

Q1 2012

Operating income increased by 32 percent



CEO
Magnus
Silverberg

Presentation Outline

- ✓ Introduction
- ✓ B2C – Business to Consumers
- ✓ B2B – Business to Business
- ✓ Q1 Highlights
- ✓ Legal Update
- ✓ Events after Q1
- ✓ Q&A



Introduction

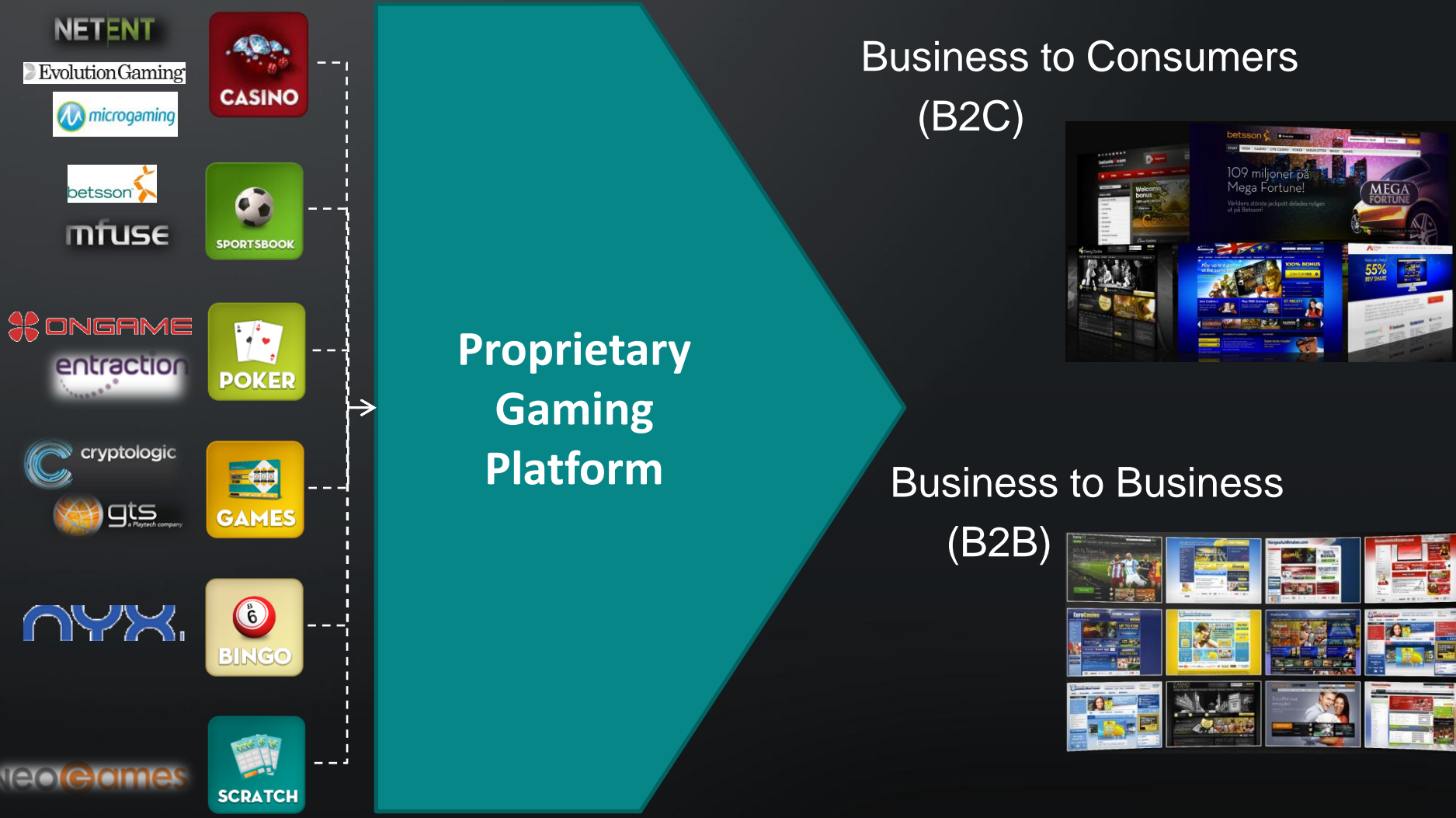


Betsson – 49 years in gaming

- ✓ 459 employees + 165 full time consultants
- ✓ **Listed on Nasdaq** OMX Nordic, Mid Cap (BETS)
- ✓ Market Cap of approximately **€ 1 000 000 000**
- ✓ **Betsson competes** with national monopolies but also with peers, such as Unibet, Ladbrokes, Sportingbet, Bwin.party and similar



Multi Supplier and Multi Brand Strategy



B2C - Business to Consumers

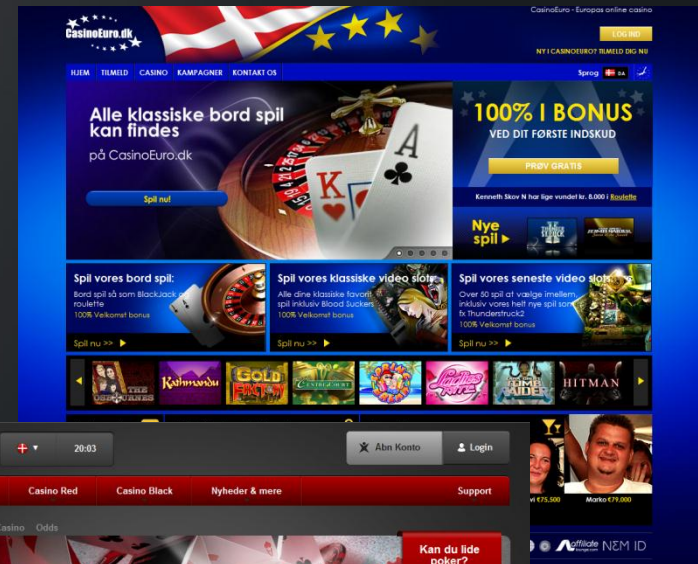


Betsson AB Presentation Q1 2012




Denmark launched

- Two B2C brands, www.betsafe.dk and www.casinoeuro.dk was launched on the newly regulated Danish market
- It is currently too early to evaluate the performance of the B2C segment in Denmark after the introduction of the new license system



NordicBet acquired




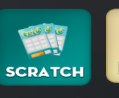


- ✓ Strengthen our position as the largest independent operator in the Nordics
- ✓ NGG brands fit in Betsson's business model and brand portfolio
- ✓ Strong sportsbook brands, especially in Northern Europe



The image displays three overlapping screenshots of betting websites. The top screenshot is for Triobet, featuring a red header with the Triobet logo and navigation tabs for Säkums, Pokers, Totalizators, LiveBet, Kasino, Live dileri, Späles, Triobet Mobile, and LiveScore. A prominent banner reads "Apdrošināta Mobile LiveBet likme!". The middle screenshot is for NordicBet, with a blue header and navigation tabs for Sport, LiveBet, Poker, Casino, LiveCasino, Games, and Bingo. A banner says "Upplev spänningen hos oss!" with a "TV" icon. The bottom screenshot shows a "Hetast Just Nu" section with a table of matches and odds.

Tid	Match	1	X	2
Ons 20:45	Marseille - Bayern München	4.40	3.40	1.82
I morgon 01:30	Detroit Red Wings - Columbus Bl...	1.55	4.40	5.00
I morgon 01:30	Philadelphia Flyers - Tampa Bay ...	1.82	4.20	4.25

About NGG

- ✓ About 185 employees
- ✓ Offices in Malta, Stockholm and Tallinn
- ✓ Products:      
- ✓ 3 internal brands
- ✓ Founded 2002



NGG Deal

✓ MEUR 50 revenues R12

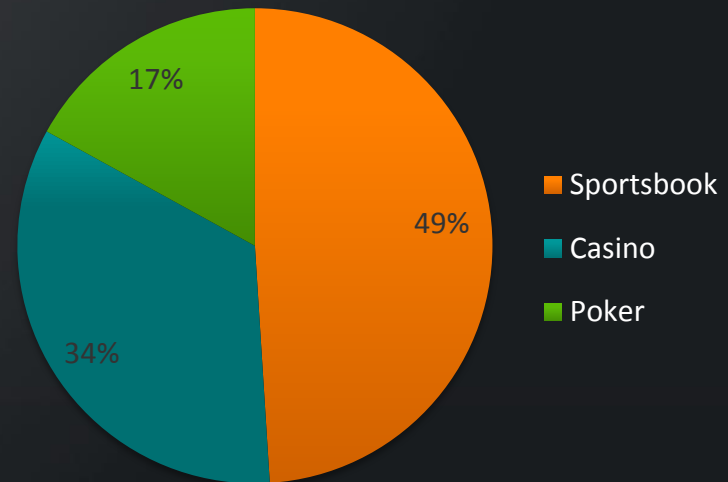
✓ MEUR 11 EBIT R12

✓ 37% growth

✓ Purchase Price MEUR 65-85

✓ The up-front purchase price corresponds to 5.9x EBIT during the last 12 months

✓ If full additional consideration is paid, the total purchase price is expected to correspond to 6-7x EBIT for 2012



B2B - Business to Business



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B2B Developments

Denmark

- ✓ During the quarter, two new brands were launched and put into operation on the newly-regulated local Danish market:
www.betsson.dk and
www.danmarksautomaten.dk
 - The Danish media company, Berlingske Media, will work exclusively with the Betsson brand in Denmark via a franchise arrangement

Existing Partners

- ✓ The gaming solutions offered via **Realm Entertainment** are developing positively, even though **this is not the partnership** that has experienced the most growth during the first quarter **in absolute terms**

China

- ✓ In China, Betsson is **continuing the development** of the beta version web site. Due to legal reasons it is **unclear** when it is possible to put this version into operation

Mobile Creativity

- ✓ Within B2B during the **first quarter**, Betsson launched **self-developed** Smartphone applications under **seven existing brand names**, and **further launches are planned** for the year within both B2B and B2C
- ✓ After the first quarter, Betsson launched **a self-developed Sportsbook** app on one of its B2B brands
- ✓ Betsson predicts a **continued high demand for mobile solutions**



Q1 Highlights



Q1 Highlights

- ✓ **Revenues** amounted to **SEK 536.1** (417.4) million, equivalent to an **increase of 28 percent**
- ✓ **Operating income** amounted to **SEK 174.1** (131.8) million, equivalent to an **increase of 32 percent**
- ✓ **Operating margin** amounted to **32.5 percent** (31.6 percent)

Numbers in gray = Q1 2011

Q1 Highlights

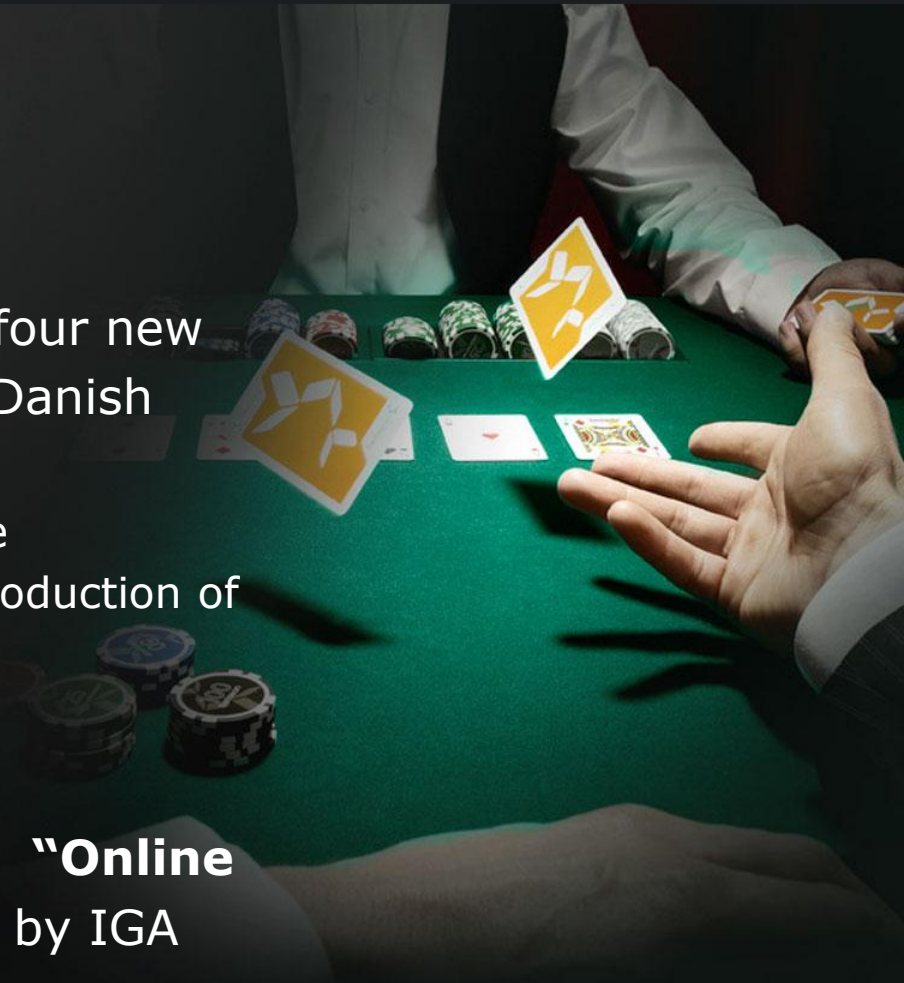
- ✓ **Earnings per Share SEK 3.91** (3.19)
- ✓ Deposits in all of **Betsson's gaming solutions** amounted to SEK 1 468.6 (1 121.6) million, **an increase of 31 percent**
- ✓ Cash by end of period **SEK 588.4** million (535.8)

Numbers in gray = Q1 2011

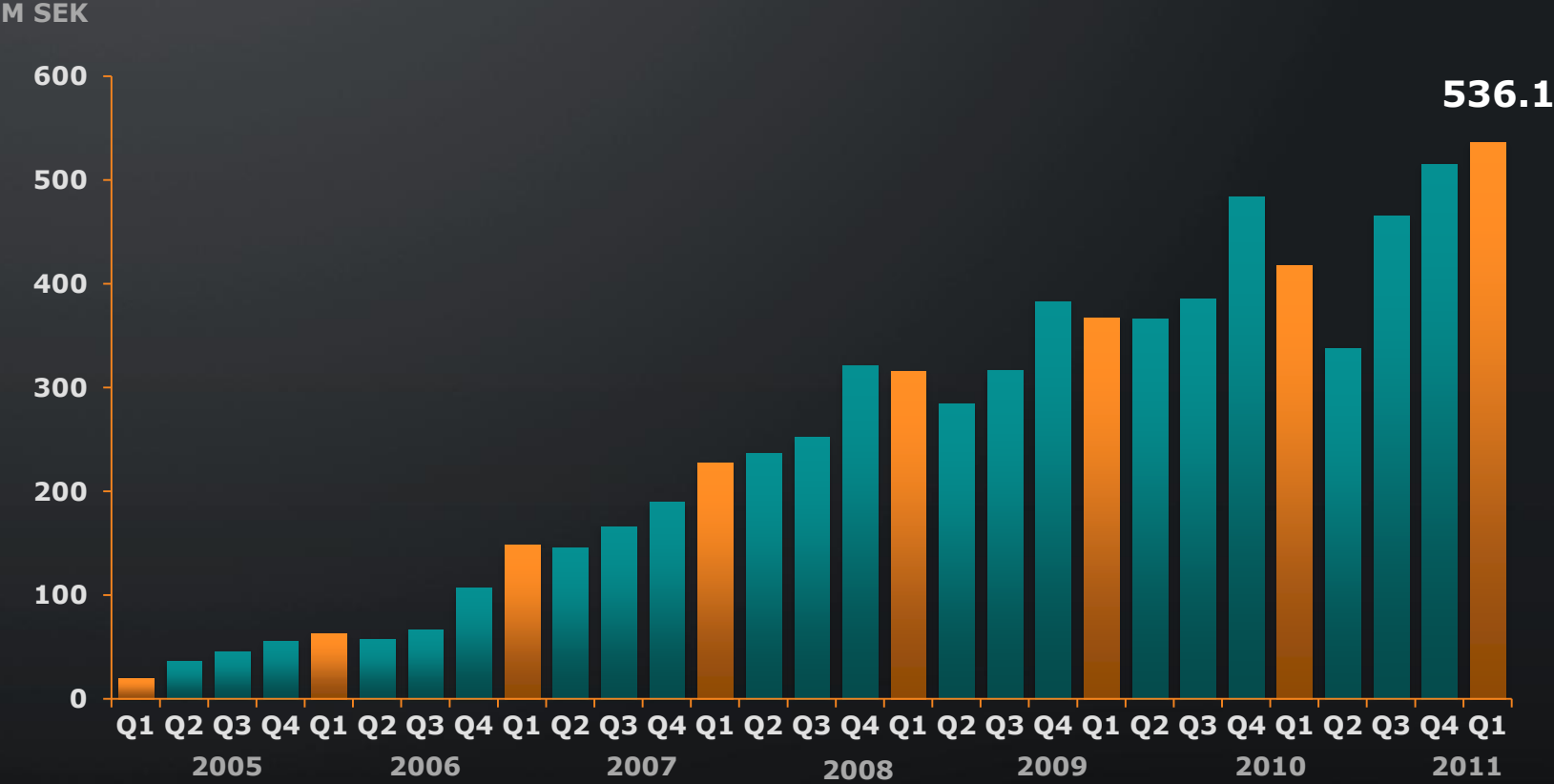


Q1 Highlights

- ✓ Betsson launched during the quarter four new gaming sites on the newly regulated Danish market
 - It is currently too early to evaluate the performance in Denmark after the introduction of the new license system
- ✓ On January 23, Betsson was awarded **“Online Sportsbook Operator of the Year”** by IGA



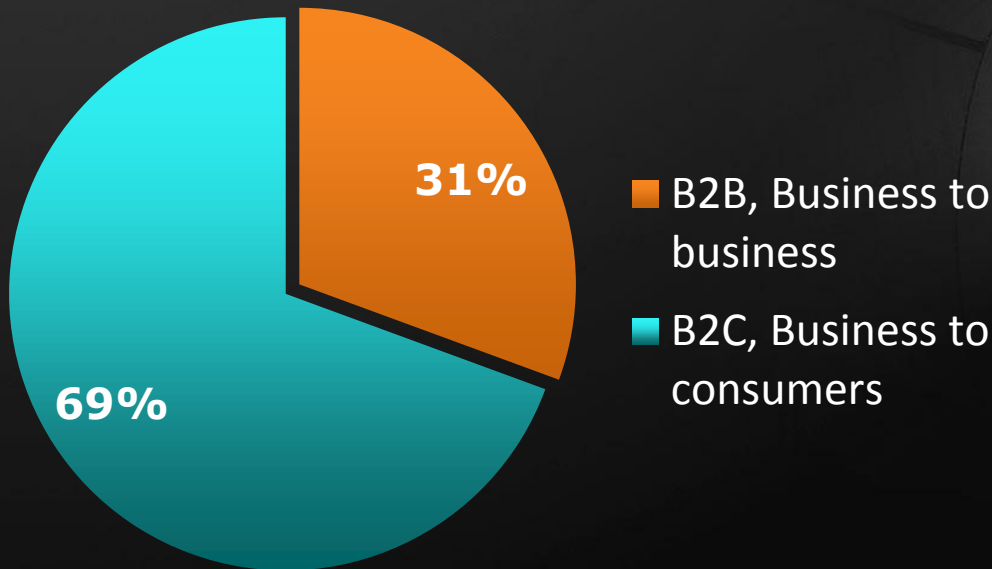
Revenues



Product and Geographical Split

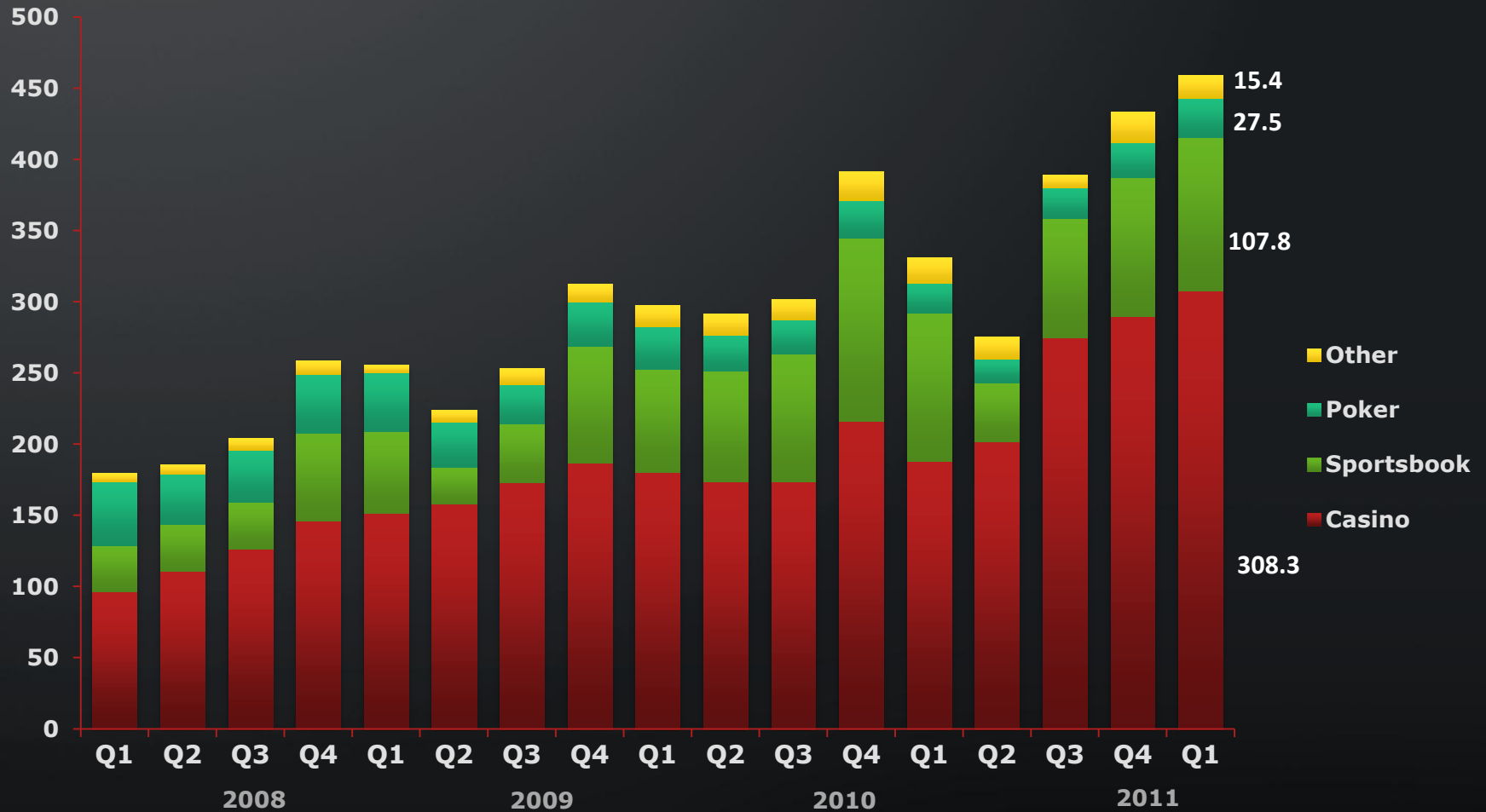


Gross Profit per Segment

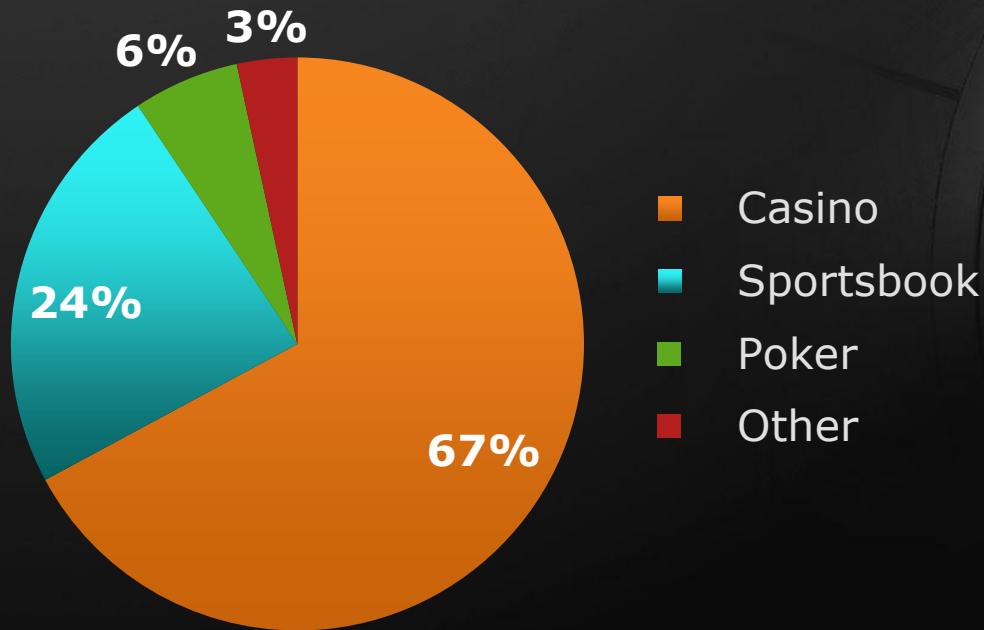


Gross Profit per Product

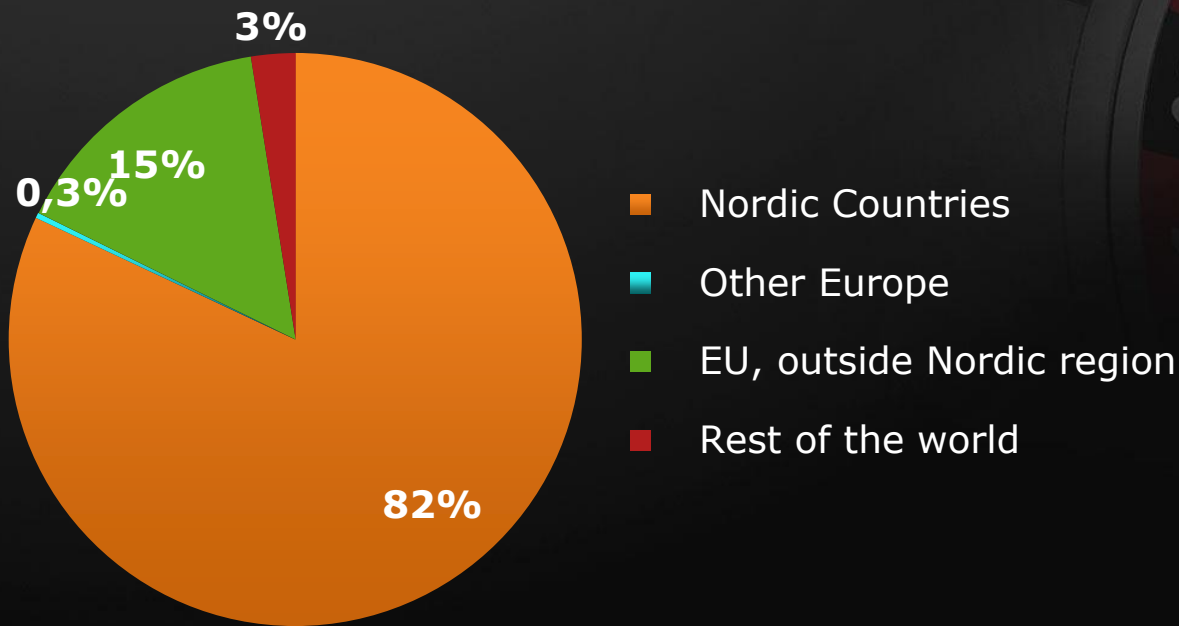
M SEK



Gross Profit per Product



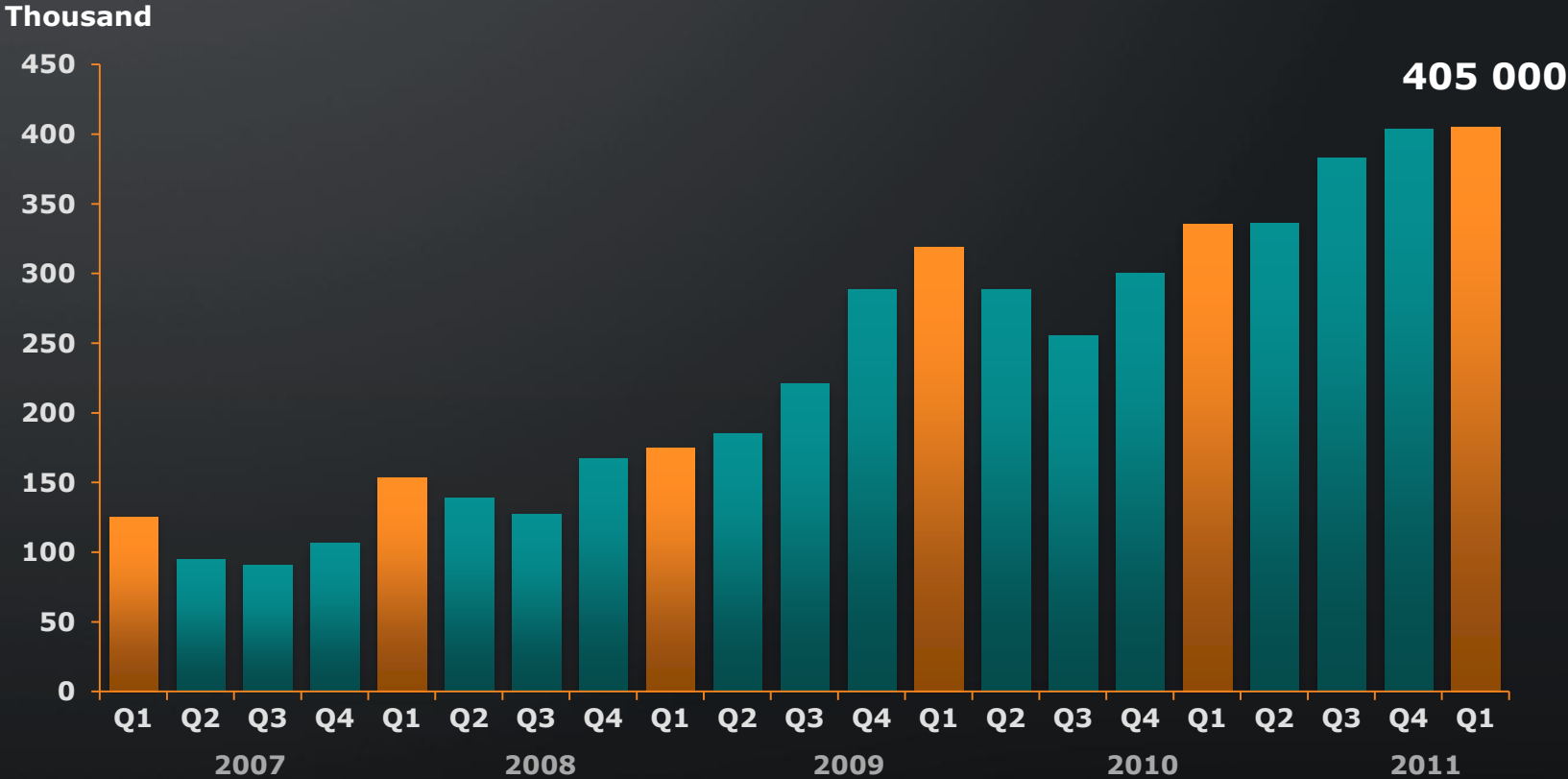
Gross Profit per Geographical Area (B2C)



Key Performance Indicators

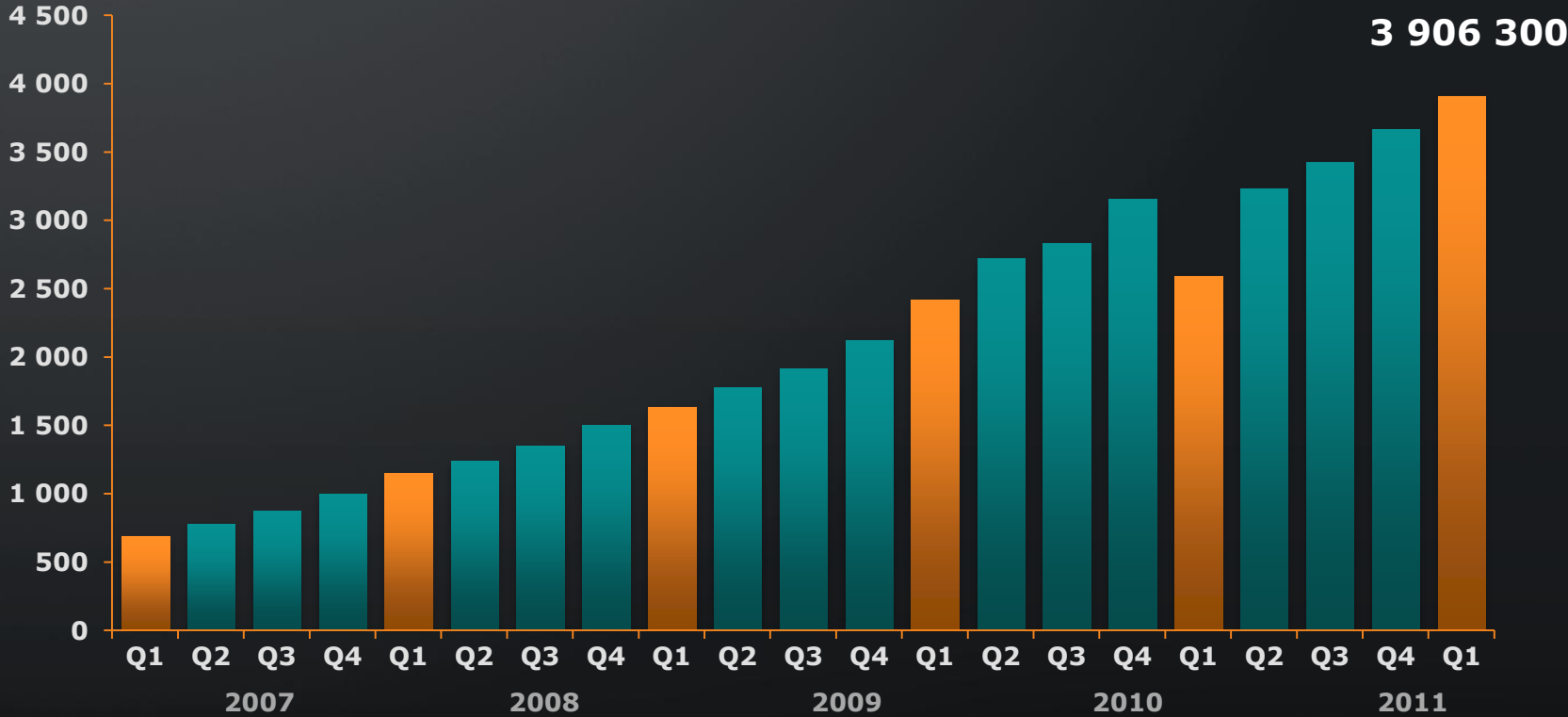


Active Customers



Registered Customers

Thousand



Growth Indicators


	Y/Y	Q/Q
Active Customers	21%	0.4%
Registered Customers	51%	7%
Revenue	28%	4%
Customer Deposits*	31%	-1%
Gross Turnover SB*	48%	22%



The measure **Active Customers** shall be seen in **a longer perspective**

* Including all of Betsson's gaming solutions

Sportsbook Margins



SEK million	2012 - Q1 SB	2012 - Q1 3 rd PARTY SB	2011 -Q1 SB	2011 - Q1 3 rd PARTY SB
Gross Turnover SB	645.5	1998.6	146.7	1640.8
Gross Margin SB	6.9%	3.2%	9.5%	5.5%
Gross Profit	44.6	63.2	14.0	90.2

Legal Update





Italy's now implemented cash games decree **enables licensed operators to add cash poker and casino games** to their tournament games

Betsson has been granted a license



Denmark's new regulation has been **approved** and was implemented on January 1, 2012.

Betsson has been granted a license



Continued discussions both on **federal and state level**. The **Department of Justice** has recently changed its position on intra-state gambling and **no longer consider** it a breach of the Wire Act if it is legal in the **individual state**. Inter-state gambling is however still illegal in the eyes of the DOJ





The **Dutch government** plans to grant local licences for internet gaming **during 2012**. It is still early in the process but it seems the Dutch government is looking at **Denmark as a model** for a future Dutch regulation



Schleswig-Holstein is moving ahead with their separate gaming regulation and not **waiting for the other 15 Bundesländer to join**. The attempt by the other Bundesländer to launch their own regulation has been **severely criticized by the European Commission**



There are some calls for a new regulation **but we don't know if there are such plans from the government**. Some renewed interest on the matter from some politicians and the Swedish gaming board.

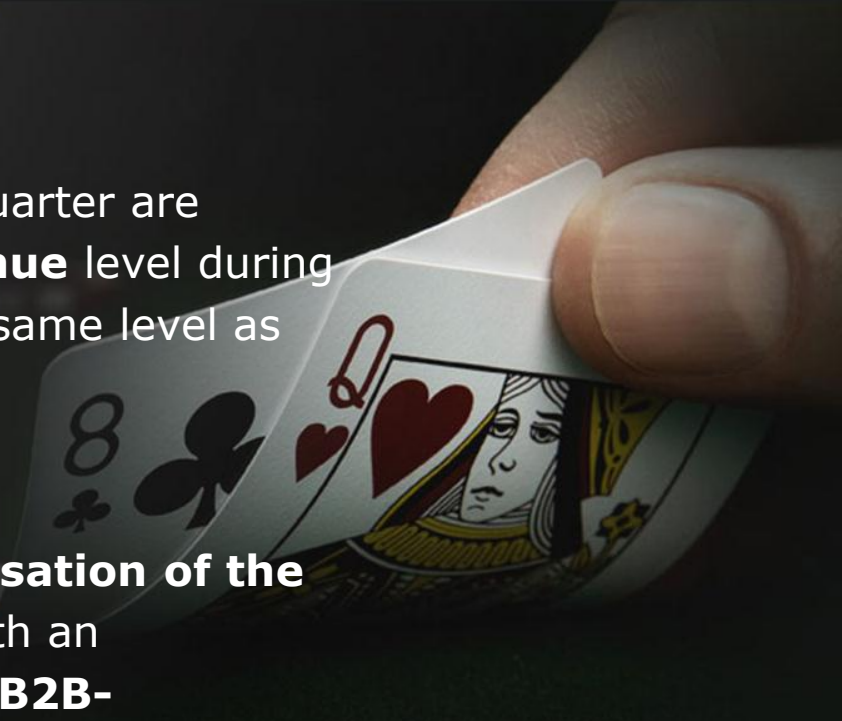
Five leading operators in the game industry, Betfair, Betsson, Bonnier Gaming, Paf and Unibet have united in **the trade association for online gaming**



Events after Q1



- ✓ Revenues at the beginning of the second quarter are somewhat **lower than the average revenue** level during the first quarter, whilst deposits are at the same level as the first quarter
- ✓ As a consequence of the **potential liberalisation of the German market** Betsson has, together with an entrepreneurial driven company, **signed a B2B-agreement** to establish the brand Betsafe, for german speaking people, through a franchise structure
- ✓ Scheduled marketing costs **in Q2** will increase **significantly**



Q&A

