



Ad hoc Press Release
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betandwin.com reports results for Q1 2001

- Sharp rise in betting turnover, net winnings and registered customers
- Investment in brand development temporarily depresses results

betandwin.com increased its betting turnover to EUR 13.2 million in the first quarter of 2001. This compares with EUR 2 million in the same period the previous year, a rise of more than 550 per cent. Net winnings and net revenues rose to EUR 767,000 and EUR 935,000, equivalent to growth of 135% and 120% respectively. In the same period the previous year, net winnings and net revenues amounted to EUR 326,000 and EUR 424,000. A net winnings margin of 5.83% reflects the strategy communicated by the company of offering customers attractive odds so as to rapidly grow its market share.

Nearly 38,000 new registered customers were recorded in the first quarter of 2001, as against barely 3,400 in the same quarter of 2000. Over 650,000 bets were placed by some 22,000 active bettors, equivalent to an average sum of nearly EUR 20 per bet placed, and nearly 30 bets per active bettor.

Results were disproportionately impacted by investments in future growth brought forward to the first quarter of the year. Results for the quarter were temporarily depressed, especially by marketing expenditure of EUR 2.4 million (plus non-cash advertising services contributed by strategic partners totaling EUR 290,000).

"By and large, this has now completed our brand development in Austria," explains Manfred Bodner, Co-CEO and Marketing Director. "According to the latest quantitative and qualitative surveys, **betandwin.com** is now clearly Austria's number one betting provider. We have achieved this position within a remarkably short period of time, and intend to capitalize on it in coming periods."

Personnel expenses and other operating expenses of EUR 955,000 and EUR 1.1 million (including betting charges of EUR 324,000) were also up compared to the previous quarter figures of EUR 239,000 and EUR 335,000. This was attributable to measures designed to enable the company to handle its ongoing internationalization optimally in terms of both staff and technology.

EBITDA and EBIT for the first quarter totaled –EUR 3.53 million and –EUR 4.22 million respectively, and a consolidated result of –EUR 3.14 million was reported.

A marked improvement in operating results is anticipated, starting from the second quarter of 2001 onwards. The achievement of a break-even month-on-month operating cash flow by the end of 2001 therefore still seems a realistic goal.

**Key data:**

In accordance with IAS, EUR 000, except %	Q1/2001	Q1/2000	2000	1999	1998
Betting turnover	13,169	2,004	17,302	5,379	2,871
Net winnings	-12,402	-1,678	-15,226	-4,754	-2,656
Gross profit	767	326	2,076	625	215
as % of betting turnover	5.8%	16.3%	11.99%	11.61%	7.48%
Profit	935	424	2,490	731	279
Expenses	-4,462	-733	-9,678	-2,617	-945
EBITDA	-3,527	-309	-7,189	-1,886	-666
EBIT	-4,223	-371	-8,144	-2,226	-806
Consolidated net result	-3,141	-233	-5,105	-1,375	-534
Balance sheet total	61,990	67,843	63,993	3,412	914
FAV and liquid funds	42,071	55,799	45,165	1,217	102
Shareholders Equity	55,689	64,633	58,829	2,618	23
as % of balance sheet total	89.84%	95.27%	92%	77%	3%
Employees	58	22	50	13	7
Registrations	37,925	3,342	117,807	8,970	n.a.
Number of bets placed	651,577	140,063	1,074,217	290,237	n.a.

Further information:

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***betandwin.com** Interactive Entertainment AG is a public company based and licensed in Austria. The company's strategic concept is based on the pillars of betting, information and entertainment. Listed on the Vienna Stock Exchange since March 2000, **betandwin.com** intends to use its unique Internet presence coupled with strong strategic partnerships to become one of the world's leading online gaming companies appealing to a wide public.*

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