

INTERIM FINANCIAL REPORT AS AT 30 JUNE 2016



CONTENTS

REPORT BY THE MANAGEMENT BOARD	3
REPORT BY THE SUPERVISORY BOARD	9
BET-AT-HOME.COM SHARE	13
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	19
CONSOLIDATED INTERIM STATEMENT OF INCOME	. 23
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	. 27
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	. 59
INTERIM STATEMENT OF CHANGES IN IFRS GROUP EQUITY	. 63
GROUP MANAGEMENT REPORT TO THE INTERIM	
CONSOLIDATED FINANCIAL STATEMENTS	. 67
IMPRINT	. 79



REPORT BY THE MANAGEMENT BOARD



Ladies and Gentlemen, dear Shareholders,

In the first half of 2016, bet-at-home.com AG Group once again showed its strength by generating new record gaming volumes as well as betting and gaming income. In addition, numerous marketing campaigns focused on the European Football Championship in France and ongoing sponsoring activities consistently increased the Group's popularity.

In the first half of 2016, bet-at-home.com had a presence all over Europe thanks to an international advertising campaign focusing on the European Football Championship in France from 10 June to 10 July, in the form of TV adverts, posters and online media, as well as an extensive bonus offering. An event of this magnitude is always an ideal time for bet-at-home.com to sustainably increase the number of registered customers. In addition to the advertising measures surrounding the European Football Championship, the sponsoring agreement with Hertha BSC and other individual marketing measures in the European core markets further increased the brand's recognition.

In the first half of 2016, the gross betting and gaming income amounted to EUR 65.4 million, thus 15.2% up year-on-year (HY 2015: EUR 56.7 million). In the first half of 2016, total marketing costs amounted to EUR 26.6 million, as budgeted, thus 75.0% up year-on-year (HY 2015: EUR 15.2 million).

The further increase in gross betting and gaming income at the bet-at-home.com AG Group resulted in EBITDA of EUR 9.0 million in the first half of 2016, despite the seasonal increase in marketing expenses during the European Football Championship (HY 2015: EUR 16.0 million). In the second quarter, EBITDA amounted to EUR 1.5 million, making a positive contribution to earnings.

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. Our staff have again made a significant contribution towards this development.

At home across Europe: 4.5 million clients trust in bet-at-home.com

The bet-at-home.com AG Group generated betting and gaming volume of EUR 1,369.6 million in the first half of 2016 (HY 2015: EUR 1,172.3 million). The constantly growing betting and gaming income and ever rising customer numbers are key indicators that the bet-at-home.com AG Group is going to continue on its current path to success. Almost 4.5 million registered customers have given the bet-at-home.com brand their trust already.

290 staff members 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 many entertainment opportunities in their spare time. Ongoing innovation combined with reliable multiple award-winning customer service in 15 languages have further improved customer satisfaction and confidence and continuously strengthened our international competitive position.

In the sports betting segment alone, bet-at-home.com offered bets on more than 193,000 events in over 75 types of sport in the first half of 2016. Live betting was again very popular, enticing us to continuously improve our range of services. This provided customers with the opportunity to participate online in more than 42,000 live events in the first six months of the current financial year.

Sponsoring highlights in the first half of 2016

Besides traditional advertising on TV, online and in print media, sport sponsoring remains a cornerstone of bet-at-home.com's market strategy, involving interaction with viewers while at the same time promoting clubs, where it is always our objective to create long-term partnerships. We were able to considerably raise our profile and brand value in recent years by targeted sponsoring of high-exposure sports and thus establishing bet-at-home.com brand as a reliable partner.

In August 2015, bet-at-home.com became the main sponsor of the traditional Berlin football club Hertha BSC and will therefore be represented in the prestigious German football league, the Bundesliga, over the next three years. bet-at-home.com's logo is displayed on the team's shirts, TV banners and other attractive advertising options in the Olympia Stadium in Berlin. This additional partnership in the German Bundesliga aims to further increase bet-at-home.com's popularity and at the same time support the traditional football club Hertha BSC in its development in footballing and financial terms.

bet-at-home-com became the exclusive sports betting partner of German football club Schalke 04 in August 2011. FC Schalke 04 combines tradition and modern values. Schalke was founded in 1904, has more than 141,000 members and is one of Germany's largest sports clubs. The club holds seven Bundesliga titles and has won the German cup five times. FC Schalke 04 first gained international fame in 1997 as the winner of the UEFA Cup, the forerunner of today's Europa League. In June 2016, the premium partnership between bet-at-home.com and the German Bundesliga team and multiple Champions League participant FC Schalke 04 was once again renewed for another two years until 2018.

In Austria, bet-at-home.com has been sponsoring the Austrian football league teams SV Ried and FK Austria Wien as well as the WTA tennis tournament in Linz for many years. Our longstanding cooperation with various regional tennis associations will be continued in the 2016 financial year.



In the first half of 2016, bet-at-home.com once again was the sponsor of Upper Austria's top ice hockey club, the EHC Black Wings Linz. The hugely popular team from Linz has been playing in the "EBEL", the Austrian ice hockey league, since 2000 and won its first title in 2003. Nine years later, in the 2011/2012 season, the team again won the finals after beating record title holder Klagenfurt.

Expansive growth of the online gambling industry

The global online sports betting and gaming market is continuing to boom. Europe (the 28 EU member states) accounted for the largest share of global growth in the past 10 years. Given the attractive offering and the broad-based acceptance of e-commerce, this trend will continue and thus help the gambling sector – which is relatively unaffected by 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. In the first half of 2016, the industry and the topic of gambling once again was on everybody's lips as the willingness to buy online increased and an increasing number of European countries recognised the opportunities provided by deregulated markets. bet-at-home.com is confident that this trend will continue due to the strong market presence and constant positioning of the company in the European online sports betting and gaming market.

We would like to thank all those who have made the first half of 2016 such a success for bet-at-home.com, especially our staff and shareholders. 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



REPORT BY THE SUPERVISORY BOARD



Ladies and Gentlemen,

In the first half-year 2016, the business of the bet-at-home.com AG Group again developed successfully. On 18 May 2016, the general meeting of shareholders once again resolved to distribute a dividend of EUR 4.50 per share. The success and name recognition of the brand is reflected by its almost 4.5 million registered customers.

The Supervisory Board was involved in this welcome sustainable development of 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, as well as offering advice and support.

The Supervisory Board of bet-at-home.com AG met on 10 March 2016 in Dusseldorf, on 18 May 2016 in Frankfurt am Main and on 1 July 2016 in Paris. These meetings focused on discussing the company's strategy with the Management Board. At the Supervisory Board meeting on 10 March 2016, the financial statements, related parties report, the corporate governance report as well as audit procedures and reports were discussed with PKF FASSELT SCHLAGE Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte, Duisburg, the auditor appointed by the general meeting of shareholders.

Information and opinions were constantly exchanged among the members of the Supervisory Board. Several decisions were made by written resolution without a meeting. As in the past, there was no need to form committees, as there are only three Supervisory Board members.

During the year under review, the Management Board provided us with regular updates on the Group's strategy, business development, financial situation and significant business matters, such as licence applications and loans, and risks. Discussions were held with the Management Board about the strategic development, the current and forecast figures, the marketing concept (particularly the measures implemented to increase brand recognition during the European Football Championship, regulatory developments in the gambling and betting sector and ongoing administrative and legal proceedings. Based on the information we have obtained, we believe that business was conducted appropriately.

We especially wish to thank 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 commitment and excellent work.

Dusseldorf, August 2016

The Supervisory Board



BET-AT-HOME.COM SHARE



The bet-at-home.com AG share continued to rise significantly in the first half of the current financial year. On 7 June 2016, the bet-at-home.com AG share closed at EUR 75.28, the highest share price in the history of the company.

The general meeting of shareholders on 18 May 2016 resolved to increase the Company's share capital from EUR 3,509,000 to EUR 7,018,000 by issuing 3,509,000 new bearer shares (no par value shares) (share split). The capital increase from the Company's own funds was implemented by converting part of the capital reserve stated in the Company's balance sheet as at 31 December 2015 into share capital. As at 21 June 2016, the bonus shares were included in the existing stock exchange listing of bet-at-home.com AG and allocated to the shareholders by crediting their securities accounts. The shareholders received a new bonus share for each of their existing shares.

In addition, because of the Group's strong growth and related increased market capitalisation, bet-at-home.com AG aimed to switch to the Prime Standard quality segment of the regulated market on the Frankfurt Stock Exchange; this was successfully executed in August 2016.

As part of its information policy, bet-at-home.com AG pursues open and active communication with investors in order to present the Company as faithfully as possible and thus meet the capital market's expectations for transparency while boosting the capital market's long-term trust in the share.

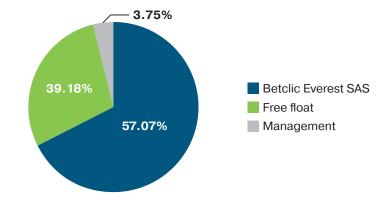
Over the course of the first half of 2016, bet-at-home.com AG provided institutional investors, analysts, financial media and journalists, private investors and other stakeholders with regular information on the Group's business development. Numerous individual and group talks were held during roadshows and investor and analyst conferences in the financial centres of Europe. At these events, the Management Board and Investor Relations Management mainly presented the quarterly financial statements, the Company's strategic targets and business developments in this dynamic industry.

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

Stable shareholder structure

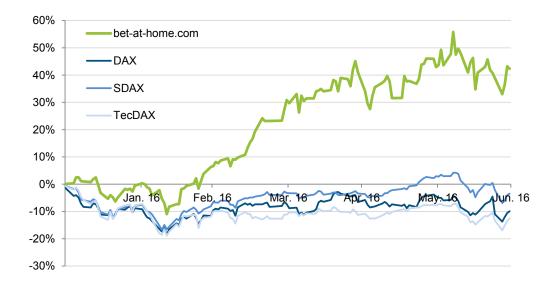
With Betclic Everest Group SAS and its 57.07% stake, the company has a stable core share-holder with its sights set on the long term. Betclic Everest, France, is a European provider of online gaming based in France that invests in strong brands like bet-at-home.com, Betclic, Everest Poker, Expekt and the Monte Carlo Casino. The company Société des Bains de Mer (SBM), which has its registered office in Monaco (ISIN: MC0000031187), with its broad offering of gaming, hotels and restaurants, and the LOV Group founded by Stéphane Courbit, which focuses on growth companies and deregulation, hold equal interests in the Betclic Everest Group.

As the management of bet-at-home.com AG holds 3.75% of the shares, as at 30 June 2016 the remaining 39.18% consisted of free float shares. Even though it has a strong core shareholder, bet-at-home.com AG regards itself as a public company. The Company's investor relations activities always exceeded the transparency and information requirements of Deutsche Börse.



Price trend

The price of shares in bet-at-home.com rose by 42.3% in the first six months of the current 2016 financial year, significantly outperforming the German share index DAX (-9.9%), as in the previous year.



Trading Volume

In the first half of 2016, the daily trading volume of bet-at-home.com averaged 13,519 shares, considerably up on the previous year's average of 6,377. The volume peaked at 75,200 shares on 14 March 2016.



Performance

12 months	+106.8%
24 months	+195.7%
52 week high	EUR 75.28 on 07/06/2016
52 week low	EUR 33.45 on 08/07/2015

Fundamentals as at 30 June 2016

Market capitalisation	EUR 482.5 million
Enterprise value I	EUR 439.0 million
Enterprise value II	EUR 384.0 million

EV I) Market capitalisation – securities and cash and cash equivalents (excluding current receivables from group companies) EV II) Market capitalisation – securities and cash and cash equivalents (current receivables from group companies)

Dividends

To give our shareholders a further stake in the company's success, in addition to being rewarded through increases in the share price, since 2012 bet-at-home.com AG has consistently paid out dividends. In addition to the regular dividend, a special performance-based dividend has been announced for 2016, which will be based on business developments.

Dividend per share (dividend yield in %)*		
FY 2015	EUR 4.50 (4.66%)	
FY 2014	EUR 1.20 (2.08%)	
FY 2013	EUR 0.80 (2.36%)	
FY 2012	EUR 0.60 (2.70%)	

^{*)} Both dividends and dividend yields are based on the total number of 3,509,000 bet-at-home.com AG shares before the share split on 21 June 2016. The 3,509,000 newly allocated bonus shares qualify for dividend payments as from 1 January 2016.

Financial calendar

07/11/2016	10.00am	Interim Report January to September 2016
06/03/2017	10.00am	Full Year Results 2016

Key share data

ISIN Code	DE000A0DNAY5
WKN	A0DNAY
Ticker symbol	ACX
Stock exchange	XETRA Frankfurt
Type of trading	Regulated market (Prime Standard)
Total number of shares	7,018,000
Research coverage	Warburg Research, Hauck & Aufhäuser, Oddo Seydler Bank AG



CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION



Financial Position

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

ASSETS

			Note	30/06	6/2016	31/12/2015
			No.	EUR	EUR	EUR
A.	Noi	n-current assets				'
	1.	Intangible assets	(9)	714,207.95		840,775.17
	2.	Goodwill	(10)	1,369,320.30		1,369,320.30
	3.	Property, plant and equipment	(11)	2,344,013.52		2,553,376.98
					4,427,541.77	4,763,472.45
B. Current assets						
	1.	Receivables and other assets	(12)	73,992,645.94		70,696,404.03
	2.	Securities	(13)	1,363,978.55		1,325,518.32
	3.	Cash and cash equivalents	(14)	42,171,196.22		48,779,376.43
			<u>'</u>		117,527,820.71	120,801,298.78
C.	Pre	paid expenses	(15)		2,834,064.16	1,210,706.50
				,		
Tota	al ass	sets			124,789,426.64	126,775,477.73

EQUITY & LIABILITIES

			Note	30/06/2016		31/12/2015
			No.	EUR	EUR	EUR
A.	Equ	iity				
	1.	Share capital	(16)	7,018,000.00		3,509,000.00
	2.	Capital reserves	(16)	7,366,000.00		10,875,000.00
	3.	Other comprehensive income	(16)	141,495.49		113,853.08
	4.	Consolidated net profit for the period	(16)	69,919,422.96		79,501,178.42
					84,444,918.45	93,999,031.50
В.	Noi	n-current liabilities				
	1.	Provisions for employee benefits	(17)	34,419.60		34,419.60
	2.	Provisions for deferred taxes	(17)	16,883.06		6,065.24
			'		51,302.66	40,484.84
C.	Cur	rent liabilities				
	1.	Trade payables	(18)	2,726,563.94		1,010,891.18
	2.	Current provisions	(19)	23,630,936.12		19,942,986.99
	3.	Other liabilities	(20)	12,690,327.74		11,011,548.12
					39,047,827.80	31,965,426.29
D.	Def	erred income	(21)		1,245,377.73	770,535.10
Tot	al eq	uity and liabilities			124,789,426.64	126,775,477.73



CONSOLIDATED INTERIM STATEMENT OF INCOME



CONSOLIDATED INTERIM STATEMENT OF INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

	Note	01/01-30/06/2016	01/01-30/06/2015
	No.	EUR	EUR
Gross betting and gaming income	(1)	65,352,886.67	56,746,262.36
Betting fees and gambling levies	(1)	-7,955,382.33	-6,874,966.62
VAT on electronic services	(1)	-4,306,906.24	-3,240,279.12
Net betting and gaming income		53,090,598.10	46,631,016.62
Other operating income	(2)	558,438.57	475,186.38
Total operating income		53,649,036.67	47,106,203.00
Personnel expenses	(3)	-8,486,717.21	-7,731,490.00
Advertising expenses	(4)	-26,620,984.17	-15,214,839.85
Other operating expenses	(4)	-9,501,157.90	-8,159,758.17
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		9,040,177.39	16,000,114.98
Depreciation and amortisation	(5)	-548,671.74	-457,619.86
Earnings before interest and taxes (EBIT)		8,491,505.65	15,542,495.12
Finance income	(6)	1,129,955.69	1,035,730.61
Earnings before taxes (EBT)		9,621,461.34	16,578,225.73
Income taxes	(7)	-3,412,716.80	-5,513,193.08
Consolidated profit for the period		6,208,744.54	11,065,032.65
Retained earnings brought forward		79,501,178.42	53,040,280.59
Dividend distribution		-15,790,500.00	-4,210,800.00
Consolidated net profit for the period	(8)	69,919,422.96	59,894,513.24

IFRS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

	01/01-30/06/2016	01/01-30/06/2015
	EUR	EUR
Consolidated profit for the period	6,208,744.54	11,065,032.65
Items that are potentially reclassifiable to profit or loss		
Revaluation in accordance with IAS 39	38,460.23	155,613.39
Items that are not potentially reclassifiable to profit or loss		
Remeasurement in accordance with IAS 19	0.00	0.00
Income tax and other recognised income and expenses	-10,817.82	-19,489.06
Other comprehensive income	27,642.41	136,124.33
Total comprehensive income for the period	6,236,386.95	11,201,156.98

Earnings per share		
Basic earnings per share	0.884688592	3.153329339
Diluted earnings per share	0.884688592	3.153329339

Number of shares at reporting date	7,018,000	3,509,000
------------------------------------	-----------	-----------



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL **STATEMENTS**



Financial Statements

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

I. GENERAL INFORMATION AND ACCOUNTING POLICIES

bet-at-home.com AG, having its registered office in Dusseldorf, Tersteegenstrasse 30, and registered as a holding company with the trade register of the Dusseldorf District Court under number HRB 52673, has prepared its interim consolidated financial statements for the sixmonth period ended 30 June 2016 in accordance with international accounting standards.

The interim consolidated financial statements for the six-month period ended 30 June 2016 of bet-at-home.com AG have been prepared in accordance with the currently applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretation Committee (IFRIC).

The group management report for the six-month period ended 30 June 2016 has been prepared in accordance with the provisions of the German Commercial Code [HGB].

These interim consolidated financial statements have been prepared pursuant to the same accounting policies as applied to the previous interim consolidated financial statements for the six-month period ended 31/12/2015. The following standards and interpretations have already been published, but were not yet mandatory for the consolidated financial statements for the period ended 30/06/2016:

Standard/ Interpretation	Name	Issued in	Date of EU endorse- ment	Mandatory for reporting periods beginning on or after		
STANDARDS						
IFRS 9	Financial Instruments	Jul 14	planned for Q4 2016	01/01/2018		
IFRS 14	Regulatory Deferral Accounts	Jan 14	postponed	postponed indefinitely		
IFRS 15	Revenue from Contracts with Customers	May 14	planned for Q3 2016	01/01/2018		
IFRS 16	Leases	Jan 16	planned for 2017	01/01/2019		

Report by the Report by the bet-at-home.com Management Supervisory Share

Standard/ Interpretation	Name	Issued in	Date of EU endorse- ment	Mandatory for reporting periods beginning on or after
AMENDMENT	S			
IFRS 2	Share-Based Payment	Jun 16	planned for H2 2017	01/01/2018
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 Entity Amendments	Dec 14	planned for Q3 2016	01/01/2016
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	Sep 14	postponed	postponed indefinitely
IFRS 15	Revenue from Contracts with Customers	Apr 16	planned for Q1 2017	01/01/2018
IAS 7	Statement of Cash Flows	Jan 16	planned for Q4 2016	01/01/2017
IAS 12	Income taxes	Jan 16	planned for Q4 2016	01/01/2017

It is not anticipated that the application of these standards and interpretations will have any significant effect on the future presentation of bet-at-home.com AG's financial position, financial performance and cash flows. The Company chose not to exercise the option of voluntary early application of these standards and interpretations.

The core business of the Company's associates is sports betting and casino and poker games, which is exclusively offered online.

These interim consolidated financial statements are denominated in euros.

The consolidated income statement has been prepared in accordance with the nature of expense method.

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

Totals in amounts and percentages are subject to rounding differences.



Financial Statements

II. CONSOLIDATION CIRCLE

General information

The interim consolidated financial statements include the accounts of bet-at-home.com's Austrian subgroup Entertainment Gmbh, which has its registered office in Linz, Austria. These subgroup accounts 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.

In addition to the group parent, bet-at-home.com AG, Dusseldorf, the following subsidiaries and/or second-tier subsidiaries were fully consolidated in the reporting period:

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

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

There are no non-controlling interests in group equity. The profit (loss) for the year does not comprise amounts attributable to shareholders of other companies.

Changes in consolidation circle

There were no changes in the consolidation circle as at 30/06/2016.

III. **BASIS OF CONSOLIDATION**

All financial statements included in the interim consolidated financial statements have been prepared in accordance with the same accounting policies. The separate financial statements of consolidated domestic and foreign entities and of the Austrian subgroup accounts were all prepared as at the Group's interim reporting date, audited and consolidated in accordance with International Financial Reporting Standards, and based on the assumption that they constitute a single economic entity for financial reporting purposes. The interim consolidated financial statements for the six-month period ended 30/06/2016 have not been audited.

For the Maltese second-tier subsidiaries included in the Austrian subgroup accounts for the first time in 2004, the Group retrospectively applied IFRS 3 (Business Combinations) and the revised standards IAS 36 (Impairment of Assets) and IAS 38 (Intangible Assets) with effect from 1 January 2014, in accordance with IFRS 3.85 (limited retrospective application). Accordingly, the capital of these second-tier subsidiaries was consolidated by applying purchase accounting, whereby the cost of acquisition is compared to the acquired identifiable assets and liabilities of the subsidiary (acquiree). The initial consolidation of the Maltese second-tier subsidiaries did not result in any excess or deficit.

In the case of Jonsden Properties Ltd., Gibraltar, which was included in the Austrian subgroup accounts for the first time in 2008, the excess of EUR 2,000 identified upon initial consolidation, due to the cost of acquisition exceeding the fair value of the net identifiable assets acquired, was recognised as goodwill and written down in full as an impairment loss in the same year.

Jonsden Properties Ltd. has joint venture agreements with both bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd. (agreements for shared conduct of business) in accordance with IAS 31.3, whereby each joint venturer uses its own assets, incurs its own expenses and liabilities and raises its own finance 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 hidden reserves to be recognised were disclosed in the Austrian subgroup's IFRS financial statements. The subgroup was therefore consolidated based on the subgroup's equity as determined using the acquisition method. The initial consolidation resulted in a surplus of EUR 1,052 thousand. This surplus was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment of the goodwill.

As part of the consolidation of intercompany debts, intercompany trade receivables and loans and other receivables were eliminated against the corresponding payables and provisions. As part of the consolidation of intercompany revenues and expenses, revenues from intercompany trade receivables were eliminated against expenses from intercompany trade payables. Any significant gains and losses on intercompany transactions during the six-month period were eliminated against each other. Any discounts and other entries affecting only profit or loss were eliminated in preparing the interim consolidated financial statements.



Financial Statements

IV. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures in the notes to the consolidated financial statements and in the consolidated income statement. These estimates and related assumptions are based on historical information and other factors deemed appropriate under the circumstances, and which serve as the basis for assessing the carrying amounts of assets and liabilities that cannot be derived from other sources. Actual outcomes 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.

Critical judgements made in applying IFRS with a significant effect on the amounts recognised in the consolidated financial statements and estimation uncertainties that may give rise to the risk of having to make material adjustments to recognised assets and liabilities in the coming financial years, were as follows:

- Estimating the likelihood of a positive outcome of pending civil-law and administrative proceedings and changes in the regulatory environment.
- Goodwill, the customer base and software was tested for impairment based on the expected future cash flows and interest rates.
- Financial assets were tested for impairment based on the expected future cash flows (identification of events triggering impairment).

Intangible assets and property, plant and equipment

Acquired and internally produced intangible assets and office equipment are measured at cost less any accumulated amortisation/depreciation and 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
Operating and 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 or amortisation charge recognised for the asset in the subgroup accounts will be the full annual amount; in the case of a shorter period of use, half the annual amount or the monthly amount is used. 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 in 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. If there is evidence of impairment, the recoverable amounts for the relevant assets are determined. 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 to its recoverable amount. If there is objective evidence of impairment, the impairment loss is recognised under depreciation, amortisation and write-downs in the income statement.

Goodwill

Goodwill has an indefinite useful life and is not amortised, but tested annually for impairment instead ("impairment-only" approach). If the recoverable amount of goodwill, which is the higher of its fair value less costs to sell and its value in use, is lower than its carrying amount, an impairment loss is recognised.

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 measurement 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 Statements

Financial assets - marketable securities

In accordance with IAS 39, securities are measured at cost upon initial recognition and classified as "available for sale" if their fair value can be derived from quoted market prices. A gain or loss on an available-for-sale financial asset is recognised 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. Fixed-income securities with longer maturities that are callable within six months are also treated as cash and cash equivalents.

Receivables and other assets

Receivables and other assets are presented under loans and receivables and stated at amortised cost or lower fair value (nominal value) less individual impairment losses for amounts expected to be irrecoverable

Other provisions

Other provisions are recognised if there is a present legal or constructive obligation to a third party due to a past event and it is probable that this obligation will result in a cash outflow. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. 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 severance pay

Pursuant to legal and individual contractual obligations, bet-at-home.com Entertainment Gmbh must make a one-off severance payment to employees if their contract is terminated or upon retirement. The amount depends on the number of years of service and the relevant salary level at the time of termination or retirement. A provision is made for such obligations. The provisions for employee benefits to be recognised in the consolidated financial statements were calculated by an actuary as at 31 December 2015 in accordance with IAS 19 (Employee Benefits) and were recognised in profit or loss in the financial year 2015 on the basis of this actuary's report.

As from the financial year 2013, actuarial gains and losses are presented in other comprehensive income. The interest cost and employee service cost are included in the personnel expenses and not presented in net finance income (costs).

Trade payables

Trade payables are recognised at cost, which is equal to the settlement amount.

Revenue recognition

Betting volume 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 accruals and deferred income. Betting fees and gambling levies are included in net gaming income.

Income taxes

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 for tax purposes. Deferred taxes are determined in accordance with IAS 12 (Income Taxes) using the balance sheet liability method. Deferred taxes are calculated based the income tax rate of 25% in Austria and around 5% in Malta (taking into account tax refunds).

Net finance income (costs)

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

V. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INCOME STATE-MENT, 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 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 comparative figures for the previous six-month periods were taken from the IFRS consolidated financial statements of bet-at-home.com AG, Dusseldorf, for the six months ended 30 June 2015 and 31 December 2015 respectively.



V.1. COMMENTS ON ITEMS OF THE CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

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 interim consolidated financial statements, gross betting and gaming income is shown in the consolidated income statement. A breakdown of gross betting and gaming income (betting and gaming volume less paid out customer winnings) is shown in the notes to the interim consolidated financial statements.

The Group operates in the product and operating segments Sports Betting and eGaming. The eGaming segment comprises casino, poker, games and virtual sports.

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

Segment reporting in accordance with IFRS 8

	Operating segments			
30/06/2016	Sports betting	eGaming (casino, games, virtual, poker)	Non- allocated segments/ consolidation	Group total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Betting and gaming volume	323,458	1,046,159	0	1,369,617
Paid out winnings	-291,160	-1,013,104	0	-1,304,265
Betting fees and gambling levies	-4,629	-3,326	0	-7,955
VAT recognised in profit and loss	-1,586	-2,721	0	-4,307
Net gaming income	26,083	27,007	0	53,091
Segment assets	29,188	9,820	85,781	124,789

	Operating segments			
30/06/2015	Sports betting	eGaming (casino, games, virtual, poker)	Non- allocated segments/ consolidation	Group total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Betting and gaming volume	300,575	871,766	0	1,172,341
Paid out winnings	-271,966	-843,628	0	-1,115,595
Betting fees and gambling levies	-3,976	-2,899	0	-6,875
VAT recognised in profit and loss	-1,557	-1,684	0	-3,240
Net gaming income	23,075	23,556	0	46,631
Segment assets	10,701	9,963	79,295	99,960

Segment reporting – supplementary information

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

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Austria	334,371	262,951
Western Europe	647,367	524,324
Eastern Europe	380,200	376,989
Other	7,679	8,077
	1,369,617	1,172,341

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

Western Europe

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

Eastern Europe

Armenia, Bosnia and Herzegovina, Georgia, Croatia, Macedonia, Moldova, Montenegro, Poland, Serbia, Slovakia, Slovenia, Czech Republic, Belarus



(2) Other operating income

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Exchange rate gains	171	317
Income from the release of provisions	299	30
Other	88	128
	558	475

(3) Personnel expenses

Breakdown of personnel expenses:

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Salaries	6,196	5,594
Expenses for statutory social contributions and pay-based levies and statutory contributions	1,731	1,529
Management bonus	383	445
Expenses for severance payments and company pension plan contributions	92	85
Other social contribution	84	77
	8,487	7,731

Payments and contributions to company pension plans include payments totalling EUR 92 thousand (30 June 2015: EUR 85 thousand) under the Austrian Act on Benefits (New Severance Pay Scheme) for Employees and Self-Employed Persons [BMSVG "Abfertigung neu"].

Changes in staffing were as follows:

	Balance sheet date		Average	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
Employees	290	267	283	269
Management Board of the group parent and managing directors of bet-at-home.com Entertainment Gmbh	2	2	2	2

(4) Advertising and other operating expenses

These expenses include the following items:

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Advertising expenses		
Advertising costs	14,230	7,893
Bonuses and vouchers	6,805	5,244
Sponsoring	4,889	1,523
Jackpot expenses	696	554
	26,621	15,215

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Other operating expenses		
Additional transaction costs	3,386	2,605
Software provider expenses	2,645	2,063
Legal, audit and advisory fees	530	672
Information services	508	458
Rent and lease expenses	382	324
Exchange rate differences and similar expenses	619	307
Costs for the preparation of financial statements, general meeting of shareholders and stock exchange costs	221	110
Supervisory Board remuneration	10	10
Additions to provisions for impairment losses on receivables, loan losses and claims	12	Į
Other costs	1,187	1,600
	9,501	8,16



(5) Depreciation, amortisation and write-downs

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Amortisation and write-downs of intangible assets	127	142
Depreciation and write-downs of property, plant and equipment	393	289
Write-downs of low-value assets	29	27
	549	458

(6) Net finance income (costs)

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Finance income		
Interest receivable and similar income	1,130	1,028
Write-ups of marketable securities	0	8
	1,130	1,036

(7) Income taxes

The remeasurement of securities (due to marketable securities being written up by EUR 38 thousand above their cost of acquisition) led to temporary differences between the carrying amounts in the consolidated statement of financial position and those for tax purposes, resulting in deferred tax liabilities of EUR 17 thousand.

(8) Consolidated net profit for the period

The consolidated net profit for the period of EUR 69,919 thousand (30 June 2015: EUR 59,895 thousand) is exclusively attributable to the shareholders of the parent company.

V.2. COMMENTS ON ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL **POSITION FOR THE PERIOD ENDED 30 JUNE 2016**

(9) to (11) Non-current assets

A breakdown of non-current assets and changes in these assets during the first half of 2016 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(9) Intangible assets

Internally produced software

Internally-produced software has a useful life of three years. As at 30 June 2016, the carrying amount of internally produced intangible assets was EUR 6 thousand (30 June 2015: EUR 78 thousand).

(10) Goodwill

Breakdown

	30/06/2016	30/06/2015
	EUR 1,000	EUR 1,000
Acquisition of Wetten-Schwechat business unit	155	155
Acquisition of the Starbet International Ltd. business unit	162	162
Acquisition of bet-at-home.com Entertainment Gmbh, Linz (Austria)	1,052	1,052
	1,369	1,369

Acquisition of Wetten-Schwechat business 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.



Acquisition of the Starbet International Ltd. business unit

By agreement dated 14 January 2008, Starbet International Ltd., Ta'Xbiex/Malta, transferred the domains "starbet.de" and "starbet.com" (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, initial consolidation was carried out at the date 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.

Acquisition of bet-at-home.com Entertainment Gmbh, Linz

As at 31 December 2005, the subsidiary bet-at-home.com Entertainment Gmbh, including its subgroup, was included and consolidated for the first time. All hidden reserves to be recognised were disclosed in the Austrian IFRS subgroup accounts. The subgroup was therefore consolidated based on the subgroup's equity as determined using the acquisition method. The initial consolidation resulted in a surplus of EUR 1,052 thousand. This surplus was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment of the goodwill.

(11) Property, plant and equipment

A breakdown of non-current assets and changes in these assets during the first half of 2016 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(12) Receivables and other assets

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

	30/06/2016	30/06/2015
	EUR 1,000	EUR 1,000
Receivables from credit card companies	4,035	3,347
Receivables from group companies	55,556	53,024
Tax assets	13,935	175
Other receivables	467	419
	73,993	56,965

As in the previous year, amounts receivable from group companies concern short-term loans extended to the majority shareholder Mangas BAH SAS, Paris.

30/06/2016 30/06/2015 EUR 1,000 EUR 1,000

1,364

1,399

All securities are classified as available-for-sale and measured at their fair value. Changes in fair value are recognised directly in the revaluation reserve in equity, except for impairment losses or reversals of impairment losses or exchange gains or losses.

In the first half of 2016, an upward adjustment of EUR 38 thousand (previous year: EUR 156 thousand) was made to their cost in accordance with IAS 39 (other comprehensive income). No write-ups of securities were recognised in profit or loss (previous year: EUR 8 thousand).

Cash and cash equivalents (14)

Marketable securities

Shares in investment funds

(13)

	30/06/2016	30/06/2015
	EUR 1,000	EUR 1,000
Cash at bank and in hand	42,171	35,851

(15) Prepayments and accrued income

Prepayments and accrued income mainly concerns prepayments under advertising and sponsorship agreements as well as maintenance agreements.

(16) Group equity

Breakdown of the Group's equity:

	30/06/2016	31/12/2015
	EUR 1,000	EUR 1,000
Share capital	7,018	3.509
Capital reserve	7,366	10.875
Other comprehensive income	141	114
Consolidated net profit for the period	69,919	79.501
	84,445	93.999



For more information on group equity, please also refer to the consolidated statement of changes in equity included in the interim consolidated financial statements.

The Group's share capital is divided into 7,018,000 no par value shares.

The capital 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). The general meeting of shareholders on 13 May 2013 authorised the Management Board, with the Supervisory Board's consent, to increase the Company's share capital by 12 May 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. The authorised capital was revoked by shareholder resolution of 18 May 2016.

The general meeting of shareholders on 18 May 2016 resolved to increase the share capital of the issuer to EUR 7,018,000 through a capital increase from the Company's own funds by issuing 3,509,000 new shares. As announced in the Federal Gazette [Bundesanzeiger] on 15 June 2016, following the capital increase from the Company's own funds, all shareholders were entitled to bonus shares at a ratio of 1:1 to their shareholdings at the close of the stock market on 20 June 2016. These bonus shares were registered on 21 June 2016 (share split). The shareholders' shareholdings did not change as a result of this capital measure.

(17) Non-current liabilities

	30/06/2016	31/12/2015
	EUR 1,000	EUR 1,000
Provisions for employee benefits	34	34
Provisions for deferred taxes	17	6
	51	40

In order to calculate the provisions for severance pay in accordance with IAS 19 by applying the projected unit credit method, an actuary's opinion was obtained as at 31 December 2015, which is based on a actuarial interest rate of 2.39% (previous year: 2.0%) and an annual growth rate of 2.5%.

The revaluation of the marketable securities because of a reversal of impairment losses above cost (EUR 38 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 17 thousand in deferred tax liabilities.

(18) to (21) Current liabilities and accruals and deferred income

Breakdown of current liabilities and accruals and deferred income:

	30/06/2016	31/12/2015
	EUR 1,000	EUR 1,000
Trade liabilities	2,727	1.011
Current provisions	23,631	19.943
Other current liabilities	12,690	11.012
	39,048	31.966
Accruals and deferred income	1,245	771
	40,293	32.737

Changes in provisions as at 30 June 2016 (in thousands of euro):

	As at 01/01/2016	Utilised	Release	Addition	As at 30/06/2016
Non-current					
Employee benefits	34	0	0	0	34
Deferred tax liabilities	6	0	0	11	17
Current					
Taxes	11,552	66	15	3,413	14,884
Personnel costs	1,557	1,557	0	1,149	1,149
Audit and advisory	239	94	53	81	173
Outstanding invoices	1,793	1,564	230	2,392	2,392
Betting fees and gambling levies	3,414	3,414	0	3,863	3,863
Other	1,387	1,134	1	918	1,170
	19,943	7,829	299	11,816	23,631
	19,983	7,829	299	11,827	23,682

On 1 January 2011, Austria introduced a betting fee and a gambling levy on bets and gambling originating from Austria. In the interim consolidated financial statements for the six-month period ended 30 June 2016, a provision was made for betting fees and gambling levies for June 2016; they were paid in July 2016.

The employee provisions comprise unused holiday pay and overtime and bonuses.

Other current liabilities include payables to customers of EUR 10,625 thousand (30 June 2015: EUR 9,051 thousand).

Accruals and 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 the second half of 2016).



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 "cash at bank an in hand" item in the statement of financial position.

V.4. COMMENTS ON THE PRESENTATION OF CHANGES IN GROUP EQUITY UNDER IFRS

Changes in group equity are presented in the consolidated statement of changes in equity.

VI. OTHER DISCLOSURES

VI.1. FINANCIAL INSTRUMENTS

Non-derivative financial assets

For further details on non-derivative financial assets, see the consolidated statement of financial position. The Group does not trade in derivatives and only holds shares in mutual funds (mostly money market funds) and cash and cash equivalents.

Liquidity risk

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

Credit risk

Credit risk is the risk of payment delays or defaults by counterparties. As there are no netting agreements, the amounts stated on the assets side (receivables and other assets) represent the maximum exposure to credit and default risk. Provisions have been made for anticipated reversals due to credit card refunds. The default risk on bank balances must be considered very minor as the lending institutions concerned are banks with good credit ratings. Given the credit-worthiness of the majority shareholder, the default risk on the loan to Mangas BAH SAS can be considered minor. Moreover, the owners of the majority shareholder have issued a declaration

of joint and several liability guaranteeing repayment of the loan. The default risk associated with shares in investment funds can also be considered minor given the issuer's credit rating. The financial assets include no impaired assets or overdue receivables. Provisions for default risk on receivables and other assets are not necessary.

Market price risk

Market price risk may arise from marketable securities included in current assets. As at reporting date, the Group held shares in investment funds with a limited price risk compared to shares on the stock exchange. There were further price increases in the first half of 2016 compared to 31 December 2015. A decrease (increase) in market prices by five percentage points would decrease (increase) the Group's profit for the period by EUR 68 thousand (30 June 2015: EUR 70 thousand).

Interest rate risk

The interest rate risk associated with investments is considered insignificant. The interest rates on the bank balances depend on the market interest rates, which depend on the maturities. The effect of a change in the current low interest rate by 0.5 percentage points would amount to EUR 211 thousand (30 June 2015: EUR 179 thousand). All other financial instruments (assets and liabilities) are current and non-interest bearing.

Currency risk

Currency risk relates to exchange rate differences. Despite the Group's international orientation, most cash flows are denominated in the Group's functional currency (the euro). In the first half of 2016, material currency risks arose from transactions denominated in Polish zloty, while transactions denominated in other currencies were of minor importance. The Group does not hedge its currency risk. A 10% appreciation (depreciation) in the zloty would have decreased (increased) the profit for the period (and the balance of equity) by around EUR 111 thousand (30 June 2015: EUR 65 thousand). Changes in these risk variables were assessed in relation to the potential for risks inherent in each financial instrument portfolio as at the reporting 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, payables) approximate their carrying amounts. Fair values were therefore not determined for these assets and liabilities.



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

		At amorti	At amortised cost	At fair value	Total		
	Carrying amount at 30/06/2016	loans & receivables	at amortised cost	available- for-sale	carrying amounts of financial instruments	Fair value of financial instruments	No financial instruments
Current assets							
Receivables and other current assets	73,993	60,058	0	0	60,058	60,058	13,935
Securities	1,364	0	0	1,364	1,364	1,364	0
Cash in hand and cash at banks	42,171	0	42,171	0	42,171	42,171	0
Current liabilities							
Provisions	23,631	0	8,747	0	8,747	8,747	14,884
Trade liabilities	2,727	0	2,727	0	2,727	2,727	0
Other liabilities and accruals and deferred	13,936	0	12,690	0	12,690	12,690	1,245

9,797 0

60,899

1,326

instruments No financial

instruments of financial Fair value

carrying amounts Total

At fair value

At amortised cost

Carrying amount at

0

48,779

11,552

8,391 1,011

0

771

11,012



Fair value risk management

The financial instruments at fair value are classified according to the levels in the fair value hierarchy, which are defined as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities.
- Level 2: Inputs that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. prices), such as internal models or other valuation techniques.

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 based on the significance of the inputs used for their measurement and shows to what extent observable market data were available for determining the fair value.

	Д	s of 30 June 20	16 (in EUR 1,000))
	Fair value of the financial instruments	Level 1	Level 2	Level 3
Non-current assets	0	0	0	0
Current assets	1,364	1,364	0	0

	А	s of 30 June 20	15 (in EUR 1,000	0)
	Fair value of the financial instruments	Level 1	Level 2	Level 3
Non-current assets	0	0	0	0
Current assets	1,399	1,399	0	0

Legal risks

For details on legal risks, please refer to section VI.3. of these notes to the consolidated financial statements.

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 the subsidiaries. Among the basic components of risk management are general principles for risk prevention, such as the segregation of duties and the four eyes principle for important internal controls.

Also part of this risk management system are provisions on 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.

For details on legal risks, please refer to section VI. 3.

VI.2. RELATED PARTY TRANSACTIONS

In the first half 2016, the Management Board of bet-at-home.com AG, Dusseldorf, had the following members:

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

In the first half of 2016, group companies paid EUR 1,096 thousand (1 January to 30 June 2015: EUR 812 thousand) in remuneration to the members of the group parent's Management Board. In addition, a provision of EUR 383 thousand was recognised for a potential management bonus.

Members of the Supervisory Board of bet-at-home.com AG, Dusseldorf, in the first half of 2016:

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

In the first half of 2016, the Chairman of the Supervisory Board received fixed remuneration of EUR 10 thousand (1 January to 30 June 2015: EUR 10 thousand). Necessary expenses were also reimbursed. As in the previous year, the other members of the Supervisory Board waived their entitlement to remuneration in the first half of 2016.

In the first half of 2016, 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 SAS Group, Paris, under arm's length terms. There were no other significant related party transactions.

Pursuant to Section 312(3) of the German Companies Act [Aktiengesetz; AktG], the Board of



Management states that, according to the circumstances known to the Board at the time when legal transactions were concluded 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 in respect of rental and lease agreements for the next five years total EUR 3,869 thousand (previous year: EUR 3,335 thousand). Of this amount, EUR 774 thousand falls due within one year (previous year: EUR 667 thousand), consisting of rent for office space in Linz, Portomaso (Malta) and Dusseldorf. The tenancy in Linz, representing the largest share of these commitments, can be terminated by the end of any month after the expiry of the minimum tenancy period of 48 months, subject to three months' notice. Due to the indefinite contract period, the total commitment under this tenancy cannot be more precisely determined.

Regulatory environment and developments

In the first half of 2016, efforts to regulate the European eGaming sector continued, making it generally possible for private providers to enter the market, albeit on often discriminatory terms that contravene EU law.

Summary of developments in the regulatory environment in the Group's key markets:

The Amendment to the German Interstate Agreement on Gambling has been in effect since 1 July 2012. This amendment was enacted by the German federal states in response to a warning by the European Court of Justice to regulate the German gambling market in a coherent and systematic manner. bet-at-home.com Internet Ltd. participated in a tender to obtain one of the 20 sports betting licences to be issued. The authorities have already informed the Company that it will be granted a sports betting licence. Some of the defeated competitors managed to stop the issuance of the licence when the court of first instance granted the preliminary relief they had applied for, accepting their objections to an untransparent tender process conducted on an unlawful basis. This casts serious doubt on whether licences can even be issued under the existing Amendment to the Interstate Agreement on Gambling. The Minister-Presidents of the federal states were unable to reach an agreement regarding new legal conditions in Germany in the first half of 2016. The federal state of Hesse insisted on its opinion that the online casino market should be regulated and proposed a draft law based on the model of the federal state of Schleswig-Holstein. It therefore remains to be seen if the federal states will reach an agreement in the second half of 2016. The Group currently does not see any limitations to the

Report by the

provision and advertising of sports bets, especially as the European Court of Justice ruled in March 2016 that providers cannot be held responsible for a lack of national licensing as long as the legal situation contravenes EU law.

- In June 2015, the Polish parliament passed a legal amendment which aims to further simplify the requirements placed on foreign providers for establishing branches in the country. The Polish government has now proposed a new amendment which is expected to be passed in the third quarter of 2016 and take effect in the first quarter of 2017. The Group will thoroughly assess the amended regulations and apply for national licenses if the basic conditions are economically attractive and compliant with EU law.
- At the end of May 2016, the Czech Republic adopted a new gambling law, which will for the first time enable granting licences to foreign providers for online sports betting and online casino products. After an initial evaluation of the existing regulations, the Group is likely to apply for national licenses to secure its legal position in this market.
- There will be further delays in opening up the Dutch market to foreign providers as national providers are currently appealing against tax privileges before the national courts. It will probably not be possible to apply for a license before mid-2017.

In spite of continuing regulatory efforts, betting and gaming providers continue to be targeted by legislative interventions aiming to terminate the offering and operation of their activities, based in particular on regulations enforcing state monopolies on gambling. The companies of the bet-at-home.com AG Group were involved in several proceedings in the first half of 2016.

The current status of this proceeding is as follows:

In Germany, all pending sports betting injunction proceedings initiated by the federal states were terminated. On the other hand, injunction proceedings have been issued against bet-at-home.com Entertainment Ltd. by the federal state of Berlin prohibiting the submission of offers and provision of casino products. The court has yet to rule in this matter. The crucial question is if the German gambling regulations can be regarded as incoherent, and therefore the online casino prohibition as unlawful because of the existing casino licences issued by Schleswig-Holstein. A ruling is expected in the second half of 2016.

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

One customer has sued bet-at-home.com Entertainment Ltd. and bet-at-home.com Internet Ltd., Malta, for the repayment of his gambling losses in the online casino in the amount of EUR 950 thousand. This complaint was rejected in its entirety by the Linz District Court in its ruling of 22 March 2012. The customer has filed an appeal against this ruling. The Linz District Court, as the regional appeals court, has granted



the appeal. The Supreme Court overruled this ruling in January 2014 and referred the case back to the court of first instance for a renewed hearing. Both courts have since have upheld their original rulings and the case is once being pending before the Supreme Court. In view of the very clear and detailed jurisdiction of the European Court of Justice with respect to the unlawfulness of the Austrian Gambling Act under EU law and the Supreme Court's specifications on the judicial review, we believe there is a good chance that these proceedings will have a successful outcome.

- Five other Austrian customers have sued individual group companies for the repayment of gaming losses. Two proceedings have since been terminated. The other cases are expected to be heard after the publication of the ruling in the aforementioned case. We believe our prospects of success in these cases are also very good, given the unlawfulness of the Austrian gambling rules under EU law.
- Since the first quarter of 2015, a complaint filed by a German customer is pending before the court for the first time. This customer is also demanding the repayment of gambling losses. The court has yet to rule in this matter.

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

In several relevant judgements, the European Court of Justice has further restricted the scope for national legislators to restrict access. In its judgements of 30 June 2011 (Zeturf Ltd) and 15 September 2011 (Ömer/Dickinger) the European Court of Justice for the first time explicitly addressed the internet as a distribution channel. The European Court of Justice clarified that a member state may not place this distribution channel at a disadvantage in its national legislation without demonstrating that this is necessary. In future, the internet must be treated equally to offline distribution channels. Special restrictions, applicable only to the online sector, are not permissible. Moreover, the judgment concerning the two Management Board members clearly states that advertising for state monopolies is subject to strict proportionality requirements, and that governments must prove that monopolies are necessary. Based on the rulings to date, it can be concluded the entry restrictions may not extend beyond what is strictly necessary to achieve the objective. National laws must also be coherent and may never discriminate. Few gambling regulations would pass this test.

At the political level, the European Parliament adopted a draft bill initiated by the EU Commission aiming to harmonise national gambling regulations. 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 authorities, substantial further harmonisation of relevant national gambling regulations is not anticipated in the foreseeable future.

Based on the positive judgements by the European Court of Justice, the Management Board expects the liberalisation of the eGaming market that commenced in 2011 to progress further in many EU member states in the coming years. However, a number of proposed laws contain rules discriminating against foreign providers with a view to keeping the market sealed off to the benefit of national providers. The Management Board will closely monitor future develop-

ments and strives to obtain eGaming licences in countries facilitating fair market access, so as to ensure more legal certainty.

VI.5. DECLARATION PURSUANT TO SECTION 161 AKTG ON THE GERMAN CORPORATE **GOVERNANCE CODE**

The Supervisory and Management Boards of bet-at-home.com AG have issued the statutory declaration for listed companies pursuant to Section 161 of the German Companies Act [Aktiengesetz; AktG] and made it accessible to the shareholders. The declaration has been published in the Investor Relations section of www.bet-at-home.ag under Corporate Governance.

VI.6. MATERIAL SUBSEQUENT EVENTS

In the period after 30 June 2016 and before the preparation of the interim consolidated financial statements, no events occurred that could materially affect the Group's business development or financial position.

Dusseldorf, 27 July 2016

Franz Ömer, p.p.

Michael Quatember, p.p.



APPENDIX TO THE NOTES

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP AS AT 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

				Atcost				Accumulated depreciation	depreciation			
		Balance at 01/01/2016	Additions	Disposals	Reclassifi- cations	Balance at 30/06/2016	Balance at 01/01/2016	Additions	Disposals	Balance at 30/06/2016	Carrying amount 30/06/2016	Carrying amount 31/12/2015
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Intangible assets	sets	4,402,151.73	0.00	0.00	0.00	4,402,151.73	2,192,056.26	126,567.22	0.00	2,318,623.48	2,083,528.25	2,210,095.47
Software, internet domains and similar rights and benefits and licences derived therefrom	rre, s and rights nefits ences	3,032,831.43	0.00	0.00	0.00	3,032,831.43	2,192,056.26	126,567.22	0.00	2,318,623.48	714,207.95	840,775.17
Goodwill	JI.	1,369,320.30	0.00	00.00	00.00	1,369,320.30	0.00	00.00	0.00	0.00	1,369,320.30	1,369,320.30
Property and equipment		5,211,916.61	212,741.08	63,900.37	0.00	5,360,757.32	2,658,539.63	422,104.52	63,900.35	3,016,743.80	2,344,013.52	2,553,376.98
Furniture a fixtures, off equipment	Furniture and fixtures, office equipment	4,467,826.61	212,741.08	63,900.37	744,090.00	5,360,757.32	2,658,539.63 422,104.52	422, 104.52	63,900.35	3,016,743.80	2,344,013.52	1,809,286.98
Construc progress	Construction in progress	744,090.00	00:00	00:00	-744,090.00	0.00	0.00	0.00	0.00	0.00	0.00	744,090.00
		9,614,068.34	212,741.08	63,900.37	00.00	9,762,909.05	4,850,595.89	548,671.74	63,900.35	5,335,367.28	4,427,541.77	4,763,472.45



CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS



CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

		Note	30/06/2016	30/06/2015
		No.	EUR 1,000	EUR 1,000
Consol	idated profit for the period		6,209	11,065
Other o	comprehensive income		28	136
Total c	omprehensive income for the period		6,236	11,201
+	Depreciation of non-current assets	(5)	549	458
-	Interest income related to loans issued to group companies		-1,112	-982
+/-	Increase/decrease in provisions		3,699	-1,205
+/-	Increase/decrease in trade and other receivables not attributable to investing or financing activities		-4,958	7,833
+/-	Increase/decrease in trade and other payables not attributable to investing or financing activities		3,869	-300
= Ca	ash flows from operating activities		8,283	17,006
-	Acquisition of assets (excluding financial assets)		-213	-213
+/-	Interest income/expense related to loans issued to group companies		1,112	-7,018
= Ca	ash flows from investing activities		900	-7,231
-	Payments to shareholders (dividends)		-15,791	-4,211
= Ca	ash flows from financing activities		-15,791	-4,211
=	et increase (decrease) in cash from operating, vesting and financing activities		-6,608	5,564
+ Ca	ash and cash equivalents at start of period		48,779	30,287
= Ca	ash and cash equivalents at end of period	(14)	42,171	35,851



INTERIM STATEMENT OF CHANGES IN IFRS GROUP EQUITY



INTERIM STATEMENT OF CHANGES IN IFRS GROUP EQUITY FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

	Share capital	Capital reserve	Other comprehensive income (after taxes)	Consolidated net profit for the period	Total shareholder's equity
	EUR	EUR	EUR	EUR	EUR
Balance at 01/01/2015	3,509,000.00	10,875,000.00	25,982.44	53,040,280.59	67,450,263.03
Profit for the period	0.00	0.00	136,124.33	11,065,032.65	11.201.156,98
Total recognised gains and losses	0.00	0.00	136,124.33	11,065,032.65	11,201,156.98
Dividend distribution	0.00	0.00	0.00	-4,210,800.00	-4,210,800.00
Balance at 30/06/2015	3,509,000.00	10,875,000.00	162,106.77	59,894,513.24	74,440,620.01

	Share capital	Capital reserve	Other comprehensive income (after taxes)	Consolidated net profit for the period	Total shareholder's equity
	EUR	EUR	EUR	EUR	EUR
Balance at 01/01/2016	3.509.000,00	10.875.000,00	113.853,08	79.501.178,42	93.999.031,50
Capital increase/ conversion	3.509.000,00	-3.509.000,00	0,00	0,00	0,00
Profit for the period	0,00	0,00	27.642,41	6.208.744,54	6.236.386,95
Total recognised gains and losses	0,00	0,00	27.642,41	6.208.744,54	6.236.386,95
Total other capital changes	3.509.000,00	-3.509.000,00	0,00	0,00	0,00
Dividend distribution	0,00	0,00	0,00	-15.790.500,00	-15.790.500,00
Balance at 30/06/2016	7.018.000,00	7.366.000,00	141.495,49	69.919.422,96	84.444.918,45



GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Financial Statements

GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATE-MENTS FOR THE PERIOD ENDED 30 JUNE 2016

bet-at-home.com AG, Dusseldorf

A. FUNDAMENTALS OF THE GROUP

A.1. BUSINESS MODEL

The bet-at-home.com AG Group is an online gaming and sports betting company. With just under 4.5 million registered customers, the Group is one of the most successful providers in Europe.

The wide-ranging offerings on www.bet-at-home.com include sports betting, casino, games, poker and virtual sports. In the sports betting segment alone, bet-at-home.com offered bets on more than 193,000 events in over 75 types of sports in the first half of 2016. bet-at-home.com has companies in Germany, Austria, Malta and Gibraltar. The success of the group is partly attributable to our employees; as at 30 June 2016, the group employed 290 staff members.

The Group holds various licences via its Maltese companies for online sports betting and gaming. These licences allow the Group 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

As at reporting date, the parent company, bet-at-home.com AG, Dusseldorf, was listed on the Frankfurt (XETRA) stock exchange in the Entry Standard market segment. All operating activities are carried out exclusively by indirect associates.

bet-at-home.com AG holds 100% of bet-at-home.com Entertainment Gmbh. This company, which as its registered office in Linz, Austria, is mainly responsible for the continuous transfer of technology within the Group as well as for further developing its internally developed software and provides services for the operating companies in Malta. The company's international gaming licences for sports betting, casino, poker and virtual sports are held via bet-at-home.com Holding Ltd., Malta.

Since 2009, bet-at-home.com AG has been a member of the Betclic Everest SAS 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 its effective state-of-the-art software. We are continuously enhancing and developing this software. Sports betting and casino products for the mobile platform were continuously enhanced and optimised in the first half of 2016.

B. FINANCIAL REPORT

B.1. OVERALL ECONOMIC AND INDUSTRY SITUATION

Irrespective of the current overall economic trend, the Group's management as well as all the research firms in the sector continue to expect considerable growth in the eGaming industry in the medium term.

B.2. BUSINESS TREND

Highlights in the first half of 2016

In the first half of 2016, bet-at-home.com had a presence all over Europe thanks to an international advertising campaign focusing on the European Football Championship in France, mainly in the form of TV adverts, posters and online media. This advertising campaign was accompanied by an extensive bonus offering that was enthusiastically received by our new and existing customers.

An event of this magnitude is always an ideal time for bet-at-home.com to sustainably increase the popularity of the brand and therefore the number of registered customers. In the first half of 2016, total marketing costs amounted to EUR 26.6 million, as budgeted, thus significantly up by 75.0% year-on-year (1 January to 30 June 2015: EUR 15.2 million).

Group-wide bundling of the procurement of marketing services at the group company in Gibraltar also resulted in significant synergies in the first half of 2016, which had a positive impact on the Group's development.

In the sports betting segment alone, bet-at-home.com offered bets on more than 193,000 events in over 75 types of sport in the first half of 2016. Live betting was again very popular, enticing us to continuously improve our range of services. This provided customers with the opportunity to participate online in more than 42,000 live events in the first six months of the current financial year.



Consolidated Financial Statements

Staffing

In the first half of 2016, the average number of staff members (excluding the Management Board) employed by the Group rose to 283 (1 January to 30 June 2015: 269). As at 30 June 2016, the Group employed 290 staff members (30 June 2015: 267). 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 staff turnover 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 in the first half of 2016. In the first half year of 2016, the number of registered customers increased to almost 4.5 million (30 June 2015: 4.1 million).

B.3.1. FINANCIAL PERFORMANCE

Business development was highly satisfactory overall.

In the first half of 2016, gross sports betting income (betting volume less paid out customer winnings) increased to EUR 32.3 million (1 January to 30 June 2015: EUR 28.6 million) due to the positive business development and the increased number of registered customers.

Gross eGaming income (gaming volume less paid out customer winnings) also increased to EUR 33.1 million (1 January to 30 June 2015: EUR 28.1 million). eGaming comprises the products Casino, Poker, Games and Virtual Sports.

In the first half of 2016, total gross betting and gaming income therefore again increased significantly to EUR 65.4 million (1 January to 30 June 2015: EUR 56.7 million).

After deducting the betting fees, betting taxes and gambling levies payable as well as VAT payable under the VAT regulations for electronic service providers in the European Union, net gaming income increased to EUR 53.1 million in the first half of 2016 (1 January to 30 June 2015: EUR 46.6 million).

In the first half of 2016, the Group's financial performance was as follows:

	01/01- 30/06/2016	01/01- 30/06/2015
	EUR 1,000	EUR 1,000
Net gaming income	53,091	46,631
Total operating income	53,649	47,106
EBT (earnings before taxes) *)	9,621	16,578
EBIT (earnings before interest and taxes) **)	8,492	15,542
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	9,040	16,000

- *) Corresponds to profit before income tax shown as in consolidated income statement
- **) EBT plus finance income as shown in consolidated income statement
- ***) EBIT plus depreciation, amortisation and write-downs as shown in consolidated income statement

The betting fees, betting taxes and gambling levies payable in various countries decreased earnings by EUR 7,955 thousand in the first half of 2016 (1 January to 30 June 2015: EUR 6,875 thousand). In addition, the VAT regulations for electronic service providers in the European Union led to a tax expense of EUR 4.3 million in the first half of 2016 (1 January to 30 June 2015: EUR 3.2 million).

As budgeted, marketing expenses (advertising expenses plus sponsoring) increased to EUR 26,621 thousand in the first half of 2016 as a result of the measures around the European Football Championship in France (1 January to 30 June 2015: EUR 15,215 thousand). In line with the increase in staff, personnel expenses rose by EUR 755 thousand, from EUR 7,731 thousand in the first half of 2015 to EUR 8,487 thousand in the first half of 2016.



Consolidated Financial Statements

B.3.2. CASH FLOWS

As at 30 June 2016, the Group's cash flows were as follows:

	30/06/2016	30/06/2015
	EUR 1,000	EUR 1,000
Consolidated profit for the period	6,209	11,065
Other comprehensive income	28	136
Total comprehensive income	6,236	11,201
= Cash flows from operating activities	8,283	17,006
= Cash flows from investing activities	900	-7,231
= Cash flows from financing activities	-15,791	-4,211
= Net increase (decrease) in cash from operating, investing and financing activities	-6,608	5,564
+ Cash and cash equivalents at the start of the period	48,779	30,287
= Cash and cash equivalents at the end of the period	42,171	35,851

Cash flows from investing activities primarily resulted from the extension of a short-term loan to the majority shareholder Mangas BAH SAS, Paris, which incurs interest at an arm's length rate.

B.3.3. FINANCIAL POSITION

As at 30 June 2016, the Group's financial position was as follows:

Assets	30/06/2016	31/12/2015
	EUR 1,000	EUR 1,000
Non-current assets	4,428	4,763
Current assets		
Receivables from group companies	55,556	55,000
Other receivables and assets, prepayments and accrued income	21,271	16,908
Securities	1,364	1,326
Cash and cash equivalents	42,171	48,779
	124,789	126,776

Equity and liabilities	30/06/2016	31/12/2015
	EUR 1,000	EUR 1,000
Group equity	84,445	93,999
Non-current liabilities (provisions)	51	40
Current liabilities (payables, provisions, accruals and deferred income)	40,293	32,737
	124,789	126,776

Adjusted for dividends paid from equity in the amount of EUR 15.8 million in May 2016, total group equity amounted to EUR 84.4 million as at 30 June 2016 (31 December 2015: EUR 94.0 million), resulting in a group equity ratio of 67.7% (31 December 2015: 74.2%).

The receivables from group companies arise from short-term loans totalling EUR 55,000 thousand extended to majority shareholder Mangas BAH SAS, Paris, which incur interest at an arm's length rate (30 June 2015: EUR 52,500 thousand).

Financing measures were not required in the first half of 2016.

The Group's overall economic position was very positive in the first half of 2016.

C. **SUBSEQUENT EVENTS**

There were no material events after the end of the financial year.

D. **OUTLOOK, OPPORTUNITY AND RISK REPORT**

The bet-at-home.com brand is constantly expanded internationally in a cost-effective way through innovative marketing strategies. In accordance with regulatory developments in the respective countries, we are working intensively in all submarkets to increase our market share.

D.1. OUTLOOK

In the 2016 financial year, the number of staff employed by the Group will probably rise to around 290 as at the 31 December 2016.

Group Management Report to the Interim



Consolidated Financial Statements

Based on the current trends and assuming an unchanging regulatory and tax law environment in the financial year 2016, the Management Board expects gross betting and gaming revenues to increase by around 10% to EUR 134.0 million.

For the financial year 2016, the Management Board expects EBITDA of around EUR 30.0 million.

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 the subsidiaries. Among the basic components of risk management are general principles for risk prevention, such as the segregation of duties and applying the four eyes principle for important internal controls. Various partially automated procedures using software systems are also applied.

Risk management measures include continuously performing credit ratings and auditing the risk control system through credit card checks, payment verifications 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 advisers are engaged to reduce legal risks and take into account the complex regulatory environment.

D.2.1. LEGAL RISKS

In some European countries, betting and gaming providers are targeted by legislative interventions aiming to terminate the offering and operation of their activities, based in particular on regulations enforcing state monopolies on gambling. Based on the positive judgements 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 and legal proposals contain rules discriminating against foreign providers with a view to keeping the market sealed off to the benefit of national providers/monopolists. The Management Board will closely monitor future developments and strives to obtain eGaming licences in countries facilitating fair market access, as to ensure more legal certainty. However, there is the risk that individual countries could exclude customers from private foreign gaming offerings by imposing provider blocks, even though there are no legal grounds for such measures. This risk has only increased now that a number of new statutory provisions regarding eGaming explicitly provide for such measures, in violation of EU law.

bet-at-home.com has implemented various measures to encourage its customers to gamble responsibly and for many years has been cooperating with organisations such as the Institute for Gambling and Dependence [Institut für Glücksspiel und Abhängigkeit] in Salzburg, Austria. These measures are complemented by voluntary annual compliance checks by eCogra, the industry testing organisation. Nonetheless, there is the risk that occasionally individual customers will raise claims against the group companies due to their own lack of business sense and gambling addiction.

For a detailed explanation of changes in the regulatory and/or legal environment and legal proceedings relevant to the bet-at-home.com Group, we explicitly refer to the notes to the interim consolidated financial statements for the six-month period ended 30 June 2016 (section "Other commitments and contingent liabilities").

D.2.2. MARKET RISKS

The liberalisation anticipated by our Management Board could attract large gaming and media groups to the (continental) European market, which could result in a loss of market share for the Group. This risk is significantly reduced by various measures, including membership of the Betclic Everest SAS Group. The Group's state-of-the-art technology should be an advantage over competitors.

Based on the changes in the legislation and court rulings on eGaming, restrictions could be imposed on individual submarkets, and markets could even become inaccessible to private betting providers. However, given the rulings of the European Court of Justice and the measures taken by the European Commission (proceedings against EU member states for treaty violations), these are considered to be minor risks in the medium term.

D.2.3. TAX RISKS

In addition to the betting fees, betting taxes and gambling levies payable in various countries as well as the new VAT regulations for electronic service providers, new (adverse) tax laws could be introduced in other countries with significant effects on the Group's financial position, financial performance and cash flows.



Consolidated Financial Statements

D.2.4. TECHNICAL RISKS

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

The Management Board believes that comprehensive measures have been taken to minimise these risks. The Management Board and management personnel regularly analyse the risk environment and evaluate new and alternative measures for the prevention and reduction of risks.

D.2.5. OPERATIONAL RISKS

Acquired software (casino, poker, games, virtual sports) could involve specific risks caused by hardware and software errors. Likewise, incorrect estimations of betting odds by bookmakers could result in higher payments to customers. This risk is minimised by a multitude of backup systems and by continuous monitoring of betting odds through market comparison. 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 in a cost-effective way through innovative marketing strategies. In accordance with regulatory developments in the respective countries, we are working intensively in all submarkets towards increasing our market.

The trend in the international market for online gambling shows that the European market (28 EU member states) made the largest contribution to growth in the past ten years worldwide. According to various industry studies, this development should continue in 2016 and beyond and create sustainable growth in the gambling industry, regardless of economic trends.

Thanks to bet-at-home.com's strong brand presence and its firmly established position 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 fixed-income securities and shares in investment funds. The Management Board only approves investment if net profit or growth is forecast for the relevant securities or if the issuers have an excellent credit rating. The Group believes that the risk relating to the use of these financial instruments is very minor.

F. **DECLARATION OF COMPLIANCE AND CORPORATE GOVERNANCE REPORT**

The actions of the management and supervisory bodies of bet-at-home.com AG are guided by the principles of good corporate governance. As the Company is listed on the Frankfurt Stock Exchange, the Management Board reports on the Company's management, also on behalf of the Supervisory Board, in the voluntary declaration of compliance pursuant to Section 289a(1) of the German Commercial code [HGB]. This declaration has been published in the Investor Relations section of www.bet-at-home.ag under Corporate Governance.

G. **BALANCE SHEET OATH**

We assure that to the best of our knowledge, the interim consolidated financial statements for the period from 1 January to 30 June 2016 give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the applicable interim reporting standards, and that the group management report for the period then ended gives a true and fair view of the business development including the business performance and position of the Group and appropriately presents the significant opportunities and risks of the Group's anticipated development in the remaining part of the financial year.

Dusseldorf, 27 July 2016

Dipl.-Ing. Franz Ömer, p.p.

Mag. Michael Quatember, p.p.



CONTAC

bet-at-home.com AG Tersteegenstrasse 30 40474 Dusseldorf GERMANY

GERMANY

Fax: +49-211-179 34 757 E-Mail: ir@bet-at-home.con

IMPRINT

PUBLISHER

bet-at-home com AG. Dusseldorf

TEXT

bet-at-home.com AG, Dusseldorf

DISCLAIMER

The Interim Financial Report is a ranslation of the valid German version.

bet-at-home.com AG

Tersteegenstrasse 30 40474 Dusseldorf GERMANY

Phone: +49-211-179 34 770
Fax: +49-211-179 34 757
E-Mail: ir@bet-at-home.com