

Three month' report  
January 1 to March 31 2007  
(IFRS)





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## FLUXX key data

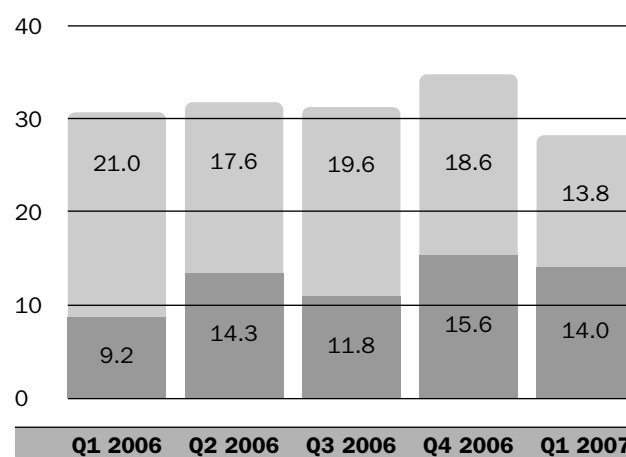
## FLUXX KEY DATA (IFRS)

■ Income Statement	Q1 2007 T€	Q1 2006 T€
Gross sales	27,850	30,204
Betting stakes	13,833	21,020
Revenues	14,017	9,184
EBITDA	1,703	881
EBIT	-792	-349
Consolidated earnings	-637	16
Earnings per share (€)		
Basic	-0.04	0.00
Diluted	-0.04	0.00
Employees (average for the period)		
	145	112
Revenue per employee	97	82
Personnel expenses per employee	13	14
■ Balance Sheet	31/03/2007 T€	31/12/2006 T€
Non-current assets	32,912	31,690
Net cash	15,261	15,118
Shareholder's equity	38,521	39,035
Balance sheet total	56,985	55,629
Equity ratio	67.6%	70.2%

## FLUXX at a glance

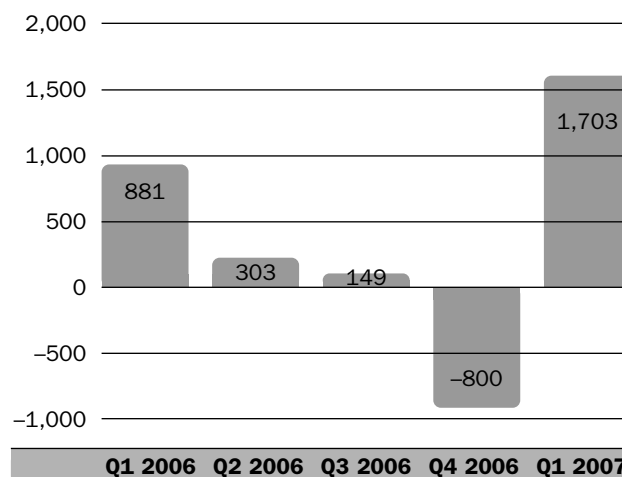
## SALES (EUR million)

- Betting stakes
- Revenue



## EBITDA (EUR thousand)

- EBITDA





## Interim Group Management Report of FLUXX AG at March 31, 2007

### 1. Business and general situation

#### a. Development of the general economic situation

The overall economic situation in Germany developed positively in the first quarter, after an initial dip in growth at the start of the year following the VAT rate increase. The leading economic research institutes forecast clear, sustained growth of 2.4 per cent for 2007 and 2008, which will also affect the hitherto restrained consumption behaviour of the population as a whole. The EU Commission likewise forecasts a 2.4 per cent rise in gross domestic product for the eurozone.

The market for lotteries and sports betting continues to be dominated by the uncertain regulatory framework in Germany. We estimate that the sales of German lottery companies in the first quarter were around 15 per cent down on the figure for the prior-year quarter. The reasons for this dramatic downturn are the closing-down of the Lotto organisation's own internet services as a consequence of the dispute centring on competition law, coupled with the preceding cutbacks in promotional measures as a consequence of the Federal Constitutional Court's ruling in March 2006 and in anticipation of the planned State Treaty on gaming.

#### b. Regulatory developments

At the start of March, the European Court of Justice announced its ruling in the Placanica case. According to legal experts, the ruling effectively puts an end to state monopolies because the offering of gaming across borders from one EU member state in another may not in future be prevented under either criminal or administrative law.

Based on the ECJ ruling, several German courts subsequently halted the proceedings against sports betting providers or reversed closing-down orders.

A majority of the Prime Ministers of the federal states nevertheless still intends to ratify the draft State Treaty on gaming. This treaty envisages trenchant restrictions for private providers and agents of lotteries and sports betting that would have a considerable impact on the business of the FLUXX Group in Germany. However, in the context of the notification process the EU Commission has voiced severe reservations as to whether the treaty is compatible with European law.

In particular, it deems the draft treaty's blanket ban on the holding and arranging of gaming on the internet as disproportionate and not compatible with European Community law. In its statement of position, the EU Commission made express reference to the Placanica ruling of the ECJ.

The Commission has expressed considerable reservations about the appropriateness of the State Treaty. The draft of which it has been notified would be applied to lotteries and sports betting, but not to gaming, where the risk of gambling addiction is much greater. Forms of gaming with high potential for addiction such as slot machines, for example, are not covered by the tougher regulations. There is no empirical proof of such a thing as the "lottery addiction" that is being talked up by the federal states.

The notification procedure applied exclusively to the internet. The Commission has nevertheless announced that it will critically scrutinise other aspects of the State Treaty with regard to their appropriateness, the freedom from discrimination against private operators and the proportionality of the restrictive regulations in the State Treaty.

The Commission then instructed Germany to submit an improved version of the draft. As a consequence, the budget and fiscal policy spokespersons of the Union party groupings in the federal states and the CDU/CSU grouping



in the Bundestag resolved that the lottery market should remain unchanged, because it is already regulated in a State Treaty dating from 2004. The terms of a liberalised sports betting market are to be drawn up in a separate State Treaty. The Union parties' spokespersons thus followed the lead given by the CDU grouping in the Schleswig-Holstein state parliament, which presented draft legislation on the liberalisation of the sports betting market at the start of March.

Despite the unusually emphatic criticisms of the EU Commission, a majority of the federal states' Prime Ministers wants to stand by the original draft and introduce the State Treaty on gaming with effect from January 1, 2008. Germany consequently risks renewed EU infringement proceedings coupled with legal chaos, because the treaty is at odds with both EU law and constitutional and competition law.

## c. Business progress

The legal and political debate surrounding the future shape of the German gaming market and the change in the FLUXX Group's strategic emphasis again had a significant impact on the development of the FLUXX Group's sales and income in the first quarter. Although revenue was up 53 per cent on the prior-year quarter to EUR 14.0 million thanks to vigorous growth in sports betting and syndicate business, earnings fell from EUR 16 thousand to EUR -637 thousand as a result of the changed cash inflow structure and increased expenses.

### ■ Sports Betting

The sports betting business area continues to grow. Compared with the first quarter of 2006, when the revenue of the myBet.com investment was consolidated for the first time, the revenue for the segment doubled to EUR 7.7 million in the first quarter of 2007. The bookmaking margin was around 19 per cent in the first quarter. Additional reve-

nue was generated by the launch of the online casino at the start of 2007. This was the first quarter in which the sports betting segment produced a positive profit contribution thanks to its successful expansion.

The subsidiary in the United Kingdom, established at the end of December, did not yet post any revenues in the first quarter of 2007. JAXX UK Ltd., with its registered office in London, has held a bookmaking licence for arranging sports betting since the start of February 2007 and is expected to commence business operations in mid-2007.

### ■ Online processing

The betting stakes handled via services supervised by FLUXX amounted to EUR 13.8 million in the first quarter of 2007 and were thus 34 per cent down on the corresponding figure for the first quarter of 2006. Sustained high growth in the areas of syndicate and over-the-counter sales was unable to compensate for the loss of revenue from FLUXX's activities on behalf of the state lottery companies in Schleswig-Holstein, Brandenburg and Mecklenburg-Western Pomerania, which shut down their online services at the start of November 2006 amid the dispute over competition law. Spanish lottery business, handled by the FLUXX subsidiary DigiDis, likewise continued to make positive progress. Revenue was on a par with the fourth quarter of 2006, which traditionally yields the highest revenue thanks to the renowned Christmas lottery "El Gordo".

### ■ Syndicate

Syndicate business continued to grow strongly in the first quarter of 2007. Compared with the prior-year quarter, both the number of customers and betting stakes more than doubled. The flourishing state of syndicate business is also reflected in the sharp rise in handling income, which moreover guarantees revenue for some time to come thanks to the long term of existing contracts. On the other hand, with effect from the date on which the contracts are secured this pushes up the depreciation and amortisation, which



doubled in the first quarter of 2007 compared with the prior-year period. In the medium term FLUXX aims to increase its portfolio more slowly, producing an overproportional increase in the profit contributions from syndicate business.

■ **Lottery via retail outlets**

Around 500 supermarkets and filling stations had been equipped with terminals by the end of the first quarter. FLUXX stepped up its partnership with the cut-price drug-store SCHLECKER in March. The joint activities, which had previously focused on the handling of online lottery sales, were thus extended to include over-the-counter sales at SCHLECKER stores. Playing the lottery at the till is currently being piloted at 400 SCHLECKER retail outlets in the Krefeld region. If the test proves a success, the technology will be installed at all 14,000 SCHLECKER retail outlets throughout Europe.

According to FLUXX's legal advisors, over-the-counter sales would still be possible even after the scheduled State Treaty on gaming takes effect. Although the State Treaty envisages a blanket ban on online agency activities for lotteries and sports betting, sales via a terrestrial structure cannot be prevented because the lottery companies themselves have a network of some 25,000 agents.

**2. Financial performance**

Consolidated revenues rose by 53 per cent in the first quarter compared with the prior-year period, from EUR 9.2 million to EUR 14.0 million. This figure includes bookmaking revenues of EUR 7.7 million generated largely via the betting and casino operations of myBet.com. The betting stakes processed by the FLUXX Group on behalf of the lottery companies slumped by 34 per cent to EUR 13.8 million, largely as a result of the lottery companies shutting down their own platforms. Gross consolidated sales (revenues plus betting stakes handled) were around 8 per cent down on the prior-year quarter at EUR 27.9 million (EUR 30.2 million).

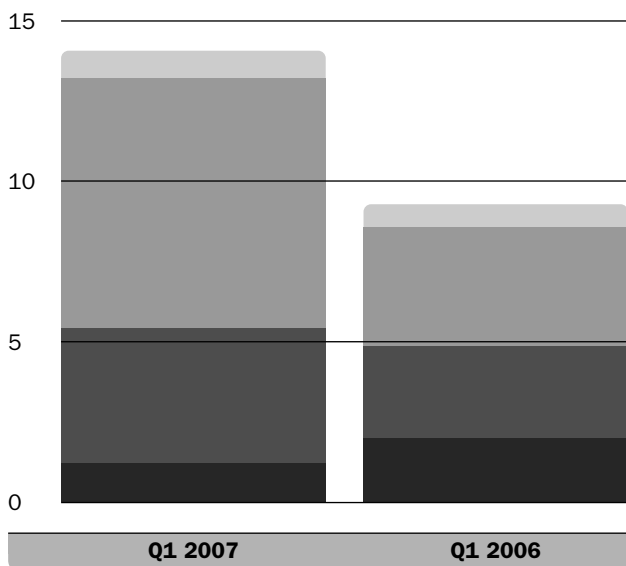
55 per cent of revenue for the first quarter of 2007 stemmed from sports betting, 8 per cent from commissions on lottery stakes and 31 per cent from handling fees. Further proceeds were generated in the form of fees for software development and licence income. The B2C segment accounted for 24 per cent of cash inflow, the B2B segment for 22 per cent and sports betting business for 54 per cent.

SALES	Q1 2007 T€	Q1 2006 T€	Change %
Gross sales	27,850	30,204	-8
Betting stakes	13,833	21,020	-34
Revenue of which	14,017	9,184	+53
• commissions	1,169	1,809	-35
• handling fees	4,316	3,052	+41
• bookmaking revenues	7,732	3,923	+97



**DEVELOPMENT IN REVENUE**

(EUR million)



Source: FLUXX

- Others
- Sports Betting
- Handling
- Commissions

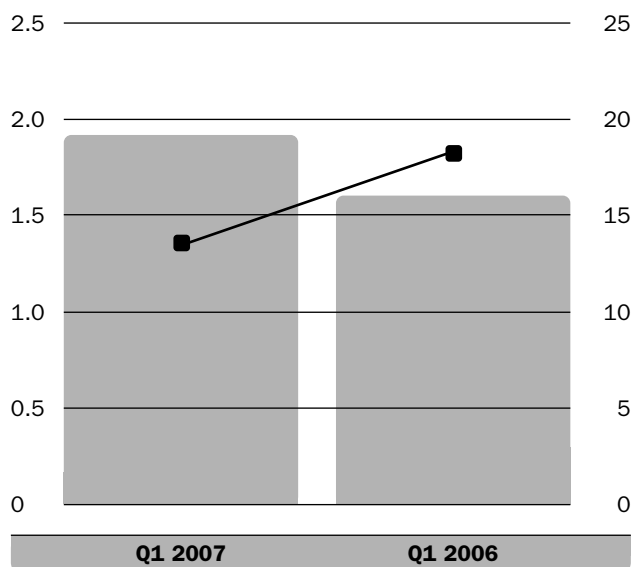
Reflecting the change in the income structure, the cost of materials – which includes the betting winnings paid out – showed a significant rise on the prior-year quarter. The cost of materials in the first quarter of 2007 was EUR 5.1 million – an increase of 41 per cent on the first quarter of 2006.

Personnel expenses were just under 21 per cent up on the prior-year period, reflecting the expansion in business in other European countries. The average number of employees rose from 112 to 145. Per capita expenditure fell slightly from EUR 14 thousand in the first quarter of 2006 to EUR 13 thousand in the first quarter of 2007. Per capita revenues rose from EUR 82 thousand to EUR 97 thousand. The personnel expenses ratio was reduced from 17 per cent to 14 per cent. In addition to performance-related pay components, the Management Board, managing directors and employees are able to share in the company's economic

development via a stock options scheme. The stock options schemes are explained in the notes to the consolidated financial statements in the 2006 Annual Report, in section 8.8.

**DEVELOPMENT IN PERSONNEL EXPENSES**

EUR million/per cent



Source: FLUXX

- Personnel costs
- Expenses ratio

Other operating expenses increased by 49 per cent in the first quarter of 2007 compared with the prior-year period, from EUR 3,7 million to EUR 5.6 million. In addition to agency commission on the lottery and betting stakes due to partner organisations (EUR 1.7 million), there was a sharp rise particularly in the costs of legal consultancy (EUR 0.4 million). The expenses ratio nevertheless eased back from 41 to 40 per cent. Marketing costs as a proportion of revenue reached around 11 per cent in the first quarter of 2007, compared with 16 per cent in the prior-year quarter.


**DEVELOPMENT OF THE PRINCIPAL  
EXPENSE ITEMS**

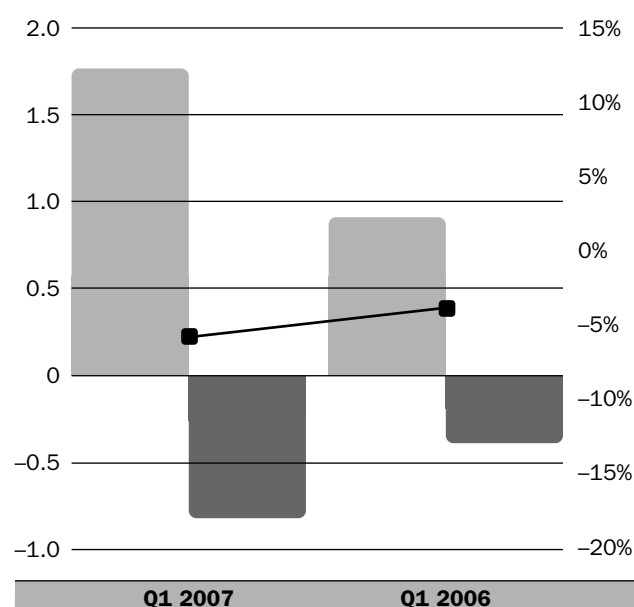
	Q1 2007 T€	Q1 2006 T€	Change %
Cost of purchased materials	5,102	3,613	+41
Personnel expenses	1,904	1,579	+21
Employees (average of the year)	145	112	
Other operating expenses of which	5,550	3,734	+49
• marketing	1,485	1,443	+3
• legal and consultancy costs	407	263	+55

Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 93 per cent from EUR 0.9 million to EUR 1.7 million thanks to the high growth.

Depreciation and amortisation rose from EUR 1.2 million in the first quarter of 2006 to EUR 2.5 million in the first quarter of 2007 as a result of capitalisation of the acquisition costs for syndicate contracts and of the installation of lottery terminals. Earnings before interest and taxes (EBIT) thus fell from EUR –349 thousand in the first quarter of 2006 to EUR –792 thousand in the first quarter of 2007.

**DEVELOPMENT IN EARNINGS (EBITDA/EBIT)**

EUR million/per cent



Source: FLUXX

- EBITDA
- EBIT
- EBIT-Marge

The consolidated result was EUR –637 thousand in the first quarter of 2007, compared with a marginally positive result of EUR 16 thousand in the prior-year quarter. Earnings per share were EUR –0.04, compared with EUR 0.00 in the first quarter of 2006.

EARNINGS	Q1 2007 T€	Q1 2006 T€	Change %
EBITDA	1,703	881	+93
EBIT	–792	–349	–127
Consolidated earnings	–637	16	
Earnings per share	–0.04	0.00	



### 3. Financial position

Operating activities during the first quarter were financed from cash flow from operations. The expenditure resulting from investment spending was financed from monetary holdings and through leases.

The overall cash flow in the first quarter of 2007 amounted to EUR 0.4 million. Cash and cash equivalents, including shareholdings, reached EUR 17.1 million at March 31, 2007, of which EUR 15.3 million is not freely accessible. In its finance management approach, FLUXX strives for predominantly short-term investments of a money market character with a balanced risk/reward ratio. Over and above this, it invests to a limited extent in financial instruments in order to optimise the low performance of the assets over the full year.

LIQUIDITY	31/03/2007 T€	31/12/2006 T€
Freely available cash	15,261	15,118
Liquidity ratio 2	170 %	200 %

### 4. Net worth

The net worth rose by EUR 1.2 million in the first quarter of 2007 compared with the reporting date of December 31, 2006. The rise stems largely from the capitalisation of syndicate contracts. Current assets rose only slightly by EUR 134 thousand to EUR 24.1 million.

The accumulated shareholders' equity showed a fall of EUR 1.0 million since the reporting date of December 31, 2006, to EUR 38.0 million. With a balance sheet total of EUR 57.0 million, the equity ratio is 66.6 per cent.

Non-current liabilities fell by EUR 0.3 million to EUR 4.3 million, as the installed Direct Lotto terminals are financed via a lease agreement. The current liabilities rose by EUR 2.2 million to EUR 14.2 million at March 31, 2007.

SHAREHOLDER'S EQUITY AND BORROWED CAPITAL	31/03/2007 T€	31/12/2006 T€
Shareholders' equity	38,521	39,035
Borrowed capital (long-term)	4,253	4,565
Equity ratio	67.6 %	70.2 %

#### ■ Voting rights

At the reporting date of March 31, 2007, the free float as defined by Deutsche Börse accounted for 100 per cent of the capital stock of FLUXX AG, amounting to EUR 14,562,854. The company has not been notified of any major shareholdings representing more than ten per cent. There exist no special restrictions concerning voting rights or the transfer of shares, or shares bearing special rights that bestow powers of control. Nor have any particular stipulations regarding the control of voting rights been agreed if employees hold a share of the capital and do not exercise their rights of control directly.

The authorised but unissued capital and approved capital, over and above the subscribed capital, are explained in detail in the Notes to the Consolidated Financial Statements, on page 77 of the 2006 Annual Report. No authorisation of the Management Board to purchase treasury shares exists.

In accordance with the articles of incorporation, the Management Board of FLUXX AG comprises one or more persons. The Supervisory Board may appoint a Manage-



ment Board Chairman and a Management Board Deputy Chairman. Amendments to the articles of incorporation must be carried by a three-quarters majority of the Shareholders' Meeting. The Supervisory Board may perform amendments to the articles of incorporation that relate to the wording alone.

## 5. Report on post-balance sheet date events

No events of particular significance occurred after the balance sheet date.

## 6. Risk report

A comprehensive analysis of the risks that could have a negative impact on the economic and financial position of the FLUXX Group and a description of the risk management system are published in the 2006 Annual Report. No changes to the assessment of risks and opportunities occurred in the first quarter of 2007.

## 7. Report on expected developments

The future development of the FLUXX Group in the 2007 financial year continues to depend to a very high degree on the political decisions being made in connection with the reorganisation of the German gaming market. Despite the EU Commission's unequivocal criticism of the scheduled State Treaty on gaming, a majority of Prime Ministers appears to want to uphold the draft treaty as it stands. On the other hand, it is questionable whether it can command the necessary majorities for its ratification at the parliaments of the federal states. The State Treaty would have to be ratified by the end of the year for it to take effect on January 1, 2008.

With regard to its operations, during the remainder of the year FLUXX will concentrate on expanding outside Germany and on rolling out over-the-counter sales. Following the granting of a licence earlier on in the year, sports betting activities are to be launched in the United Kingdom mid-way through the year. The subsidiary myBet.com will further expand its online service and the franchise network of sports betting shops. FLUXX is furthermore currently analysing the scope for investing in or acquiring further companies, predominantly in Southern and Eastern Europe. FLUXX places the emphasis of any such measures on small, profitable companies that will be a useful addition to the investment portfolio of FLUXX AG by virtue of their market position.

There are two core areas of expansion to over-the-counter sales: on the one hand the remainder of the scanner terminals, which have already been purchased, will be installed in supermarkets and filling stations by the end of the year. On the other hand FLUXX continues to work towards obtaining positive results for the pilot schemes running at selected SCHLECKER stores. If the pilot test proves a success, as many as 11,000 german SCHLECKER branches could be equipped with lottery terminal facilities in the space of just a few weeks.

The positive development in syndicate business, which generates the bulk of handling income, will probably continue. In the sphere of online agency business, on the other hand, revenue is expected to be down on the previous year in the next few quarters. As matters stands, we cannot assume that the lottery companies will restore their online internet services.

In terms of revenue and earnings, FLUXX still expects double-digit growth that will enable it to break even for 2007 as a whole.



This Management Report contains predictive statements and information – in other words, statements about events that lie ahead rather than in the past.

These predictive statements can be identified by words such as “expect”, “anticipate”, “intend”, “plan”, “believe”, “aim”, “estimate”, “assess” and similar. Such predictive statements are based on our present expectations and on certain assumptions. They therefore entail a number of risks and uncertain factors. The business activities, success, business strategy and results of FLUXX are influenced by a great many factors, many of which are beyond the control of FLUXX. These factors may mean that the actual results, achievements and performance of the FLUXX Group could depart substantially from the figures used to indicate results, achievements or performance, whether explicitly or implicitly, in the predictive statements.

Altenholz, May 7, 2007

Rainer Jacken

Mathias Dahms

Stefan Hänel



## Consolidated Balance Sheet at March 31, 2007

ASSETS	Note	31/3/2007 T€	31/12/2006 T€
<b>A. NON-CURRENT ASSETS</b>		<b>32,912</b>	<b>31,690</b>
<b>I. Intangible assets</b>	<b>6.1.1</b>	<b>17,443</b>	<b>16,278</b>
1. Goodwill		10,500	10,400
2. Other intangible assets		6,943	5,878
<b>II. Property, plant and equipment</b>	<b>6.1.2</b>	<b>6,468</b>	<b>6,562</b>
1. Land and buildings		1,192	1,191
2. Other plant and equipment		3,265	2,821
3. Payments on account		2,011	2,550
<b>III. Financial assets</b>	<b>6.1.3</b>	<b>3</b>	<b>3</b>
Investments		3	3
<b>IV. Deferred taxes</b>	<b>6.1.4</b>	<b>8,998</b>	<b>8,847</b>
<b>B. CURRENT ASSETS</b>		<b>24,073</b>	<b>23,939</b>
<b>I. Inventories</b>	<b>6.2.1</b>	<b>28</b>	<b>30</b>
<b>II. Receivables and other assets</b>	<b>6.2.2</b>	<b>6,515</b>	<b>6,350</b>
1. Trade accounts receivable		2,639	1,764
2. Miscellaneous assets		3,876	4,586
<b>III. Securities</b>	<b>6.2.3</b>	<b>2,159</b>	<b>2,579</b>
<b>IV. Cash on hand, cash in banks</b>	<b>6.2.4</b>	<b>14,962</b>	<b>14,519</b>
of which freely available (net cash)		13,102	12,539
<b>V. Prepaid expenses</b>	<b>6.2.5</b>	<b>409</b>	<b>461</b>
<b>TOTAL ASSETS</b>		<b>56,985</b>	<b>55,629</b>



## Consolidated Balance Sheet at March 31, 2007

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31/03/2007 T€	31/12/2006 T€
<b>A. SHAREHOLDERS' EQUITY</b>		<b>38,521</b>	<b>39,035</b>
I. Share capital	6.3.1	14,563	14,563
II. Additional paid-in capital	6.3.4	52,134	52,112
III. Accounting loss	6.3.5	-28,741	-28,137
IV. Minority interest	6.3.6	565	497
<b>B. NON-CURRENT LIABILITIES</b>		<b>4,253</b>	<b>4,565</b>
1. Deferred tax liabilities	6.4.1	394	388
2. Tax on profit	6.4.1	52	56
3. Finance lease liabilities	6.4.2	2,882	3,184
4. Due to banks	6.4.2	925	937
<b>C. CURRENT LIABILITIES</b>		<b>14,211</b>	<b>12,029</b>
1. Bonds	6.4.2	88	88
2. Due to banks	6.5.2	1,185	1,146
3. Current finance lease liabilities	6.4.2	1,191	1,179
4. Trade accounts payable	6.5.2	1,953	1,936
5. Other liabilities	6.5.2	8,178	6,031
6. Other accruals	6.5.1	1,528	1,598
7. Deferred tax liabilities	6.5.3	88	51
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>56,985</b>	<b>55,629</b>

## Consolidated Income Statements for the period January 1 to March 31, 2007

	Note	31/03/2007 T€	31/03/2006 T€
<b>Gross sales</b>		<b>27,850</b>	<b>30,204</b>
<b>Betting stakes</b>		<b>13,833</b>	<b>21,020</b>
<b>1. Revenue</b>	<b>4.2</b>	<b>14,017</b>	<b>9,184</b>
<b>2. Changes in inventories</b>	<b>4.3</b>	<b>0</b>	<b>0</b>
<b>3. Production for own assets capitalised</b>	<b>4.3</b>	<b>86</b>	<b>134</b>
<b>4. Other operating income</b>	<b>4.4</b>	<b>156</b>	<b>489</b>
<b>5. Cost of purchased materials</b>	<b>4.5</b>	<b>5,102</b>	<b>3,613</b>
a) Raw material and supplies		0	0
b) Cost of purchased services		5,102	3,613
<b>6. Personnel expenses</b>	<b>4.6</b>	<b>1,904</b>	<b>1,579</b>
a) Wages and salaries		1,641	1,351
b) Social insurance		263	228
<b>7. Depreciation and amortisation on intangible assets and on property, plant and equipment</b>	<b>4.7</b>	<b>2,495</b>	<b>1,230</b>
<b>8. Other operating expenses</b>	<b>4.8</b>	<b>5,550</b>	<b>3,734</b>
<b>Operating profit/loss</b>		<b>-792</b>	<b>-349</b>
<b>9. Other interest and similar income</b>	<b>4.9</b>	<b>95</b>	<b>230</b>
<b>10. Depreciation of marketable securities</b>	<b>4.9</b>	<b>0</b>	<b>0</b>
<b>11. Interest and similar expenses</b>	<b>4.9</b>	<b>82</b>	<b>48</b>
<b>Finance result</b>	<b>4.9</b>	<b>13</b>	<b>182</b>
<b>12. Result before tax</b>	<b>4.10</b>	<b>-779</b>	<b>-167</b>
<b>13. Income tax</b>	<b>4.11</b>	<b>142</b>	<b>183</b>
<b>14. Other tax</b>	<b>4.12</b>	<b>0</b>	<b>0</b>
<b>15. Net profit or loss for the period</b>	<b>4.13</b>	<b>-637</b>	<b>16</b>
16. Minority interest in earnings		33	90
17. Earnings less minority interest		-604	106
<b>18. Loss carry-forward from previous year</b>		<b>-28,137</b>	<b>-19,045</b>
<b>19. Accounting loss</b>		<b>-28,741</b>	<b>-18,939</b>
<b>20. Earnings per share</b>			
Basic earnings per share (€)		-0.04	0.00
Diluted earnings per share (€)		-0.04	0.00



## Cash Flow Statement for the period January 1 to March 31, 2007

	31/03/2007 T€	31/03/2006 T€
<ul style="list-style-type: none"> <li>• Net profit or loss for the period</li> <li>• Depreciation on fixed assets</li> <li>• Depreciation on financial assets and marketable securities</li> <li>• Increase/decrease in long-term accruals</li> <li>• Finance income</li> <li>• Interest expense</li> <li>• Other non-cash expenses and income/deferred taxes</li> <li>• Profit/loss from the disposal of fixed assets</li> </ul>	-637 2,495 0 2 -95 82 -80 0	16 1,230 0 41 -230 48 21 -300
<b>Cash flow before changes to working capital</b>	<b>1,767</b>	<b>826</b>
<ul style="list-style-type: none"> <li>• Change in inventories, receivables and other assets</li> <li>• Change in liabilities and other items on the shareholders' equity and liabilities side</li> <li>• Increase/decrease in short-term accruals</li> </ul>	-111 2,201 -70	-571 823 -232
<b>Cash flow from operating activities</b>	<b>3,787</b>	<b>846</b>
<ul style="list-style-type: none"> <li>• Interest paid</li> <li>• Income taxes paid</li> </ul>	-82 0	-44 0
<b>Cash flow from operating activities</b>	<b>3,705</b>	<b>802</b>
<ul style="list-style-type: none"> <li>• Cash receipts from disposals of fixed assets</li> <li>• Cash payments for investments in fixed assets</li> <li>• Cash payments for investments in consolidated companies</li> <li>• Cash payments for investments in subsidiaries</li> <li>• Acquisition of investments and other financial assets</li> <li>• Interest received</li> </ul>	0 -3,422 0 0 0 43	300 -2,236 0 -3,000 0 213
<b>Cash flow from investing activities</b>	<b>-3,379</b>	<b>-4,723</b>
<ul style="list-style-type: none"> <li>• Cash receipts from capital increases</li> <li>• Other cash receipts for capital</li> <li>• Cash receipts/payments from the issue of bonds and from the raising of loans/finance leases</li> <li>• Cash receipts/payments for current investments</li> <li>• Repayments of bonds and loans</li> </ul>	0 0 -290 420 -12	0 0 2,813 -16 0
<b>Cash flow from financing activities</b>	<b>118</b>	<b>2,797</b>
<ul style="list-style-type: none"> <li>• Change in consolidated companies</li> </ul>	0	-2,814
<b>Overall effective adjustment</b>	<b>443</b>	<b>-3,938</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>14,519</b>	<b>26,230</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>14,962</b>	<b>22,292</b>
<b>Net cash position</b>	<b>13,102</b>	<b>20,020</b>

## Development in capital accounts for the period January 1, 2007 to March 31, 2007

T€	Share capital	Additional paid-in capital	Accounting loss	Minority interest	Total	Bonds, convertible
<b>Position at December 31, 2005</b>	14,523	51,989	-19,904	105	<b>46,714</b>	89
Conversion of bond	2	2			4	-4
Dilution compensation for convertible bond	0	0			0	
Interest on bond					0	3
Premiums earned from employee stock options		101			101	
Exercising of employee stock options	38	20			58	
Acquisition of remainder of Interjockey				5	5	
Acquisition of MyBet (QED) investment				788	788	
Capital increase for MyBet (QED)				106	106	
Net profit/loss for 2006			-8,233	-507	-8,740	
<b>Position at December 31, 2006</b>	14,563	52,112	-28,137	497	<b>39,035</b>	88
Interest on bond					0	
Premiums earned from employee stock options		22			22	
Capital increase for MyBet (QED)				101	101	
Net profit/loss for Q1/2007			-604	-33	-637	
<b>Position at March 31, 2007</b>	14,563	52,134	-28,741	565	<b>38,521</b>	88



## FLUXX AG Interim Report on the first quarter of 2007

## Consolidated Financial Statements at March 31, 2007 (IFRS)

### Notes on consolidation and measurement

## 1. General principles

The FLUXX Group is a leading agent of lotteries and sports betting and organiser of sports and horse betting. The quarterly financial statements at March 31, 2007 of FLUXX AG, with its registered office in Altenholz, near Kiel, are in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) that are to be applied in the EU, as well as with the requirements of commercial law pursuant to Section 315a Para.1 of German Commercial Code. In agreement with IAS 34 "Interim Financial Reporting", a shorter reporting scope is chosen for the representation of these Consolidated Financial Statements than for the representation of the full-year accounts. Separate Consolidated Financial Statements and a separate group management report in accordance with the requirements of German Commercial Code are not prepared. The Consolidated Financial Statements comply with all IFRS the application of which was mandatory by the balance sheet date.

Unless indicated otherwise in these Notes, the same recognition and measurement principles as for the Consolidated Financial Statements for the 2006 financial year are applied for the quarterly report. For further details, we accordingly refer to the Consolidated Financial Statements at December 31, 2006.

### ■ Changes in recognition and measurement principles

The International Accounting Standards Board (IASB) has approved a number of revisions to existing International Financial Reporting Standards (IFRS) as well as certain new IFRS. Of these standards, the application of IFRS 7 became mandatory on January 1, 2007. This standard has been recognised by the EU. All other revisions reflect the status described in the 2006 annual report.

**IFRS 7:** *Financial Instruments: Disclosures*  
The notes to be observed for financial instruments that were previously dealt with in IAS 32 and the disclosures of IAS 30 which previously only needed to be observed by banks and similar financial institutions will be combined and extended; they are to be applied in all sectors in future. With the publication of IFRS 7, IAS 1 has been extended to include disclosures on capital management. The application of IFRS 7 and of the new rules in IAS 1 is mandatory from financial years commencing on or after January 1, 2007.



## ■ New accounting standards

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have approved further standards and interpretations, the application of which was not yet mandatory for the 2006 financial year and which were still awaiting recognition by the EU. The following IFRS have now been recognised by the EU and are therefore to be applied for financial years beginning on or after January 1, 2007:

- IFRIC 7:** *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies* clarifies questions in connection with the application of IAS 29 in the event of the country whose currency is the functional currency of the company preparing financial statements becomes a hyperinflationary economy. The application of IFRIC 7 is mandatory for the first time for financial years beginning on or after March 1, 2006.
- IFRIC 8:** *Scope of IFRS 2* clarifies the applicability of IFRS 2 *Share-based Payment* to agreements where the company preparing financial statements grants share-based payments for no or inadequate consideration. The interpretation is to be applied for the first time for financial years beginning on or after May 1, 2006.
- IFRIC 9:** *Reassessment of Embedded Derivatives* deals with the question of whether a contract need be examined for an embedded derivative pursuant to IAS 39 *Financial Instruments: Recognition and Measurement* merely at the time of its conclusion or throughout its entire term. The interpretation is to be applied for the first time for financial years beginning on or after June 1, 2006.

It is expected that all these interpretations will have no or no material impact on the net worth, financial position and financial performance of FLUXX.

## 2. Consolidation

### 2.1 Consolidated companies

The Consolidated Financial Statements include six domestic and eleven foreign companies in which FLUXX AG directly or indirectly holds a majority of voting rights.

The goodwill from the acquisition of the QED Group (myBet.com) increased by the minority interest amounting to EUR 102 thousand following a further capital increase by FLUXX of EUR 500 thousand for QED in the first quarter of 2007. The shareholding in QED is 79.92 per cent after the capital increase.

Measurement was performed in accordance with IFRS 3.

A further subsidiary, JAXX.com UK Ltd, was established in connection with the securing of a sports betting licence in the United Kingdom. Its share capital is GBP 100 and is 100 per cent allocable to the FLUXX Group. The company does not currently have any operations and will start trading in the course of the second quarter.



<b>SUMMARY OF INVESTMENTS</b>	<b>Registered office</b>	<b>Nominal capital T€</b>	<b>Proportionate interest %</b>
<b>Parent company</b> FLUXX AG	Altenholz	14,563	–
<b>Direct investments</b>			
ANYBET GmbH	Hamburg	110	100.00
JAXX GmbH	Hamburg	110	100.00
DSM Lottoservice GmbH	Hamburg	30	100.00
DigiDis S. L.	Madrid, Spain	182	72.50
JAXX.COM Holding Ltd.	Malta	1	100.00
QED Ventures Ltd.	Malta	4	79.92
<b>Indirect investments</b>			
book + data Software-Entwicklung GmbH	Altenholz	25	100.00
fluxx.com Telewette GmbH	Hamburg	51	80.00
JAXX GmbH (vorm. interjockey.com horsebet GmbH)	Lustenau, Austria	400	100.00
DSM Lottoservice GmbH	Lustenau, Austria	35	100.00
JAXX.COM Casino Ltd.	Malta	20	79.92
JAXX.COM Sportsbetting Ltd.	Malta	20	100.00
JAXX.COM Lottery Ltd.	Malta	10	100.00
PEI Ltd.	Malta	3	79.92
SWS Wettshopservice GmbH	Berlin	25	79.92
myBet GmbH	Vienna, Austria	35	79.92
JAXX.COM UK Ltd.	London, UK	0.2	100.00

### 3. Principles of recognition and measurement

Apart from the newly established JAXX.com UK Ltd, which prepares its accounts in pounds sterling, the euro is the currency of all group companies. Exchange differences from consolidation are recognised within shareholders' equity as balancing items from foreign currency translation. Business transactions in foreign currency have been recognised at the exchange rate at the date of the transaction. Gains and losses from exchange rate movements are correspondingly reflected in income.

Unless otherwise indicated in individual instances, there were no interest rate risks.

### 4. Notes to the Consolidated Income Statement

#### 4.1 Realisation of expenses and revenues

Expenses and revenues for the period under review are realised according to the same principles outlined in the 2006 annual financial statements.



#### 4.2 Revenue

REVENUE	31/03/2007 T€	31/03/2006 T€
Commissions	1,169	1,809
Handling fees	4,316	3,052
Fees	26	57
Betting stakes	7,732	3,923
Production output	351	177
Other	423	166
	<b>14,017</b>	<b>9,184</b>

#### 4.3 Production for own assets capitalised

An amount of EUR 86 thousand was invested in self-created software in the first quarter of 2007. This related predominantly to the implementation of the gaming platform for the British market and the multi-currency capability of the central ANYBET Gaming Platform.

#### 4.4 Other operating income

OTHER OPERATING INCOME	31/03/2007 T€	31/03/2006 T€
Income from the reversal of accruals	53	133
Income from the reduction in impairment losses on receivables	0	0
Income from the disposal of fixed assets	0	300
Other income	103	56
	<b>156</b>	<b>489</b>

#### 4.5 Cost of purchased materials

The cost of purchased materials includes costs for scanners, printers and gaming tills, and in particular winnings paid out as a result of sports and horse betting business. The latter rose very strong as a result of the integration of myBet.com. The margin on betting stakes in the period under review was around 19 per cent.

#### 4.6 Personnel expenses

Personnel expenses rose by 20 per cent. The value of the stock options issued to employees is likewise included in salary expenses pursuant to IFRS 2 / IAS 19, at the amount of EUR 22 thousand.

There were 145 employees at the reporting date (previous year 114). The average number of employees for the quarter was 145 (previous year 112).

#### 4.7 Depreciation and amortisation

The approximately 100 per cent increase in the level of syndicate contracts compared with the first quarter of 2006 results in high depreciation and amortisation, representing a significant portion of the total for this item.



#### 4.8 Other operating expenses

OTHER OPERATING EXPENSES	31/03/2007 T€	31/03/2006 T€
Marketing	1,485	1,443
Commissions	1,714	848
Expenses for premises	171	153
Collection charges	273	144
Losses on receivables	315	175
Costs of annual accounts and audit	12	28
Legal and consultancy costs	407	263
Vehicle costs	48	47
Insurance, donations, membership fees	85	80
Postage	348	114
Other personnel costs	15	24
Telephone costs	30	37
Fees for data lines	175	34
Travel and entertaining expenses	79	68
Incidental costs of monetary transactions	14	25
Other costs	381	252
	<b>5,550</b>	<b>3,734</b>

Rapid growth in the sports betting area is the main factor behind the sharp rise in commissions, and thus accounts for a substantial portion in the rise in these expenses. Legal and consultancy costs have likewise risen considerably since the first quarter of 2006. The rises in the other cost items, such as losses on receivables, collection, postage and data lines, are in line with the growth in sales for sports betting and syndicate business.

#### 4.9 Interest result and other financial result

The lower monetary holdings and the restrained investment strategy have led to lower interest and finance income. The interest expense has risen markedly as a result of finance lease payments.

#### 4.10 Result before tax

The result for the quarter before tax is EUR –779 thousand, compared with EUR –167 thousand in 2006.

#### 4.11 Income tax

Income tax includes corporate taxes such as corporation and trade tax, or similar taxes of domestic and foreign companies. Deferred tax assets have been created to make use of the company's anticipated losses. Taxes on gains by subsidiaries were provided for and deferred tax assets reversed.

#### 4.12 Other tax

No other taxes arose in the quarter under review.

#### 4.13 Net profit or loss for the period

The net loss for the quarter is EUR –637 thousand, as against a profit of EUR 16 thousand for the prior-year period.



## 5. Notes on the Cash Flow Statement

FLUXX AG generated a high cash flow from operating activities of EUR 3,787 thousand during the period under review. This is attributable to the high EBITDA of EUR 1,703 thousand. The Sports Betting segment, which now achieves a pre-tax profit, and the high growth of syndicate business are the basis for this achievement. The latter business area results in high investment spending on contracts, accounting for a substantial portion of cash outflows for investment spending totalling EUR –3,379 thousand. This leaves a positive cash flow of EUR 443 thousand after financing activities.

## 6. Consolidated Balance Sheet

### 6.1 Non-current assets

#### 6.1.1 Intangible assets

The intangible assets amounting to EUR 17,443 thousand. They include the goodwill of EUR 102 thousand from the capital increase effected at myBet.com during the first quarter of 2007.

#### 6.1.2 Property, plant and equipment

The largest individual items under Property, plant and equipment are Construction in progress, amounting to EUR 2,011 thousand, and the Direct Lotto infrastructure (under Plant and equipment) amounting to EUR 2,647 thousand.

#### 6.1.3 Financial assets

The investment in Seepark Sellin AG is shown at cost under financial assets. The carrying amount corresponds to the fair value.

#### 6.1.4 Deferred taxes

This item has risen marginally by the tax component for losses of individual subsidiaries deemed sound.

### 6.2 Current assets

#### 6.2.1 Inventories

Inventories include infrastructure components for betting shops that are sold to the shops' franchisees.

#### 6.2.2 Receivables and other assetse

This item comprises trade accounts receivable originating primarily from syndicate business, as well as miscellaneous assets. These include among other things receivables from payments of withholding tax, sales tax, guarantees and credit card payments. Impairment losses were applied in particular to the betting shops.

#### 6.2.3 Securities

This item includes asset backed securities with an average yield of nine per cent p. a. in 2007.

#### 6.2.4 Cash and cash equivalents

Including securities, cash and cash equivalents amount to EUR 17,121 thousand. The portion that is not freely available amounts to EUR 1,860 thousand.



### 6.2.5 Prepaid expenses

Prepaid expenses resulting from payments which were made for expenses incurred in the subsequent periods are likewise reported under current assets.

## 6.3 Capital and reserves, minority interest

### 6.3.1 Share capital

The share capital of FLUXX AG remains unchanged at EUR 14,562,854 and is divided into the same number of no par value shares.

### 6.3.2 Approved capital

The company's approved capital remains unchanged at EUR 2,107,602.

### 6.3.3 Authorised but unissued capital

The authorised but unissued capital amounts remain unchanged from the 2006 annual financial statements.

### 6.3.4 Reserves

The company has additional paid-in capital pursuant to Section 272 (2) of German Commercial Code totalling EUR 52,134 thousand. No further reserves exist.

### 6.3.5 Accounting loss

Der ausgewiesene Bilanzverlust setzt sich wie folgt zusammen:

ACCOUNTING LOSS	31/03/2007 T€
Loss carry-forward at 31/12/06	-28,137
Minority interest in earnings	33
Net loss at 31/03/07	-637
<b>Accounting loss</b>	<b>-28,741</b>

### 6.3.6 Minority interest

Interests of minority shareholders in the share capital and the additional paid-in capital are reported here. Minority interest in the result for the period relates to the other shareholders of the Spanish subsidiary DigiDis and of QED Ventures Ltd., Malta. There was no netting of other interests in earnings, as the other minority shareholders do not respectively participate in earnings.

## 6.4 Long term debt

### 6.4.1 Deferred tax liabilities, tax on profit

The deferred taxes relate to the temporary differences from the capitalisation of self-created intangible assets and the resulting amortisation. The use of loss carry-forwards for DSM Lottoservice GmbH, Hamburg, results in the recognition of an accrual for corporation and trade tax.



### 6.4.2 Loans and bonds

LOANS AND BONDS T€	Total 31/03/2007	Total 31/12/2006	With a term to maturity of		
			less than 1 year	1 - 5 years	> 5 years
1. Finance lease liabilities	4,073	4,363	1,191	2,882	0
2. Bonds	88	88	88	0	0
3. Due to banks	2,110	2,018	1,185	925	0
	<b>6,271</b>	6,469	<b>2,464</b>	<b>3,807</b>	<b>0</b>

### 6.5 Kurzfristige Schulden

#### 6.5.1 Accrued expenses

The accrued expenses have fallen slightly compared with the position at December 31, 2006. They are created for outstanding vacation leave, employee bonuses, industrial accident insurance contributions and suppliers' invoices (predominantly marketing expenses and legal and consultancy fees).

All accrued expenses are short-term in nature, with a term of up to one year; no reimbursements are expected.

#### 6.5.2 Current loans and liabilities, other liabilities

The other liabilities include liabilities from gaming operations and have risen sharply as a result of the rapid growth in sports betting and syndicate business.

CURRENT LOANS AND LIABILITIES, OTHER LIABILITIES T€	Total 31/03/2007	Total 31/12/2006	With a term to maturity of		
			less than 1 year	1 - 5 years	> 5 years
1. Due to banks	0	65	0	0	0
2. Trade accounts payable	1,953	1,936	1,953	0	0
3. Other liabilities	8,178	6,031	8,178	0	0
	<b>10,131</b>	8,032	<b>10,131</b>	<b>0</b>	<b>0</b>



### 6.5.3 Deferred tax liabilities

Game fees that have already been collected but do not produce revenue until the subsequent period are reported under this item.

## 7. Segment reporting

SEGMENT REPORTING T€	B2C	B2B	Sports Betting	Other	Consolidated transfer	Total
External sales	3,375	3,026	7,616	0	0	14,017
31/03/2006	2,317	3,215	3,651	1	0	9,184
Sales with other segments	985	1,246	0	528	-2,760	0
31/03/2006	1,285	782	0	1,897	-3,964	0
Total sales	4,360	4,272	7,616	528	-2,760	14,017
31/03/2006	3,602	3,997	3,651	1,898	-3,964	9,184
Gross income	4,205	4,142	2,731	439	-2,359	9,157
31/03/2006	3,373	3,963	255	125	-2,008	5,708
EBITDA	1,219	683	142	-383	42	1,703
31/03/2006	1,686	360	-384	-767	-14	881
Result for segment before interest and taxes	-866	184	76	-566	380	-792
31/03/2006	534	-112	-428	-781	438	-349
Net interest	-242	-298	-24	525	52	11
31/03/2006	-202	-291	1	654	20	182
Income taxes	-2,206	-756	-118	-787	4,009	143
31/03/2006	91	109	126	39	0	182
Net profit or loss for the period	-3,314	-870	-66	-828	4,442	-637
31/03/2006	238	-293	-300	-89	459	16
Gross carrying value of assets	14,112	20,509	6,043	63,724	-47,403	56,985
31/12/2006	11,969	20,639	7,190	64,307	-48,476	55,629
Liabilities	26,930	26,286	3,211	5,237	-42,636	19,029
31/12//2006	23,677	26,184	4,782	5,783	-43,832	16,594
Investment	2,555	140	177	550	0	3,422
31/12/2006	6,863	748	716	6,298	-3,269	11,356
Depreciation and amortisation	2,085	499	66	183	-338	2,495
31/12/2006	5,574	2,044	219	250	-1,668	6,419
Non-cash expenses	0	0	0	0	0	0
31/12/2006	0	0	0	0	110	110



## 8. Other particulars

### 8.1 Earnings per share

EARNINGS PER SHARE	31/03/2007 T€	31/03/2006 T€
Consolidated earnings	-637	16
Weighted average number of ordinary shares outstanding during the period under review	14,563	14,523
<b>Basic earnings per share in (€)</b>	<b>-0.04</b>	<b>0.001</b>
Number of dilutive shares under option	142	249
Number of shares that would have been issued at fair value	-88	-76
<b>Total</b>	<b>14,616</b>	<b>14,696</b>
Consolidated earnings (T€)	-637	16
Number of shares	14,616	14,696
<b>Diluted earnings per share (€)</b>	<b>-0.04</b>	<b>0.001</b>

### 8.2 Contingent liabilities

There are contingent liabilities totalling EUR 209 thousand; these consist of guarantees on tenancy agreements, among other things.

### 8.3 Hedging policy and derivative financial instruments

There exists no interest rate risk in view of the long-term loan agreements with fixed interest rates. No hedging of the interest rate risk is therefore practised. The company has concluded insurance policies to cover various operating risks.

### 8.4 Other financial obligations

The company must spend EUR 5,839 thousand (previous year: EUR 6,273 thousand) in the future for rent and similar obligations. This figure also includes the further finance lease repayment, as well as the associated interest.

### 8.5 Contingent liabilities and other financial obligations

Contingent liabilities are potential obligations towards third parties or actual obligations where an outflow of resources is unlikely. They are not recognised in the Consolidated Balance Sheet, but explained in the Notes.

### 8.6 Leases

The lease agreements concluded by the company consist of both operating lease agreements and finance lease agreements.

The following table shows the future minimum expenses that will be incurred from lease and tenancy agreements in view of the terms and notice periods of these agreements. These come under other financial obligations (see also Section 8.4). The rise in lease agreements results largely from switching company cars from short-term rental agreements to lower-priced but longer-term lease agreements.

TENANCY AND LEASE AGREEMENTS	31/03/2007 T€	31/03/2006 T€
<b>Tenancy agreements</b>		
Term up to 1 year	289	276
Term 1 to 5 years	37	0
<b>Lease agreements</b>		
Term up to 1 year	253	0
Term 1 to 5 years	330	394



## 8.7 Related parties

Accounts receivable from members of the Management Board totalled around EUR 20 thousand. The following table shows the amounts due to related parties which diminished the result for 2007. The amounts concerned are in respect of consultancy fees and office rent.

	31/03/2007 T€	31/03/2006 T€
GWU mbH (Managing Director Antje Stoltenberg, Supervisory Board member)	0	0
DSM Marketing GmbH, tenancy agreement for Altenholz	27	24
<b>Total</b>	<b>27</b>	<b>24</b>

The prices are in line with the market. The consultancy services are invoiced on the basis of hours worked, at hourly rates that are in line with the market, or on the basis of the applicable fee scales. The rent is in line with the customary rent for office space in the locality.

## 8.8 Stock option plans

Pursuant to IFRS 2, for financial years from January 1, 2005 all options issued after November 7, 2002 and still subject to a vesting period at January 1, 2005 are to be

measured and reported as salary expenses. For this purpose it is assumed that the value of the options – provided they are granted free of charge – represents remuneration for the period from the time the options were granted until the expiry of the vesting period. The value of the options is to be determined correspondingly and spread over the vesting period, taking account of such factors as fluctuation. As the options can be exchanged for shares in the company (equity settled) and are not redeemed in cash, the booking of salary expenses increases the additional paid-in capital. The expense entry simultaneously reduces the profit in the period when the expense is recorded, with the result that the effect on shareholders' equity is corrected again.

A total of 188,851 options issued after November 7, 2002 fell under the rules of IFRS 2. 130,230 options remained in existence at the reporting date. The options were measured at market price upon issue, applying the Black-Scholes option pricing model. The exercise threshold was taken into account in the calculation using the above model. The staggered vesting period and employee fluctuation of around ten per cent were likewise taken into account. No fluctuation was assumed for the Management Board.

The development in the options to be reported pursuant to IFRS 2 is shown below:

	Total 2006	Average strike price 2006	Total 2007	Average strike price 2007
Options outstanding at January 1	179,015	3.50 €	134,144	3.90 €
Granted in the period	0		0	
Forfeited in the period	-9,999	2.31 €	-3,914	2.31 €
Exercised in the period	-34,872	2,31 €	0	
Expired in the period	0		0	
Options outstanding at 31/03	134,144	3.90 €	130,230	3.95 €
Options available for exercise at 31/03	3,297		3,297	
Average weighted share price		6.87 €		3.65 €



Personnel expenses from the granting of options amounting to EUR 22 thousand were reported in the period under review (previous year EUR 14 thousand).

### 8.9 Events occurring after the balance sheet date

There were no disclosable events occurring after March 31, 2007, as defined in IAS 10.

### 8.10 Discretionary decisions in the application of the recognition and measurement principles

Discretionary decisions are required in applying the recognition and measurement principles. This is particularly the case regarding the following matter:

Past statistical data was used in measuring the accrual for bonus points.

### 8.11 Estimates and evaluations by the management

The preparation of the Consolidated Financial Statements necessitates certain assumptions and estimates that apply to the carrying amounts of the assets, liabilities, income and expenditure recognised in the accounts.

### 8.12 Impairment test for goodwill

The impairment test for goodwill is based on forward-looking assumptions. These assumptions have been made on the basis of the estimated situation at the balance sheet date. An assumption on the future development of the economic context that was considered to be realistic at that point in time was moreover taken into account in estimating future business development. The actual amounts may

differ from the estimates as a result of differences between actual developments in the underlying situation and the assumed developments. In such instances the assumptions and, if necessary, the carrying amounts of the assets and liabilities in question, are adjusted.

The actual amounts may differ from the estimates as a result of differences between actual developments in the underlying situation and the assumed developments. In such instances the assumptions and, if necessary, the carrying amounts of the assets and liabilities in question, are adjusted.

### 8.13 Corporate bodies

The members of the Management Board are:

- Rainer Jacken, Graduate Designer, Spokesman
- Mathias Dahms, Information Technology Graduate
- Stefan Hänel, Graduate Economist

Details of the remuneration are provided in the corporate governance report, which forms part of the 2006 annual financial statements.

Members of the Supervisory Board

- Goetz Graf von Hardenberg, Hamburg, Chairman, management board member
- Antje Stoltenberg, Kiel, auditor
- Frank Motte, Gerlingen, managing partner

Over and above their activities as Supervisory Board members of FLUXX AG, the members of the Supervisory Board had not been mandated to any other regulatory bodies of other companies.

**8.14 Mandate relationship with the auditor of the annual accounts, Susat & Partner oHG, Hamburg**

In the current 2007 financial year, Susat & Partner oHG was not mandated to perform any further tasks over and above the auditing of the annual accounts. Expenses of EUR 11 thousand were recorded in the period of 2007 under review for the auditing of the annual accounts.

Altenholz, May 7, 2007

Rainer Jacken

Mathias Dahms

Stefan Hänel



### Important Dates

- **May 10, 2007**  
Shareholders' Meeting 2007
- **August 9, 2007**  
Publication of the first-half report 2007
- **November 8, 2007**  
Publication of the nine-month report 2007
- **November 12 - 14, 2007**  
Analysts Meeting during Eigenkapitalforum  
in Frankfurt am Main

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## Imprint

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