programmes or similar share-based incentive systems at this time.

VI. COMPENSATION REPORT

1. Management Board

a) Compensation structure

The structure and amount of the emoluments of the Management Board are determined by the Supervisory Board. The company has refrained from setting up a separate HR committee as its Supervisory Board consists of three members and there is thus no need for such a committee.

The appropriateness of the compensation defined for the Management Board is regularly tested. This is based on the scope of tasks and responsibilities of the individual members of the Management Board and on other factors such as the size of the company, its net assets, financial position and results of operations as well as its development potential and prospects for the future.

Compensation for members of the Management Board consists of the following components, part of which is granted by bet-at-home.com AG and part by a subsidiary:

- Non-performance-based components
- Annual bonuses
- Performance-based components with long-term incentives or based on multi-year assessment
- Certain fringe benefits

The granting and the amount of the individual components of compensation, in particular bonuses and other performance-based components, to the respective members of the Management Board are commensurate with the functions and tasks which they perform.

(i) Non-performance-based components

A fixed monthly salary is paid as a non-performance-based component.

(ii) Annual bonuses

The performance relationship of the annual bonuses is based on the key financial ratios taken from the consolidated financial statements. The gross betting and gaming income as well as an earnings component are also taken into account. Given these parameters, the objective is to achieve the performance targets. The targets are connected in such a way that both parameters much reach a minimum target to lead together to entitlement to a bonus.

(iii) Performance-based components with long-term incentives or based on multi-year assessment

Instead of annual bonuses becoming payable in full after one financial year, part of the bonus is paid out if the performance targets set at the beginning of the first year are met in the following year as well.

(iv) Bonus and cap calculation basis

Variable compensation is computed using a base amount and an achievement corridor of from 70% to 150%. The amount is therefore capped at 150%. Subsequent changes to the performance targets are excluded.

(v) Fringe benefits

Besides the above components, there is a casualty insurance policy with an annual premium outlay of TEUR 1 each. Further fringe benefits, especially company cars, are not offered.

b) Benefits and allocations granted in 2014

Please see the information in the notes to the consolidated financial statements.

2. Supervisory board

As resolved by the AGM on 12 May 2014, each member of the Supervisory Board receives, beginning from 1 January 2014, fixed remuneration of EUR 10,000 for each full financial year, which is payable one month after the end of the financial year.

The Chairman of the Supervisory Board receives fixed remuneration of EUR 20,000. In addition, reimbursement is given for the necessary out-of-pocket expenses and VAT.

The details of this compensation can be found in the notes to the consolidated financial statements.

Four Hills Tournament 2013/14

BET-AT-HOME.COM SHARE

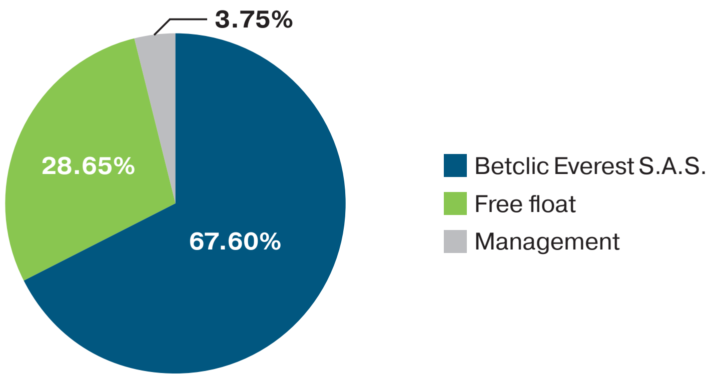
Since the flotation in December 2004, shares in bet-at-home.com today are well established and actively traded on the capital market thanks to the company's policy of transparent information, participation in national and international investor conferences and frequent liaising with private and institutional investors.

As a result of increased efficiency in the area of marketing and careful cost control over operations, along with overproportional growth in EBITDA, the share again trended significantly higher in 2014.

Stable shareholder structure

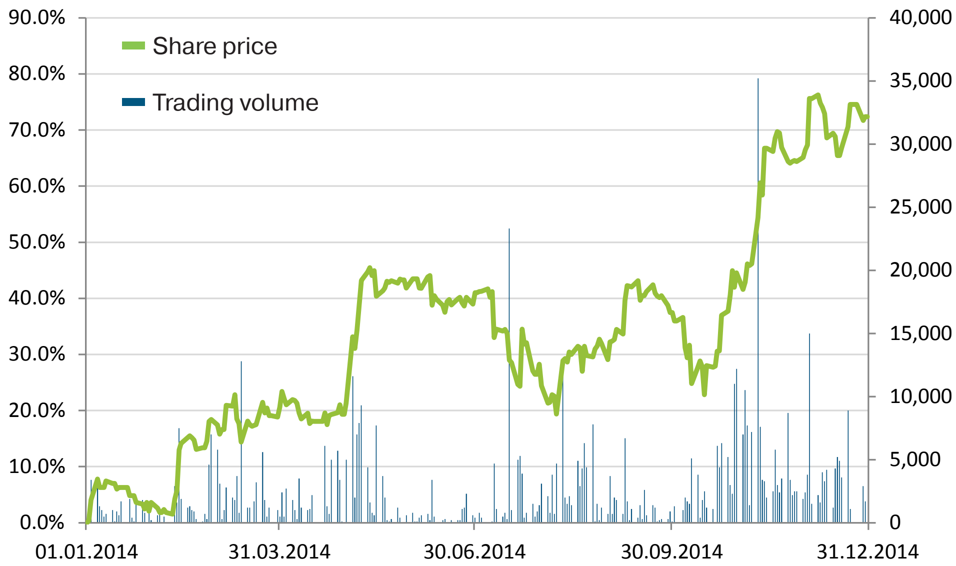
With Betclic Everest Group S.A.S. and its 67.6% stake, the company has a stable core shareholder with its sights set on the long term. Betclic Everest, France, is a European provider of online gaming that invests in strong brands like bet-at-home.com, Betclic, Everest Poker, Expekt and the Monte Carlo Casino. The listed Monte Carlo SBM, Monaco, with its broad offering of gaming, hotels and restaurants, and Stéphane Courbit's LOV Group, with the focus on companies with upward growth and deregulation, hold equal interests in the Betclic Everest Group.

The management of bet-at-home.com holds 3.75% of the shares, which results in a free float of 28.65% as at 31 December 2014. In spite of the strong core shareholder, bet-at-home.com AG is a publicly held company whose investor relations exceed the transparency and information requirements for trading on the open market of the Frankfurt Stock Exchange (Entry Standard).



Price trend

Overall, shares in bet-at-home.com traded 72.4% higher in the period under review, thus significantly outperforming the Entry Standard Performance Index (-2.9%), just as in the previous year.



Trading volume

An average of 2,484 shares in bet-at-home.com were traded a day in 2014, which is significantly more than the average of 1,028 shares a day in the previous year. Trading peaked at 35,200 shares on 10 November 2014.

Performance

1 year	+72.4%
3 years	+145.2%
5 years	+331.1%
52 week high	EUR 58.98 on 08/12/2014
52 week low	EUR 33.59 on 02/01/2014

Fundamentals as per 31 December 2014

Market capitalisation	EUR 202.4 million
Enterprise Value I	EUR 170.9 million
Enterprise Value II	EUR 125.9 million

EV I) market capitalisation – securities, cash and cash equivalents (not including current amounts receivable from associated companies)

EV II) market capitalisation – securities, cash and cash equivalents – current amounts receivable from associated companies

Dividend

To enable our shareholders to take part in the company's success by way of profit distributions in addition to their gains on the share price itself, the policy of bet-at-home.com AG since 2012 has been to pay out a dividend.

Investor relations

In order to uphold the high quality of transparency and communications towards stakeholders, a direct investor relations staff position was established in the Management Board in 2013 with a view to greater participation in investor conferences and roadshows and to liaise in person with investors, analyses and the financial media.

bet-at-home.com AG pursues open and active communication with investors in order to present the company as faithfully as possible and thus to meet the capital market's expectations for transparency while boosting the capital market's trust in the share.

As a central means of communication, the website at www.bet-at-home.ag provides extensive information on the company such as all relevant key data on the share, current analyses, financial ratios and calendars as well as download versions of annual reports, ad-hoc announcements and corporate news.

Financial calender 2015

04/05/2015	10.00 am	Interim Report January to March 2015
12/05/2015	2.30 pm	Annual General Meeting 2015
10/08/2015	10.00 am	Interim Report January to June 2015
14/09/2015	10.00 am	Half-Year Report 2015
09/11/2015	10.00 am	Interim Report January to September 2015
01/03/2016	10.00 am	Full Year Results 2015

Key share data

ISIN Code	DE000A0DNAY5
WKN	A0DNAY
Ticker symbol	ACX
Stock markets	XETRA Frankfurt
Type of trading	Open market, Entry Standard
Total number of shares	3,509,000
Research coverage	Hauck & Aufhäuser, Warburg Research, Oddo Seydler Bank AG

SG Flensburg-Handewitt

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

bet-at-home.com AG, Dusseldorf

ASSETS

			Note	31/12/2014		31/12/2013
			No.	EUR	EUR	EUR
A.	Non-current assets					
	1.	Intangible assets	(9)	1,046,932.14		838,977.20
	2.	Goodwill	(10)	1,369,320.30		1,369,320.30
	3.	Property and equipment	(11)	2,126,302.53		905,338.82
					4,542,554.97	3,113,636.32
B.	Current assets					
	1.	Receivables and other assets	(12)	57,874,548.79		41,206,143.21
	2.	Securities	(13)	1,235,247.75		1,142,939.65
	3.	Cash and cash equivalents	(14)	30,286,603.27		22,033,801.22
					89,396,399.81	64,382,884.08
C.	Prepaid expenses		(15)		535,250.13	1,674,380.16
Total assets					94,474,204.91	69,170,900.56

EQUITY & LIABILITIES

			Note	31/12/2014		31/12/2013
			No.	EUR	EUR	EUR
A.	Equity					
	1.	Share capital	(16)	3,509,000.00		3,509,000.00
	2.	Capital reserves	(16)	10,875,000.00		10,875,000.00
	3.	Other comprehensive income	(16)	25,982.44		888.37
	4.	Total comprehensive income	(16)	53,040,280.59		30,204,464.70
					67,450,263.03	44,589,353.07
B.	Non-current liabilities					
	1.	Provisions for employee benefits	(17)		64,004.67	42,788.31
	2.	Provision for deferred taxes	(17)		1,954.40	0.00
					65,959,07	42,788.31
C.	Current liabilities					
	1.	Trade payables	(18)	1,264,655.84		2,527,092.52
	2.	Short-term provisions	(19)	14,147,676.38		9,936,958.11
	3.	Other liabilities	(20)	10,983,159.16		11,003,119.98
					26,395,491.38	23,467,170.61
D.	Deferred income		(21)		562,491.43	1,071,588.57
Total equity and liabilities					94,474,204.91	69,170,900.56

FC Schalke 04

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014
bet-at-home.com AG, Dusseldorf

	Note	01/01-31/12/2014	01/01-31/12/2013
	No.	EUR	EUR
Gross betting and gaming income	(1)	107,026,276.56	85,619,360.62
Betting fees and gambling levies	(1)	-12,282,397.65	-10,956,848.30
Net gaming income		94,743,878.91	74,662,512.32
Other operating income	(2)	548,825.06	1,639,358.27
Total operating income		95,292,703.97	76,301,870.59
Personnel expenses	(3)	-14,410,141.56	-12,889,325.20
Advertising expenses	(4)	-41,060,785.67	-34,277,831.99
Other operating expenses	(4)	-13,091,070.72	-14,152,644.80
Earnings before interest, taxes and depreciation (EBITDA)		26,730,706.02	14,982,068.60
Depreciation and amortisation	(5)	-928,575.02	-676,306.38
Earnings before interest and tax (EBIT)		25,802,131.00	14,305,762.22
Finance income	(6)	1,657,373.79	1,104,169.09
Profit for the period, before income tax		27,459,504.79	15,409,931.31
Income tax expense	(7)	-1,816,488.90	-905,323.73
Consolidated profit for the period		25,643,015.89	14,504,607.58
Unappropriated profits brought forward from previous period		30,204,464.70	19,910,657.12
Dividend distribution		-2,807,200.00	-4,210,800.00
Total comprehensive income	(8)	53,040,280.59	30,204,464.70

IFRS-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

bet-at-home.com AG, Dusseldorf

	01/01-31/12/2014	01/01-31/12/2013
	EUR	EUR
Consolidated profit for the period	25,643,015.89	14,504,607.58
Items that are potentially reclassifiable to profit or loss subsequently		
Revaluation in accordance with IAS 39	39,087.90	0.00
Changes in exchange rates	0.00	0.00
Items that are potentially not reclassifiable to profit or loss subsequently		
Revaluation in accordance with IAS 19	-16,052.67	1,184.50
Income tax and other recognised income and expense	2,058.84	-296.13
Other comprehensive income	25,094.07	888.37
Comprehensive income	25,668,109.96	14,505,495.95

Earnings per share		
Basic earnings per share	7.307784523	4.13354448
Diluted earnings per share	7.307784523	4.13354448

bet-at-home Cup Kitzbühel

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

bet-at-home.com AG, Dusseldorf

I. GENERAL DISCLOSURES AND ACCOUNTING PRINCIPLES

bet-at-home.com AG, based in Dusseldorf (Kronprinzenstrasse 82-84) and registered at Dusseldorf District Court under file number HRB 52673 (as holding company), prepared its consolidated financial statements as at 31 December 2014 in accordance with international accounting standards.

The consolidated financial statements as at 31 December 2014 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 2014 Group Management Report was prepared in accordance with the provisions of the German Commercial Code [HGB].

These consolidated financial statements were prepared using the same accounting policies as applied to the previous year's financial statements as at 31 December 2013. The following standards and interpretations have already been published, however were not yet mandatory for the consolidated financial statements as at 31 December 2014:

Standard / Interpretation	Title	Date of issue	Date of EU endorsement	Mandatory for financial years beginning on or after
STANDARDS				
IFRS 9	Financial Instruments	July 2014	planned for Q3 2015	01/01/2018
IFRS 14	Regulatory Deferral Accounts	Jan. 2014	t.b.a.	01/01/2016
IFRS 15	Revenue from Contracts with Customers	May 2014	planned for Q2 2015	01/01/2017
ADJUSTMENTS				
IFRS 10; IFRS 12; IAS 28	Amendments to IFRS 10 Consolidated Financial Statements IFRS 12 Disclosure of Interests in Other Entities and IAS 28 “Investment Entities”	Dec. 2014	planned for Q4 2015	01/01/2016

Standard / Interpretation	Title	Date of issue	Date of EU endorsement	Mandatory for financial years beginning on or after
IFRS 10; IAS 28	Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sept. 2014	planned for Q4 2015	01/01/2016
IFRS 11	Accounting for the acquisition of an interest in a joint operation	May 2014	planned for Q1 2015	01/01/2016
IAS 1	Amendment to IAS 1 Presentation of Financial Statements	Dec. 2014	planned for Q4 2015	01/01/2016
IAS 16; IAS 41	Agriculture: Bearer Plants	June 2014	planned for Q3 2015	01/01/2016
IAS 16; IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	May 2014	planned for Q1 2015	01/01/2016
IAS 19	Employee Benefits	Nov. 2013	in force	01/02/2015
IAS 27	Revised Standard: Separate Financial Statements	Aug. 2014	planned for Q3 2015	01/01/2016
IFRIC 21	Levies	May 2013	in force	01/07/2014
DIVERSE	Annual Improvements 2012-2014 for International Financial Reporting Standards	Sept. 2014	planned for Q3 2015	01/01/2016
DIVERSE	Annual Improvements 2010-2012 and 2011-2013 for International Financial Reporting Standards	Dec. 2013	in force	01/01/2016

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. With the exception of IAS 19, the company has chosen not to exercise the option of voluntary early adoption of these standards and interpretations.

The core business of equity interests held by the 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 S.A.S. Group, Paris, France has held a controlling interest in the bet-at-home.com group parent. Betclic Everest S.A.S. Group prepares consolidated financial statements for the largest group of associated companies, which include bet-at-home.com AG's consolidated financial statements.

Totals in amounts and percentages are subject to rounding differences.

II. GROUP ENTITIES

General

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, Dusseldorf), in which bet-at-home.com Entertainment Gmbh holds all direct and indirect voting rights. bet-at-home.com AG, Dusseldorf, holds all voting rights in bet-at-home.com Entertainment Gmbh, Linz.

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

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

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 for bet-at-home.com Entertainment Gmbh.

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

Change in group entities

There were no changes in group entities in 2014.

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. Capital is consolidated by applying the revaluation method. 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. in accordance with IAS 31.3 (agreement for shared conduct of business), 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 – if any – were eliminated. Discounts and other entries affecting only profit or loss were eliminated from the consolidated financial statements.

IV. SIGNIFICANT 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 and regulatory developments.
- Impairment of goodwill, the customer base and software is assessed on the basis of anticipated future cash flows and interest rates.
- 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 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
Office equipment	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 will 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 ("impairment-only" approach). The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

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 (other comprehensive income) 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 six 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 as at 31 December 2014 in accordance with IAS 19 (Employee Benefits) and recognised in profit or loss.

Actuarial gains and losses are presented since the 2013 financial year in other gains and losses. The interest expense remains – just as the service cost – in the personnel expenses and is not presented in the net finance income (cost).

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

In the 2014 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 previous years.

Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities stated in the Consolidated Statement of Financial Position and those recognised for tax purposes. Deferred taxes are determined in accordance with IAS 12 (Income Taxes) using the balance sheet liability method. Deferred taxes are computed on the basis of a 25% income tax rate for Austria and about 5% for Malta (taking tax refunds into account).

Net financial 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, Dusseldorf, as at 31 December 2013.

V.1. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1/1/2014 TO 31/12/2014

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.

Segment reporting in accordance with IFRS 8

31/12/2014	Business segment			
	Sports betting	eGaming (casino, poker, dog betting	other areas / consolidation	Group total
	EUR'000	EUR'000	EUR'000	EUR'000
Betting and gaming revenue	577,572	1,558,832	0	2,136,404
Payout of winnings	-521,897	-1,507,481	0	-2,029,378
Betting fees and gambling levies	-6,477	-5,806	0	-12,282
Net gaming income	49,199	45,545	0	94,744
Segment assets	16,377	12,154	65,944	94,474

31/12/2013	Business segment			
	Sports betting	eGaming (casino, poker, dog betting	other areas / consolidation	Group total
	EUR'000	EUR'000	EUR'000	EUR'000
Betting and gaming revenue	475,224	1,359,579	0	1,834,803
Payout of winnings	-433,237	-1,315,947	0	-1,749,184
Betting fees and gambling levies	-5,217	-5,740	0	-10,957
Net gaming income	36,770	37,893	0	74,663
Segment assets	8,580	8,946	51,645	69,171

Segment reporting – supplementary information

Betting and gaming revenue can be presented by geographic segment based on player country as follows:

	31/12/2014	31/12/2013
	EUR'000	EUR'000
Austria	512,980	501,598
Western Europe	872,421	655,564
Eastern Europe	684,958	647,176
Other	66,045	30,465
	2,136,404	1,834,803

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

Western Europe

Andorra, Belgium, Germany, Faroe Islands, Finland, United Kingdom, Ireland, Iceland, Italy, Virgin Islands (UK), Liechtenstein, Luxembourg, Malta, Netherlands, Norway, Portugal, San Marino, Sweden, Switzerland, Cyprus

Eastern Europe

Albania, Armenia, Bosnia and Herzegovina, Estonia, Georgia, Croatia, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Serbia, Slovakia, Slovenia, Czech Republic, Hungary, Belarus

(2) Other operating income

	2014	2013
	EUR'000	EUR'000
Refund of customer expenses *)	0	1,231
Intercompany charges	0	40
Foreign currency gains	102	48
Income from the release of provisions	48	130
Other	399	190
	549	1,639

*) since the beginning of 2014, the refund of expenses is taken to the gross betting and gaming revenue.

(3) Personnel expenses

Breakdown of personnel expenses:

	2014	2013
	EUR'000	EUR'000
Salaries	11,156	9,967
Termination benefits and employee pension funds	156	141
Statutory social security contributions, payroll-related taxes and compulsory contributions	2,881	2,639
Other social benefits	216	142
	14,410	12,889

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 151 thousand (previous year: EUR 136 thousand).

Movements in personnel:

	Balance sheet date		Average	
	31/12/2014	31/12/2013	2014	2013
Salaried staff	264	240	256	245
Management Board of the group parent and Managing Directors of bet-at-home.com Entertainment Gbmh	2	2	2	2

(4) Advertising and other operating expenses

These expenses include the following items:

	2014	2013
	EUR'000	EUR'000
Advertising expenses		
Advertising costs	21,442	15,543
Bonus payments, vouchers	13,234	9,642
Sponsoring	5,600	8,303
Jackpot expenses	785	790
	41,061	34,278

	2014	2013
	EUR'000	EUR'000
Other operating expenses		
Incidental bank charges	4,078	3,412
Software provider expenses	3,853	3,234
Legal, audit and advisory fees	1,074	1,156
Rent and lease expenses	642	604
Exchange rate differences and other similar expenses	471	1,482
Expenses for annual reporting, general shareholders' meeting, stock exchange fees	220	138
Additions to provisions for impairment losses on receivables, loan losses and claims	155	24
Remuneration of the supervisory board	20	8
Live streaming expenses	0	1,839
Other expenses	2,578	2,256
	13,091	14,153

(5) Depreciation and amortisation

	2014	2013
	EUR'000	EUR'000
on intangible assets	251	199
on property, plant and equipment	599	416
on minor value assets	79	61
	929	676

(6) Net finance cost

	2014	2013
	EUR'000	EUR'000
Finance income		
Interest and similar income	1,604	867
Reversal of impairment loss on marketable securities	53	237
	1,657	1,104

(7) Income tax expense

This item can be presented as follows:

	2014	2013
	EUR'000	EUR'000
Current tax		
Current income taxes for the year under review, Austria	1,937	1,072
Tax income in previous years	-121	-167
	1,816	905

Revaluation of the securities (because of a reversal of impairment losses above cost of EUR 39 thousand) has led to temporary differences between the carrying amounts stated in the Consolidated Statement of Financial Position and those recognised for tax purposes during the year under review, resulting in EUR 2 thousand in deferred tax liabilities.

Difference between the estimated and actual income tax expense:

	2014	2013
	EUR'000	EUR'000
Profit before income tax	27,460	15,410
Calculated income tax expense, Austria (25%)	6,865	3,852
Tax income in previous years	-121	-167
Tax differences for Malta tax group	-4,936	-2,814
Other differences and tax rate changes	9	34
Tax expense	1,816	905

(8) Total comprehensive income

The total comprehensive income for the year of EUR 53,040 thousand (previous year: EUR 30,204 thousand) 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 31/12/2014

(9) to (11) Non-current assets

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).

(9) Intangible assets

Internally-produced software

Internally-produced software has a useful life of three years. As at 31 December 2014, the carrying amount of internally-produced intangible assets was EUR 114 thousand (previous year: EUR 186 thousand).

(10) Goodwill

Breakdown of goodwill

	31/12/2014	31/12/2013
	EUR'000	EUR'000
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 Gbmh, 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 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.

(11) Property and equipment

A breakdown of property and equipment and their movements during the financial year 2014 is presented in the Changes in Non-current Assets for the Group (appendix to the notes).

(12) Receivables and other assets

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

	31/12/2014	31/12/2013
	EUR'000	EUR'000
Receivables from credit card companies	4,690	4,497
Associate receivables	45,000	32,040
Tax receivables	7,604	4,454
Other receivables	580	214
	57,874	41,206

As in the previous year, amounts receivable from associated companies concern an overdraft facility to majority shareholder Mangas BAH S.A.S., Paris.

(13) Marketable securities

	31/12/2014	31/12/2013
	EUR'000	EUR'000
Mutual fund shares	1,235	1,143

All securities are categorised as available-for-sale and measured at their 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 2014, reversals of impairment losses on securities to profit or loss amounted in 2014 to EUR 53 thousand (previous year: EUR 237 thousand). In addition, an upward adjustment was made to their cost accordance with IAS 39 (OCI) by EUR 39 thousand.

(14) Cash and cash equivalents

	31/12/2014	31/12/2013
	EUR'000	EUR'000
Cash and cash equivalents	30,287	22,034

(15) Prepaid expenses

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

(17) Group equity

Breakdown of the Group's equity capital:

	31/12/2014	31/12/2013
	EUR'000	EUR'000
Share capital	3,509	3,509
Capital reserves	10,875	10,875
Other comprehensive income	26	1
Total comprehensive income	53,040	30,204
	67,450	44,589

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 thousand) 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 thousand). Pursuant to the shareholder resolution dated 13/05/2013, the Management Board is entitled, with the Supervisory Board's consent, to increase the company's share capital by 12/05/2018 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.

(17) Non-current liabilities

	31/12/2014	31/12/2013
	EUR'000	EUR'000
Provisions for employee benefits	64	43
Provision for deferred taxes	2	0
	66	43

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 2.0% (previous year: 3.25%) and an annual growth rate of 2.5%.

The revaluation of the marketable securities because of a reversal of impairment losses above cost (EUR 39 thousand) led to temporary differences between the carrying amounts stated in the Consolidated Statement of Financial Position and those recognised for tax purposes during the year under review, resulting in EUR 2 thousand in deferred tax liabilities.

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

Breakdown of total current liabilities and deferred income:

	31/12/2014	31/12/2013
	EUR'000	EUR'000
Trade payables	1,265	2,527
Current provisions	14,148	9,937
Other current liabilities	10,983	11,003
	26,395	23,467
Deferred income	562	1,072
	26,958	24,539

Movements in provisions during the 2014 financial year (in thousands of euro):

	Balance 01/01/2014	Utilised	Release	Addition	Balance 31/12/2014
Long-term					
Employee benefits	43	0	0	21	64
Deferred tax liabilities	0	0	0	2	2
Short-term					
Taxes	5,127	5,127	0	9,208	9,208
Employee provisions	812	758	0	1,349	1,403
Auditing and advice	258	242	16	257	257
Invoices yet to be received	1,873	1,844	29	1,166	1,166
Betting fees and gambling levies	1,035	1,035	0	1,069	1,069
Other	832	829	3	1,044	1,044
	9,937	9,835	48	14,094	14,148
	9,980	9,835	48	14,117	14,214

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 2014, a provision was made for betting fees and gambling levies for December 2014; they were paid in January 2015.

The provision for gambling levies also includes the betting tax due for December 2014 in Germany, Italy and the UK.

The employee provisions comprise unused holiday pay and overtime or contributions.

Other current liabilities include liabilities to customers of EUR 9,742 thousand (previous year: EUR 10,317 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 2015).

Since 2014, liabilities in the Casino, Live Casino, Games and Poker segments (customer balances) are recognised as liabilities instead of deferred income as in the past (EUR 467 thousand).

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 instruments

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. Given the majority shareholder's creditworthiness, the default risk on the loan to Mangas BAH S.A.S. can be considered minor. Moreover, the majority shareholder's owners have issued a joint and several guarantee for repayment of the loan. 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. Market prices rose further during the 2014 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 62 thousand (previous year: EUR 57 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% points would change the financial result by EUR 151 thousand (previous year: EUR 110 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 2014, 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 62 thousand (previous year: EUR 53 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 31/12/14	At amortised cost		At fair value	Total carrying amount of the financial instruments	Fair value of the financial instruments	No financial instruments
		loans & receivables	at amortised cost	available-for-sale			
Current assets							
Receivables and other current assets	57,875	50,270	0	0	50,270	50,270	7,604
Securities	1,235	0	0	1,235	1,235	1,235	0
Cash and cash equivalents	30,287	0	30,287	0	30,287	30,287	0
Current liabilities							
Provisions	14,148	0	4,940	0	4,940	4,940	9,208
Trade payables	1,265	0	1,265	0	1,265	1,265	0
Other liabilities and deferred income	11,546	0	10,983	0	10,983	10,983	562

	Carrying amount 31/12/13	At amortised cost		At fair value	Total carrying amount of the financial instruments	Fair value of the financial instruments	No financial instruments
		loans & receivables	at amortised cost	available-for-sale			
Current assets							
Receivables and other current assets	41,206	36,752	0	0	36,752	36,752	4,454
Securities	1,143	0	0	1,143	1,143	1,143	0
Cash and cash equivalents	22,034	0	22,034	0	22,034	22,034	0
Current liabilities							
Provisions	9,980	0	4,853	0	4,853	4,853	5,127
Trade payables	2,527	0	2,527	0	2,527	2,527	0
Other liabilities and deferred income	12,075	0	11,003	0	11,003	11,003	1,072

Fair value risk management

The following classes of financial instruments measured at fair value apply within the Group:

- Level 1: Quoted prices in an active market are used for identical assets and liabilities.
- Level 2: Inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from price) are used to calculate the asset or liability (no quoted prices).
- Level 3: Internal models or other valuation techniques as inputs that are not based on observable market data (i.e. prices) are used to calculate the asset or liability.

The table below shows the classification of financial assets and liabilities measured at fair value according to the fair value hierarchy. This distinguishes between fair values by the significance of the inputs used in the valuation technique and shows to what extent observable market data were available for determining the fair value.

	As at 31/12/ 2014 (in EUR'000)			
	Fair value of the financial instruments	Level 1	Level 2	Level 3
Non-current assets	0	0	0	0
Current assets	1,235	1,235	0	0

	As at 31/12/2013 (in EUR'000)			
	Fair value of the financial instruments	Level 1	Level 2	Level 3
Non-current assets	0	0	0	0
Current assets	1,143	1,143	0	0

Legal risks

We refer to Section VI.3.

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 derivative financial instruments. nor does the Management Board intend to use such financial instruments in the future.

We refer to Section VI.3. for details on legal risks

VI.2. RELATED PARTY TRANSACTIONS

Members of the Management Board of bet-at-home.com AG, Dusseldorf, during the 2014 financial year:

- Mr. Franz Ömer, Dipl.-Ingenieur [graduate engineer], Ansfelden, Austria
- Mr. Michael Quatember, Master's degree, Linz, Austria

EUR 1,019 thousand (previous year: EUR 676 thousand) in emoluments for the managing directors of the parent company were paid out by group companies in 2014. For 2014, the managing directors are also entitled to a management bonus of EUR 900 thousand (previous year EUR 360 thousand).

Members of the Supervisory Board of bet-at-home.com AG, Dusseldorf, during the 2014 financial year:

- Martin Arendts, MBL-HSG, lawyer, Grünwald – Chairman
- Jean-Laurent Nabet, Director, Paris, France
- Isabelle Andres, Director, Paris, France

In 2014, the Chairman of the Supervisory Board received fixed compensation of EUR 20 thousand (previous year: EUR 8 thousand). In 2014, the other members of the Supervisory Board waived compensation, just as in the previous year. In addition, they were reimbursed for the necessary out-of-pocket expenses.

In 2014, significant related party transactions involved loans extended by the parent company bet-at-home.com AG, Dusseldorf, to a company belonging to the Betclic Everest S.A.S. Group, Paris, in accordance with prevailing market conditions. The conditions were at arm's length. There were no other significant related party transactions.

The Management Board 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 (1) AktG were taken or omitted.

VI.3. OTHER COMMITMENTS AND CONTINGENT LIABILITIES

Other commitments

Future commitments based on rental and lease agreements total EUR 3,228 thousand for the next five years (previous year: EUR 2,968 thousand). Of this amount, EUR 646 thousand falls due within one year (previous year: EUR 594 thousand), consisting of rent for office space in Linz, Portomaso (Malta) and Dusseldorf. 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 countries in Europe, 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 policies in the area of gambling. The group was involved in some related proceeding in the past financial year.

The current status of these proceedings is as follows:

- In Germany in 2014, all injunctions from previous years against various group companies, with the exception of a case by bet-at-home.com AG against the state of Rhineland-Palatinate, were closed without any financial detriment. In the latter case, the summary proceeding was favourably closed, so that there is no current impending financial loss in the form of a fine from any of the states. The reason that many cases against almost all the Federal states were favourably settled has to do with the changes in the law since 2012 and especially the fact that in September 2014 bet-at-home.com Internet Ltd. was promised a licence in a federal framework for sports betting licences.
- Since March 2010 in Slovenia, the Maltese companies bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd. have been in court to lift the block on www.bet-at-home.com's website. After the claim was dismissed in the first instance, the decision rests with Slovenia's highest court. In addition, the companies have filed a complaint with the EU Commission against the Slovenian gambling law's violation of EU Union law.
- In Hungary, these companies likewise filed a complaint in December 2014 against the blocking of their website. By bringing the action, they were able to have the block lifted for the time being.

The following major court proceedings were initiated against individual group companies for the repayment of gaming losses:

- A customer has sued bet-at-home.com Entertainment Ltd. and bet-at-home.com Internet Ltd., both Malta, for the repayment of EUR 950 thousand in gaming losses in the online casino. This action was rejected in its entirety by the Linz District Court in its ruling in March 2012. The customer has filed an appeal against this ruling, which was granted by the Linz Higher Regional Court, as the regional appeal court. bet-at-home.com Entertainment Gmbh has appealed this decision to the highest court. The highest court has granted the company's appeal and remitted the case in its decision of November 2013 (published in January 2014) to the court of first instance referring to the lack of specific findings in light of the rulings of the European Court of Justice. The highest court referred explicitly to the lack of a reason for the decision (sectoral view of gaming advertising) by the court of second instance. In its ruling of November 2014, the Linz District Court in the first instance again rejected the action in its entirety, against which the customer again filed an appeal. A decision by the Linz Higher Regional Court is expected in autumn 2015.
- Four other customers have sued (as at the reporting date) individual group companies for the repayment of gaming losses. All open proceedings are pending in the first instance while the judge awaits the outcome of the case above. 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:

- In core market Germany, bet-at-home.com Internet Ltd. participated in January 2013 in a tender to obtain one of twenty sports betting licences to be issued under the Amendment to the [German] Agreement on Gambling. In September 2014, the company was informed that a licence would be granted to organise sports betting. At the request of unconsidered bidders, the licensing process has been stopped for the time being and the federal ministry has been prohibited from issuing a licence until the summary proceedings have been closed. The question remains whether a licence will be granted in 2015. There are also doubts whether granting the licence would be in compliance with EU Union law and the law for awarding contracts. The group considers the lack of substantiation as to the reasons for restricting the number of licences to twenty just as discriminatory as the time restriction on private providers to offer sports betting in the form of an "experimental clause" or the restart of the second stage of the tender process. In addition, there are rightful doubts as to whether the casino licences granted from Schleswig-Holstein go against coherent German gambling laws. The Supreme Court has submitted this case to the European Court of Justice for a preliminary ruling. Therefore, there is still a certain degree of legal uncertainty in Germany until the decision of the European Court of Justice – probably in 2015. Nevertheless, given its successful tender status for a German licence and the existing licences from Schleswig-Holstein, the Group was able to offer and advertise its services in Germany in 2014 without any significant restrictions. The

Management Board assumes that this status will remain largely unchanged at least until the licence is granted and, consequently, until the decision of the European Court of Justice on whether the Amendment to the [German] Agreement on Gambling is in compliance with European legislation.

- In core market Austria, there were no changes in the legal environment in 2014. 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 in July 2011. As expected, the discriminatory conditions, which were clearly tailored to the Austrian monopolist, resulted in a negative decision. The appeals against the decision before the Constitutional Court and Higher Administrative Court were dismissed in February 2013 and April 2014. 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. New laws on online sports betting have been discussed, but no changes are expected until 2016.
- In 2014, immaterial changes were experienced in the legal environment for gaming providers in core market Poland which, however, are not expected to have any impact on the companies’ activities. Relaxation of the domicile requirement to a branch without management changes nothing to the discrimination against foreign providers or the Polish gaming law’s violation of EU Union law. It is not expected that this cosmetic change to the gaming law will give the Polish government an effective answer to the action for breach of treaty instituted by the European Commission in November 2013.

In the Group’s smaller markets, the following regulatory changes took place in 2014:

- Hungary had already adopted a new gambling law in June 2013, essentially opening the door for private providers to apply for a licence for online sports betting and a casino. In October 2014, the discriminatory preconditions, part of which had been scrapped in the meantime, such as domicile requirements or high fees for foreign companies, were reinstituted; because of the obvious violation of EU law, the company has not submitted any applications for now.
- In the UK, bet-at-home.com Internet Ltd. received temporary betting and gambling licences in November 2014. The final licences are expected in the first half of 2015. This will give the company legal certainty in growth market with high legal affinity.
- In the Czech Republic in 2014, the legal preconditions for awarding sports betting and gaming licences were revised to comply with EU Union law. Application for a licence will be open from January 2016, which the group is considering.
- In 2013, the Netherlands had already, in a bill, proposed a licence model for online sports betting and gambling that provides for market entry under fair conditions in

conformity with European law. The examination stage of the law is taking longer than originally expected. Expectations are that licences can be applied for in 2016 at the earliest. The Group has already announced its interest in applying.

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.

Supported by the positive judgments by the European Court of Justice, the Management Board expects the opening-up of the eGaming market commenced in 2011 to progress further in many EU member states. 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. 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 abovementioned 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 87 thousand in 2014 (previous year: EUR 60 thousand), which break down as follows:

	EUR'000
Audit of the consolidated financial statements	25
Audit of the separate financial statements	15
Audit of the related parties report	4
Other audit services	18
Tax advisory services	25

VI.5. VOLUNTARY DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 AKTG

The Management Board and Supervisory Board of bet-at-home.com AG have voluntarily issued the declaration prescribed for listed companies in accordance with Section 161 AktG and made it accessible to the shareholders. The declaration can be found under the Corporate Governance heading on the investor relations website of www.bet-at-home.ag.

VI.6. MATERIAL SUBSEQUENT EVENTS

There were no other events materially affecting the Group's business development and financial position in the period between the end of the 2014 financial year and preparation of the consolidated financial statements.

Dusseldorf, 20 February 2015

Franz Ömer, p.p. Michael Quatember, p.p.

APPENDIX TO THE NOTES

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP AS AT 31 DECEMBER 2014

bet-at-home.com AG, Dusseldorf

			At cost					Accumulated depreciation					
			Balance at 01/01/2014	Additions	Disposals	Reclassifi-cations	Balance at 31/12/2014	Balance at 01/01/2014	Additions	Disposals	Balance at 31/12/2014	Carrying amount 31/12/2014	Carrying amount 31/12/2013
			EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I.	Intangible assets		4,118,012.28	279,316.58	242,910.12	180,000.00	4,334,418.74	1,909,714.78	251,361.64	242,910.12	1,918,166.30	2,416,252.44	2,208,297.50
	1.	Software, internet domains and similar rights and benefits and licences derived therefrom	2,748,691.98	279,316.58	242,910.12	180,000.00	2,965,098.44	1,909,714.78	251,361.64	242,910.12	1,918,166.30	1,046,932.14	838,977.20
	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
II.	Property and equipment		2,507,524.08	2,078,298.98	188,577.23	-180,000.00	4,217,245.83	1,602,185.26	677,213.38	188,455.34	2,090,943.30	2,126,302.53	905,338.82
	1.	Furniture and fixtures, office equipment	2,507,524.08	538,298.98	188,577.23	1,360,000.00	4,217,245.83	1,602,185.26	677,213.38	188,455.34	2,090,943.30	2,126,302.53	905,338.82
	2.	Construction in progress	0.00	1,540,000.00	0.00	-1,540,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			6,625,536.36	2,357,615.56	431,487.35	0.00	8,551,664.57	3,511,900.04	928,575.02	431,365.46	4,009,109.60	4,542,554.97	3,113,636.32

EHC Black Wings Linz

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014
bet-at-home.com AG, Dusseldorf

		Note	2014	2013
		No.	EUR'000	EUR'000
	Consolidated profit for the period		25,643	14,505
	Other comprehensive income		25	0
	Comprehensive income		25,668	14,505
+	Depreciation of non-current assets	(5)	929	676
+/-	Increase/decrease in provisions		4,234	5,536
-/+	Increase/decrease in trade and other receivables not attributable to investing or financing activities		-2,622	-658
+/-	Increase/decrease in trade and other payables not attributable to investing or financing activities		-1,792	-111
=	Cash flows from operating activities		26,417	19,948
-	Acquisition of assets (excluding investments)		-2,358	-404
+	Proceeds from sale of property, plant and equipment		1	10
-	Loans to associated companies		-13,000	-32,000
=	Cash flows from investing activities		-15,357	-32,394
-	Payments to shareholders (dividends)		-2,807	-4,211
=	Cash flows from financing activities		-2,807	-4,211
=	Net cash flow from operating, investing and financing activities		8,253	-16,657
+	Cash and cash equivalents at 1 January		22,034	38,691
=	Cash and cash equivalents at 31 December	(14)	30,287	22,034

FK Austria Wien

STATEMENT OF CHANGES IN IFRS GROUP EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

bet-at-home.com AG, Dusseldorf

	Share capital	Capital reserves	Other comprehensive income (after taxation)	Total comprehensive income	Total equity
	EUR	EUR	EUR	EUR	EUR
As at 01/01/2013	3,509,000.00	10,875,000.00	0.00	19,910,657.12	34,294,657.12
Profit for the year	0.00	0.00	888.37	14,504,607.58	14,505,495.95
Total recognised gains and losses	0.00	0.00	888.37	14,504,607.58	14,505,495.95
Dividend distribution	0.00	0.00	0.00	-4,210,800.00	-4,210,800.00
As at 31/12/2013	3,509,000.00	10,875,000.00	888.37	30,204,464.70	44,589,353.07

	Share capital	Capital reserves	Other comprehensive income (after taxation)	Total comprehensive income	Total equity
	EUR	EUR	EUR	EUR	EUR
As at 01/01/2014	3,509,000.00	10,875,000.00	888.37	30,204,464.70	44,589,353.07
Profit for the year	0.00	0.00	25,094.07	25,643,015.89	25,668,109.96
Total recognised gains and losses	0.00	0.00	25,094.07	25,643,015.89	25,668,109.96
Dividend distribution	0.00	0.00	0.00	-2,807,200.00	-2,807,200.00
As at 31/12/2014	3,509,000.00	10,875,000.00	25,982.44	53,040,280.59	67,450,263.03

bet-at-home Cup Kitzbühel

GROUP MANAGEMENT REPORT

2014 GROUP MANAGEMENT REPORT

bet-at-home.com AG, Dusseldorf

A. ECONOMIC STATUS OF THE GROUP

A.1. BUSINESS MODEL

bet-at-home.com AG group is an online gaming and sports betting company. With 4.0 million registered customers, the group is one of the most successful online gaming providers in Europe.

The varied options offered on www.bet-at-home.com include sports betting, casino, games and poker. Currently there are more than 24,000 bets offered on over 75 sports every day. bet-at-home.com has companies in Germany, Austria, Malta and Gibraltar. The successful development of the company can be attributed to its 264 employees as at 31 December 2014.

The company holds various licences via its Maltese companies for online sports betting and gaming. These licences allow the company to organise and market online sports betting and online casinos in its sales markets in Austria, Western Europe, Eastern Europe and in other countries.

bet-at-home.com AG group structure in detail

bet-at-home.com AG, Dusseldorf, was listed as the parent company in the Entry Standard segment of the Frankfurt Stock Exchange (XETRA) as at the reporting date. All operating activities are carried out exclusively by indirect and direct associates.

bet-at-home.com AG holds 100% of bet-at-home.com Entertainment Gmbh. The company based in Linz, Austria, is mainly responsible for the constant transfer of technology within the group as well as for further developing its own software. The company holds its international gaming licences for sports betting, casino and poker via bet-at-home.com Holding Ltd., Malta.

Since 2009, bet-at-home.com AG has been a member of the Betclic Everest S.A.S. Group, Paris, a leading French group specialising in online gambling and sports betting.

A.2. 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. One example was the launch of the mobile platform in December 2013. Sports betting and casino products for the mobile platform were continuously enhanced and optimised in the course of 2014.

B. ECONOMIC REPORT

B.1. OVERALL ECONOMIC AND INDUSTRY SITUATION

Irrespective of the current overall trend in the economy, the management as well as all research firms covering the industry continue to foresee significant growth in eGaming in the medium term.

B.2. BUSINESS TREND

(1) Highlights in 2014

As part of its international advertising campaign in connection with the Football World Cup 2014 in Brazil, bet-at-home.com could be seen around the statue of Jesus Christ in Rio de Janeiro in TV commercials, on posters and in online media throughout Europe, mainly in the second and third quarters of 2014. This included an extensive bonus campaign, which was received by our customers with great enthusiasm.

A major event of this magnitude has always been an ideal opportunity for bet-at-home.com to increase the brand's profile and to win new registered customers for the long term. Total marketing expenses in 2014 amounted to EUR 41.1 million, which is 19.8% higher than a year before (EUR 34.3 million).

In spite of higher expenses in connection with the World Cup in Brazil, overall earnings power has received a significant boost thanks to the increased efficiency of our marketing activities. Groupwide bundling of the procurement of marketing services at the group company in Gibraltar resulted in significant synergies also during the 2014 financial year, which have influenced the group's development positively.

After the successful relaunch of the website and addition of a mobile version to the sports betting and live betting offering in December 2013, the mobile casino platform was successfully launched in February 2014 and continuously enhanced in the course of the year. For bet-at-home.com with its extensive offerings on mobile devices, the mobile version is a new milestone in the company's development by keeping pace with customer behaviour and the trend towards access anywhere at any time via all current mobile user devices. Further expansion in the area of live betting will strengthen the group's market position further and ensure its continued positive development.

Following the switch to the iPoker platform in the second quarter of 2014, bet-at-home.com now offers customers greater gaming pleasure through more modern software, a larger selection of tournaments, many new features and higher liquidity. Thanks to a variety of promotions and an attractive bonus offer, transition has been seamless and well received by our customers.

As in previous years, further investments in the area of non-current assets, particularly hardware, 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.

(2) Employees

During the 2014 financial year, the average number of staff (excluding the Board) employed by the group rose to 256 (previous year: 245). The group employed 264 staff (previous year: 240) as at the 2014 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.

B.3. GROUP SITUATION

The group further strengthened its position, and in particular that of the bet-at-home.com brand, throughout Europe during the 2014 financial year. The number of registered customers increased in the 2014 financial year to 4.0 million (previous year: 3.6 million).

B.3.1. Earnings

Business development was highly satisfactory overall.

Gross sports betting income (betting revenue less payout of winnings) increased to EUR 55.7 million during the 2014 financial year (previous year: EUR 42.0 million), especially because of the higher gaming volume since the Football World Cup.

Gross eGaming income (gaming revenue less payout of winnings) also increased to EUR 51.4 million during the financial year (previous year: EUR 43.6 million). eGaming comprises the products Casino, Poker and Games.

Total gross betting and gaming income increased significantly to 107.0 million in the 2014 financial year (previous year: EUR 85.6 million).

By taking account of betting fees or taxes and gambling levies, the group generated net gaming income of EUR 94.7 million during the 2014 financial year (previous year: EUR 74.7 million). During the 2014 financial year, the group's earnings position was as follows:

	2014	2013
	EUR'000	EUR'000
Net gaming income	94,744	74,663
Total operating income	95,293	76,302
EBT (Earnings Before Taxes) *)	27,460	15,410
EBIT (Earnings Before Interest and Taxes) **)	25,802	14,306
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) ***)	26,731	14,982

*) 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 or taxes and gambling levies payable in various countries decreased earnings by EUR 12,282 thousand during the 2014 financial year (previous year: EUR 10,957 thousand).

Marketing expenses (promotional expenses plus sponsoring) increased to EUR 41,061 thousand in the 2014 financial year as expected due to the World Cup (previous year: EUR 34,278 thousand). In line with the increase in staff, personnel expenses rose by EUR 1,521 thousand, from EUR 12,889 thousand in the 2013 financial year to EUR 14,410 thousand in the 2014 financial year.

B.3.2. Financial performance

As at 31 December 2014, the group's financial performance was as follows:

		31/12/2014	31/12/2013
		EUR'000	EUR'000
Consolidated profit		25,668	14,505
	Cash flow from operating activities	26,417	19,948
+	Cash flow from investing activities	-15,357	-32,394
+	Cash flow from financing activities	-2,807	-4,211
=	Net cash from operating, investing and financing activities	8,253	-16,657
=	Cash and cash equivalents at 31 December	30,287	22,034

The cash flows from investing activities results from the overdraft facility granted to majority shareholder Mangas BAH S.A.S., Paris, for EUR 13,000 thousand (previous year: EUR 32,000 thousand), which is subject to interest at arm's length.

B.3.3. Financial position

As at 31 December 2014, the group's financial position was as follows:

Assets	31/12/2014	31/12/2013
	EUR'000	EUR'000
Non-current assets	4,542	3,114
Current assets		
Associate receivables	45,000	32,040
Receivables, other assets and prepayments	13,410	10,840
Securities	1,235	1,143
Cash and cash equivalents	30,287	22,034
	94,474	69,171

Equity and liabilities	31/12/2014	31/12/2013
	EUR'000	EUR'000
Group equity	67,450	44,589
Total non-current liabilities (provisions)	66	43
Total current liabilities (payables, provisions, deferred income)	26,958	24,539
	94,474	69,171

The equity ratio as at 31 December 2014 was 71.4% (previous year: 64.5%); equity increased by EUR 22,861 thousand to a total of EUR 67,450 thousand in real numbers. The group's higher equity results from the Consolidated profit for the period as at 31 December 2014 taking into account the payment of EUR 2,807 thousand in dividends in May 2014 from equity.

The amounts receivable from associated companies result from the overdraft facility granted to majority shareholder Mangas BAH S.A.S., Paris, for EUR 45,000 thousand (previous year: EUR 32,000 thousand), which is subject to interest at arm's length.

Financing measures were not required during the 2014 financial year.

The group's economic position was very positive overall in 2014.

C. SUBSEQUENT EVENTS

There were no other material subsequent events.

D. OPPORTUNITY AND RISK REPORT

The bet-at-home.com brand is continuously enhanced in the international market, cost effectively, by means of innovative marketing strategies. In accordance with regulatory developments in individual countries, we are working intensively towards gaining further market share in submarkets.

D.1. OUTLOOK

During the 2015 financial year, the number of staff employed by the group will probably rise to about 270 staff as at the 31 December 2015 reporting date.

Based on its current view and provided the regulatory environment remains the same, the Management Board expects a slight increase in gross betting and gaming revenue in the 2015 financial year in comparison with 2014.

As at 1 January 2015, the place where tax is paid within the EU has changed such that the income tax on eGaming is now payable in the country where the customer is domiciled, rather than where the providing company is domiciled as in the past.

Taking into account the above income tax risk, the Management Board expects EBITDA to range between EUR 15 million and EUR 20 million.

The reason for this range has to do with the legal ambiguities as to when the impending income tax in certain EU countries will actually fall due.

D.2. RISK REPORT

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.

D.2.1. Legal risks

In some countries in Europe, 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 government monopolist 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 laws or 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.

bet-at-home.com has always supported its customers with various measures to gamble responsibly and therefore has had a partnership with the Institut Glücksspiel und Abhängigkeit (Gambling and Dependency Institute) in Salzburg/Austria for many years; annual voluntary compliance audits by the auditing association for the gambling sector – eCogra – round off our measures in this area. Nevertheless, there are isolated risks that customers, because of their own incompetence or addiction to gambling, could file claims against the group's companies as a further consequence.

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 the Consolidated Financial Statements for the Year Ended 31 December 2014 (section "Other commitments and contingent liabilities").

D.2.2. Market risks

The liberalisation anticipated by our Management Board could entice large gaming and media groups to enter the (continental) European market, which could result in a loss in market share for the group. This risk is significantly reduced by e.g. membership in the Betclic Everest S.A.S. Group. The group's state-of-the-art technology should be an advantage against competitors.

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. Given the rulings by the European Court of Justice and the measures taken by the EU Commission (proceedings against EU Member States for violation of treaty), these risks can be seen as minor in the medium term.

D.2.3. Tax risks

In addition to the betting fees or taxes 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. Special account should be taken of the income tax risks in this respect; cf. section D.1.

D.2.4. 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.

The Management Board expects 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.

D.2.5. Operating risks

Acquired software (casino, poker, games) 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.

D.3. OPPORTUNITIES

The bet-at-home.com brand is continuously enhanced in the international market, cost effectively, by means of innovative marketing strategies. In accordance with regulatory developments in individual countries, we are working intensively towards gaining further market share in submarkets.

The trend in the international market for online gambling shows that the European market (EU 28) has contributed the most to growth in the past ten years worldwide. This is confirmed by various studies by H2 Gambling Capital, also in 2014.

According to recent studies, this trend will continue in the wake of broad-based acceptance of e-commerce and help the gambling sector – which does not depend on the state of the economy – on its way to further sustained growth in the years to come.

Thanks to bet-at-home.com's strong brand presence and its constant place in the European market for online gambling, the Management Board is convinced it will continue to grow faster than the global industry, just as it has done in the past.

E. RISK MANAGEMENT IN RELATION TO THE 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 very good credit ratings of issuers. The group sees a very marginal risk in the use of these financial instruments.

F. CORPORATE GOVERNANCE STATEMENT AND CORPORATE GOVERNANCE REPORT

The actions of the management and supervisory bodies of bet-at-home.com AG are guided by the principles of corporate governance. As the company is listed in the Entry Standard segment of the open market on the Frankfurt Stock Exchange, the Management Board voluntarily reports on the company's management and supervision (corporate governance) – and at the same time for the Supervisory Board – in its corporate governance statement in accordance with Article 289a(1) of the German Commercial Code. The declaration can be found under the Corporate Governance heading on the investor relations website www.bet-at-home.ag.

Dusseldorf, 20 February 2015

Franz Ömer, p.p. Michael Quatember, p.p.

Four Hills Tournament 2013/14

AUDITOR'S REPORT

We have audited the accompanying consolidated financial statements of bet-at-home.com AG, Dusseldorf, which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of income (including the consolidated statement of comprehensive 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 the 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 such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with German principles of proper accounting and in the Group Management Report are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures.

The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the consolidated financial statements and the Group Management Report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the financial statements of the consolidated entities, the definition of consolidated entities, the group accounting principles and basis of consolidation used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and Group Management Report. We believe that our audit provides a reasonable basis for our 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 2014, 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, 20 February 2015

PKF FASSELT SCHLAGE
Partnerschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

Dr. Schöneberger	Görtz
German Qualified Auditor	German Qualified Auditor

Cologne Sharks

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DISCLAIMER
The Annual Report is a translation of the valid German version.

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