

Q2 2012

Revenues increased by 44 percent



CEO
Magnus
Silverberg

Presentation Outline

- ✓ Introduction
- ✓ B2C – Business to Consumers
- ✓ B2B – Business to Business
- ✓ Regulated Markets
- ✓ Q2 Highlights
- ✓ Legal Update
- ✓ Events after Q2
- ✓ Q&A



Introduction

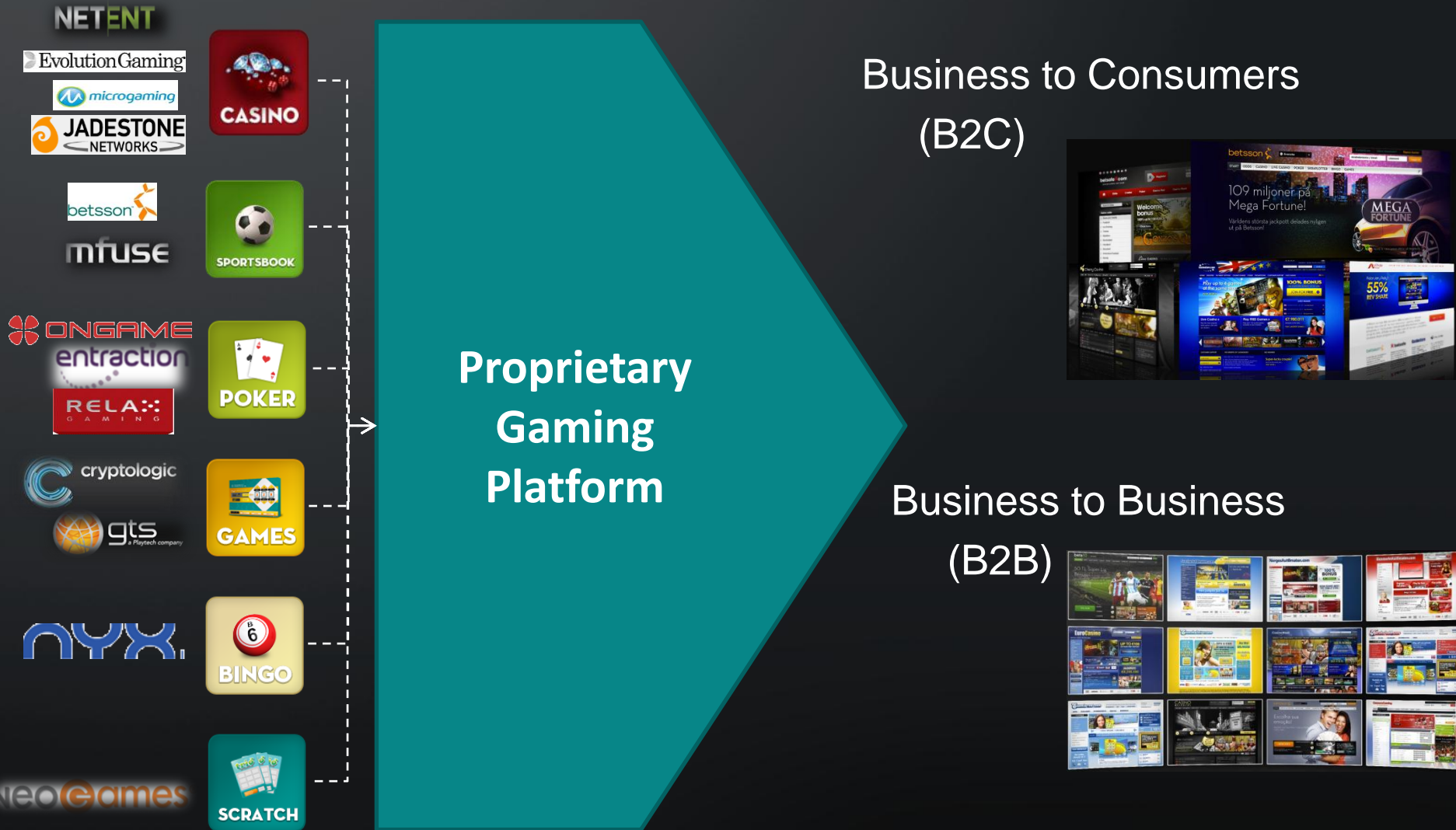


Betsson – 49 years in gaming

- ✓ **610** employees + **232** full time consultants (the acquisition of NGG has contributed with 128)
- ✓ **Listed on Nasdaq** OMX Nordic, Mid Cap (BETS)
- ✓ Market Cap of approximately **€ 980 000 000**
- ✓ **Betsson competes** with national monopolies but also with peers, such as Unibet, Ladbrokes, Sportingbet, Bwin.party and similar



Multi Supplier and Multi Brand Strategy



Mobile Growth

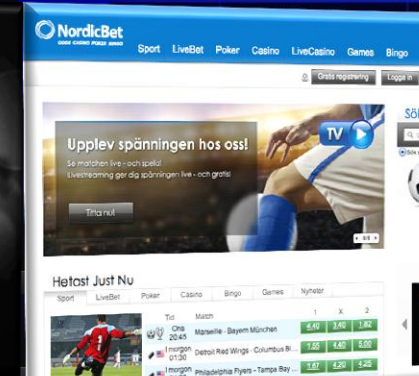
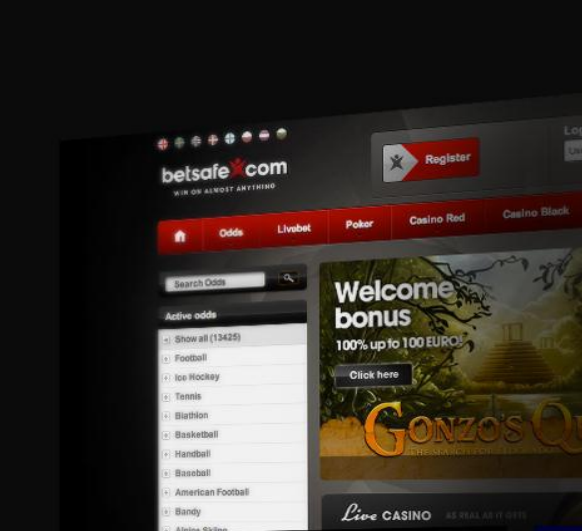
- ✓ Inhouse developed sportsbook
- ✓ Betsson has 21 different mobile solutions
- ✓ The average quarterly growth exceeds 100 percent
- ✓ Management estimate that mobile revenues will grow strongly over the coming 12 months



B2C - Business to Consumers



Betsson AB Presentation Q2 2012



B2B - Business to Business



Betsson AB Presentation Q2 2012



Regulated Markets



Italy and Denmark

- ✓ The first gaming solution under **own license** on the **Italian market** was launched
- ✓ Betsson has launched a number of gaming solutions on the **newly regulated Danish market**
 - These **developed strongly** in the second quarter and showed an **increase in deposits of close to 40 percent** compared with the first quarter



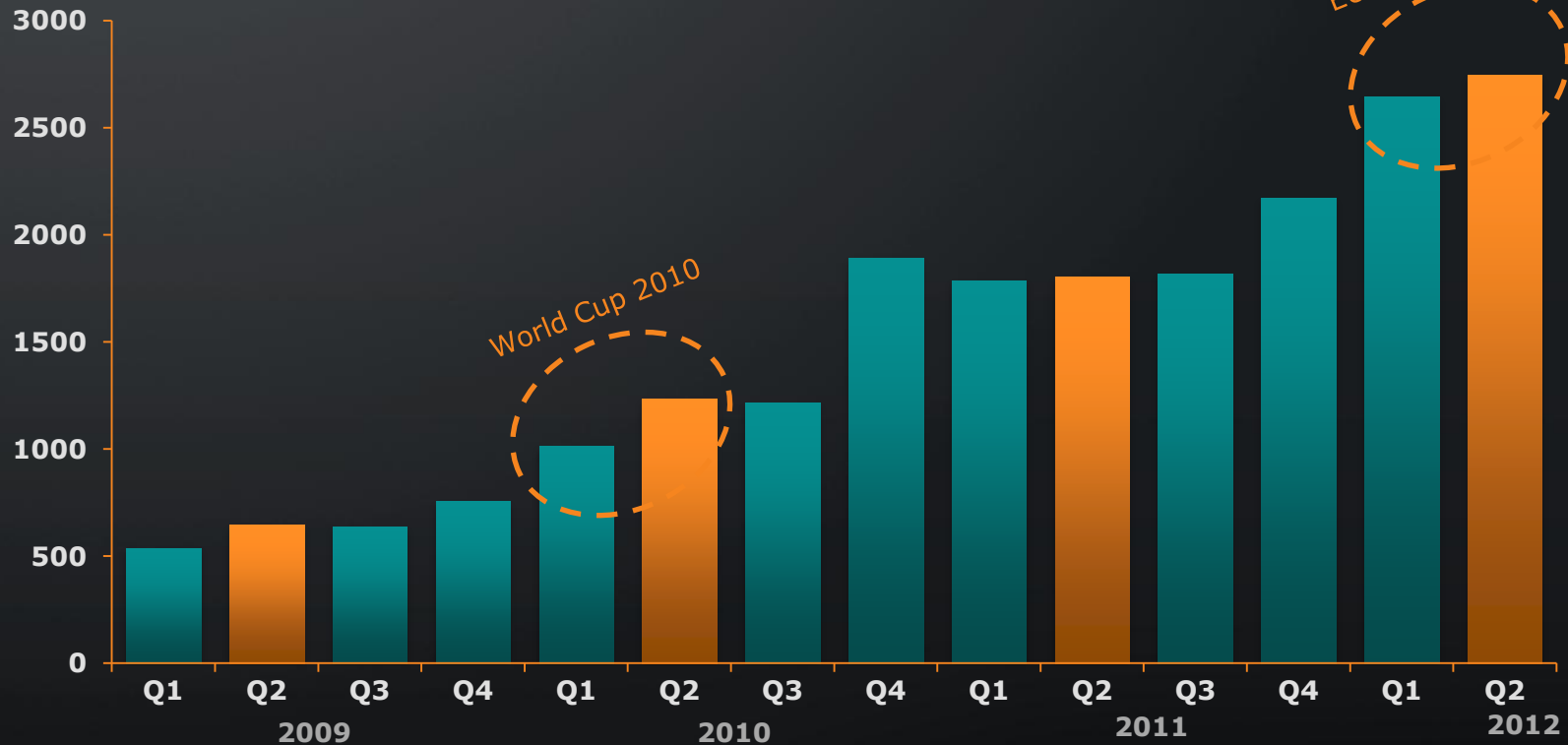
Q2 Highlights




Euro 2012 gave ATH in SB Turnover

Sportsbook Turnover Development

M SEK



But Q2 had ATL in SB Margins



SEK million	2012 – Q2 SB	2012 – Q2 3 rd PARTY SB	2011 –Q2 SB	2011 – Q2 3 rd PARTY SB
Gross Turnover SB	731.1	2,013.7	242.0	1,563.1
Gross Margin SB	4.0%	2.0%	4.1%	2.0%
Gross Profit	29.4	39.5	10.0	31.5

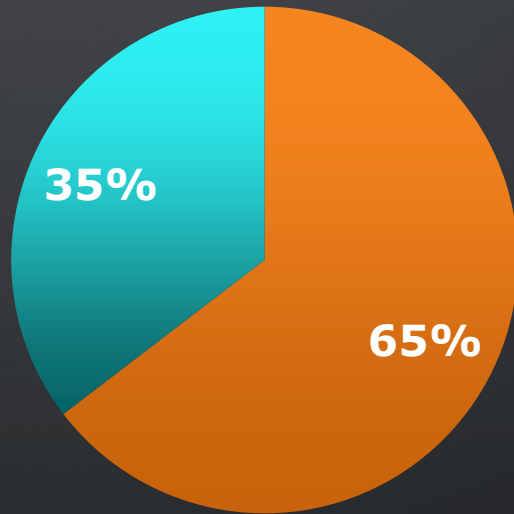
Extra Strong Seasonal Pattern in Q2

Sportsbook Margins Development

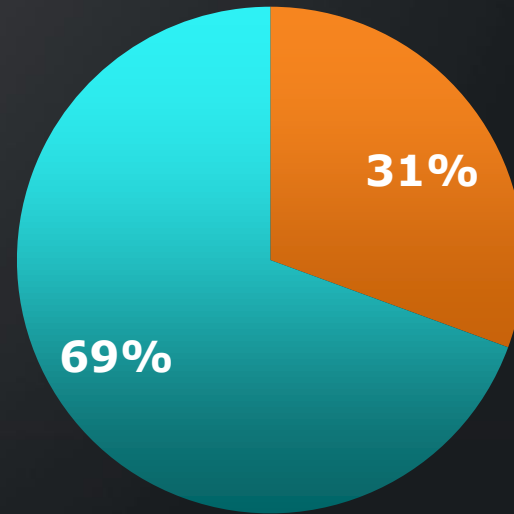


Shift in SB Mix also Impact Margins

Q2 2009



Q2 2012

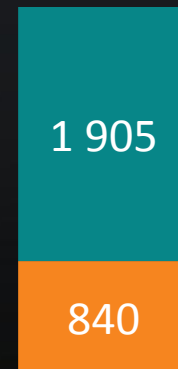


- Pre-match betting
- Live betting

SEK 645m



SEK 2,745m



Q2 Highlights

- ✓ **Revenues** amounted to **SEK 486.2** (338.2) million, equivalent to an **increase of 44 percent**
- ✓ **Operating income** amounted to **SEK 109.5** (102.7) million, equivalent to an **increase of 7 percent**
- ✓ **Operating margin** amounted to **22.5 percent** (30.4 percent)

Numbers in gray = Q2 2011

Q2 Highlights

- ✓ **Earnings** per Share **SEK 2.54** (2.47)
- ✓ Deposits in all of **Betsson's gaming solutions** amounted to SEK 1,505.1 (1,148.2) million, which represents an **All Time High (ATH)** and an increase of **31 percent**
- ✓ Cash by end of period **SEK 342.3** million (195.6)

Numbers in gray = Q2 2011



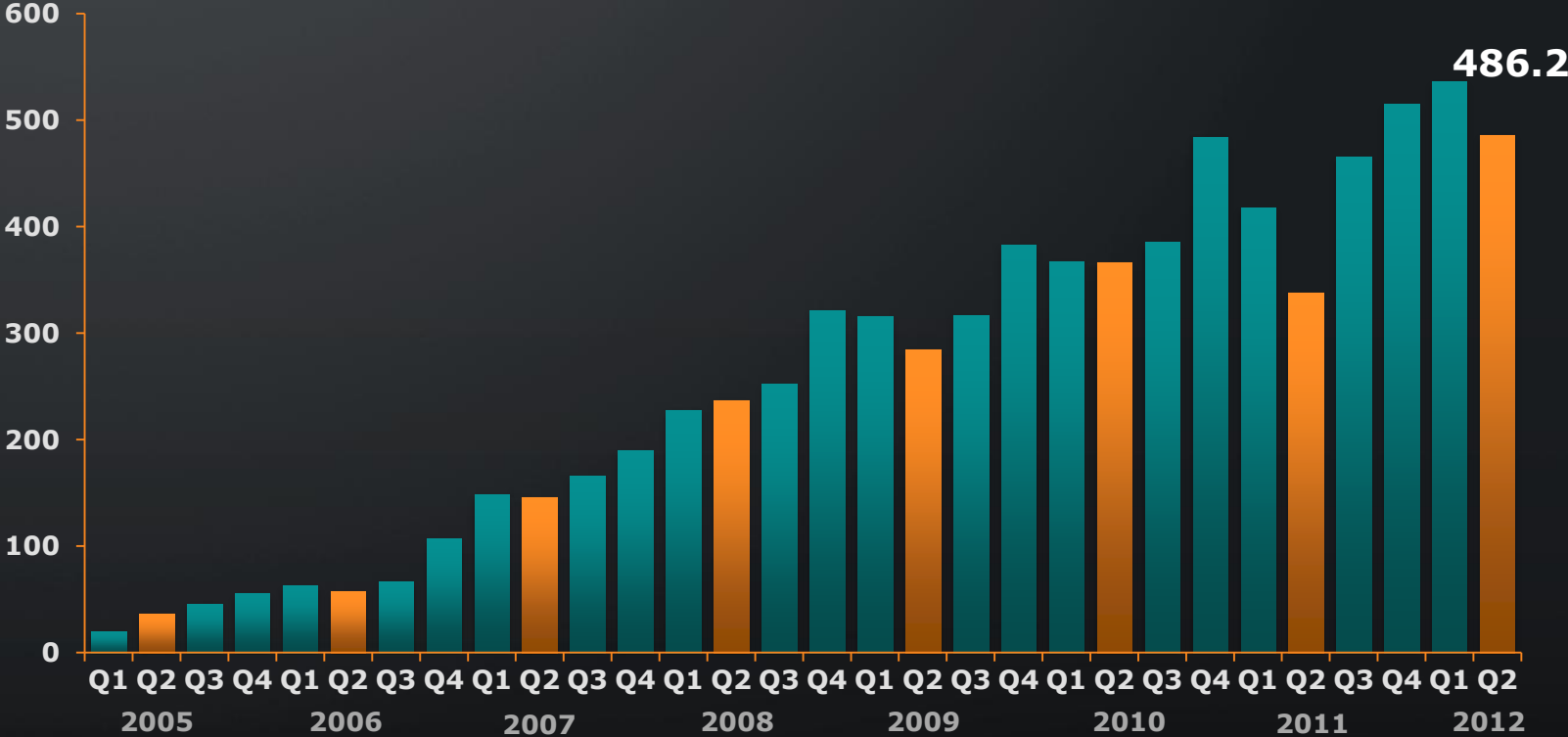
Q2 Highlights

- ✓ Income has been **negatively impacted** by **non-recurring costs** amounting to **SEK 10.0 million**, which refers to acquisitions and distribution of shares
- ✓ Due to the acquisition, by the end of the quarter Betsson had an external credit **amounting to SEK 431.8 million**



Revenues

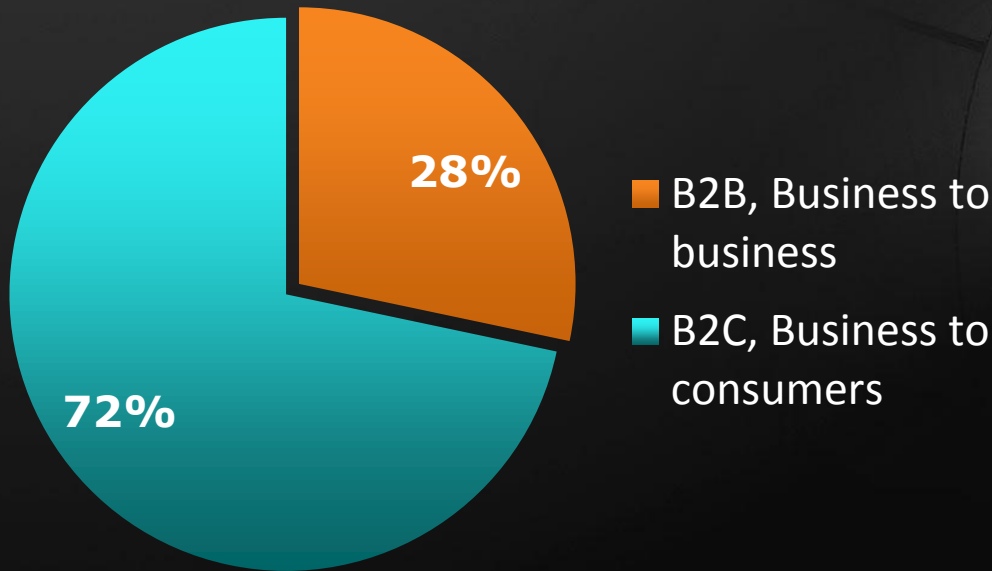
M SEK



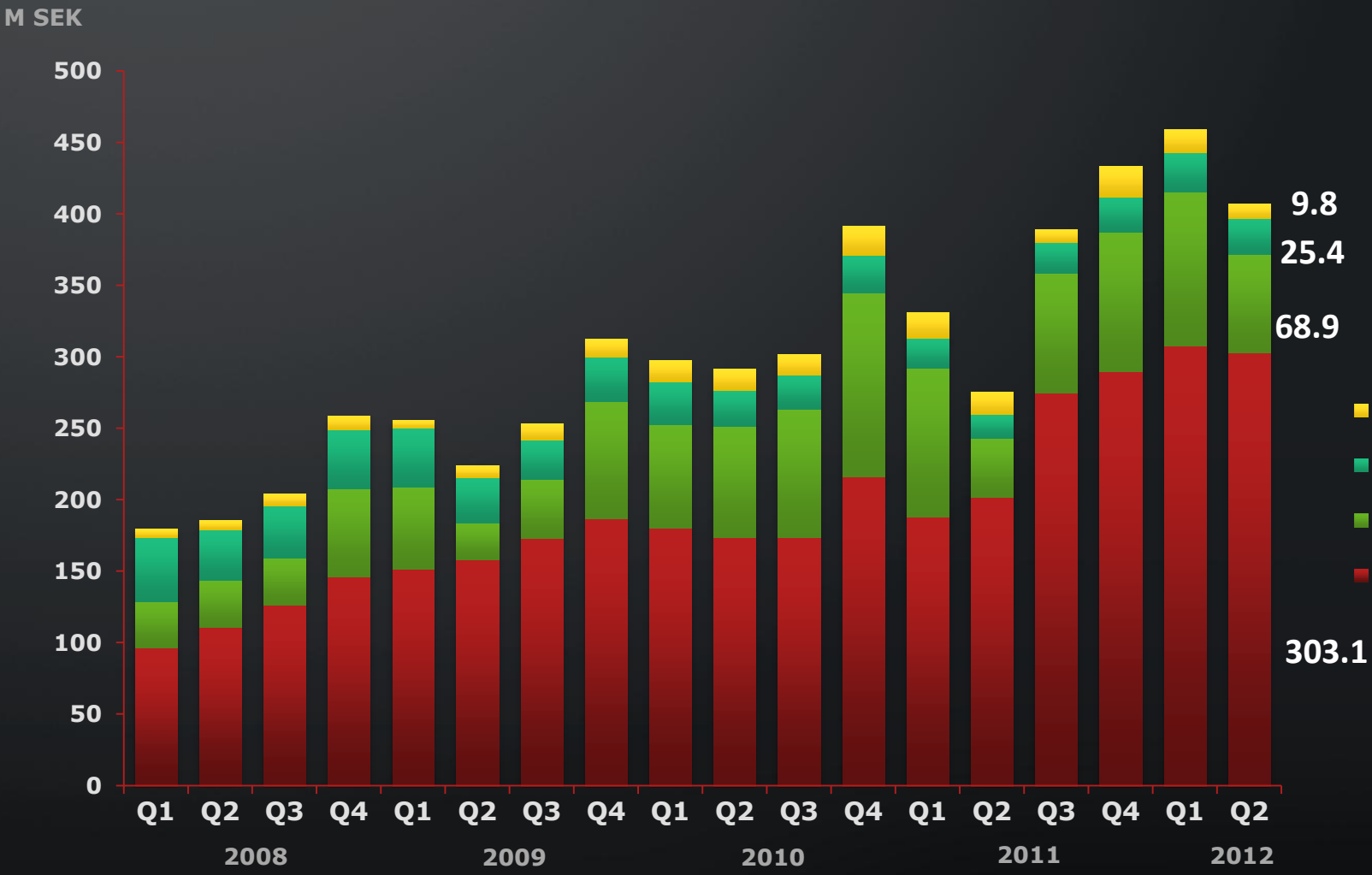
Product and Geographical Split



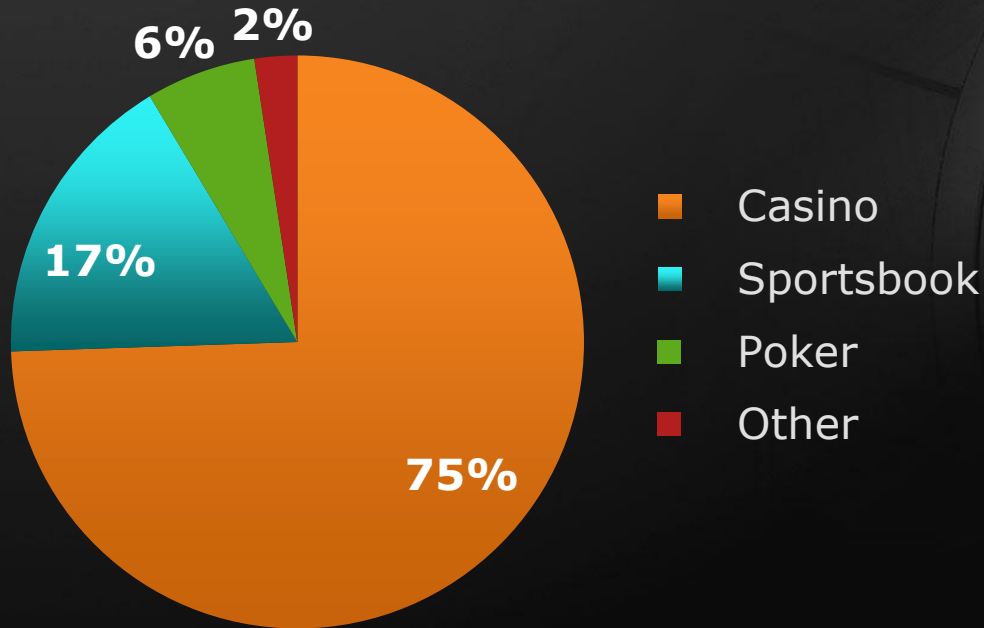
Gross Profit per Segment



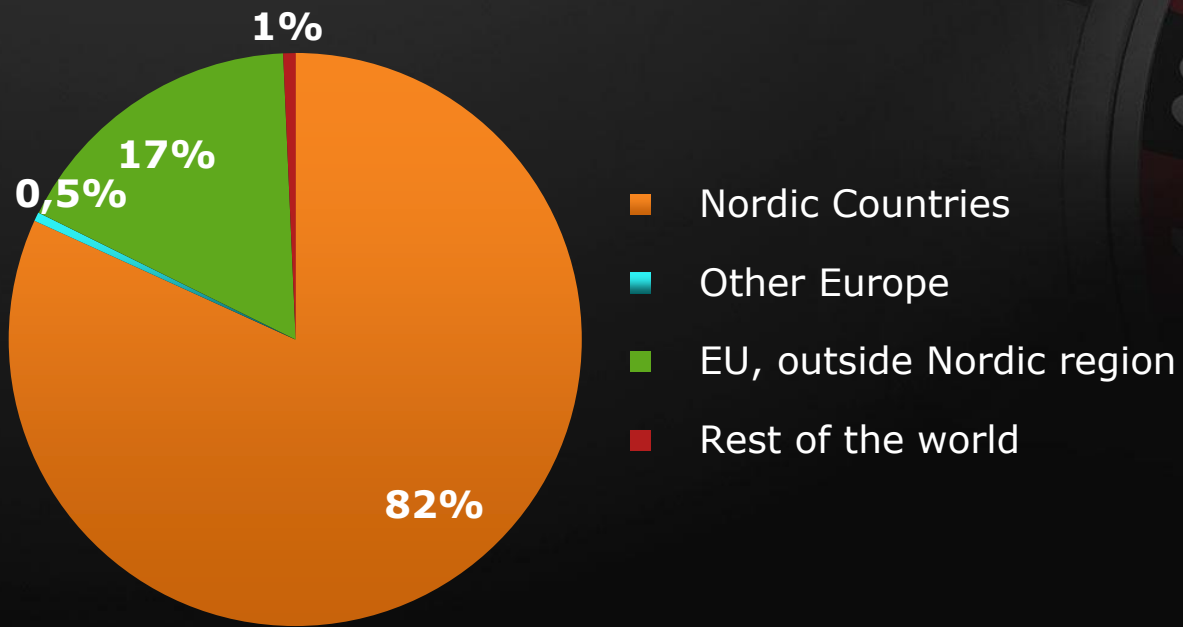
Gross Profit per Product



Gross Profit per Product



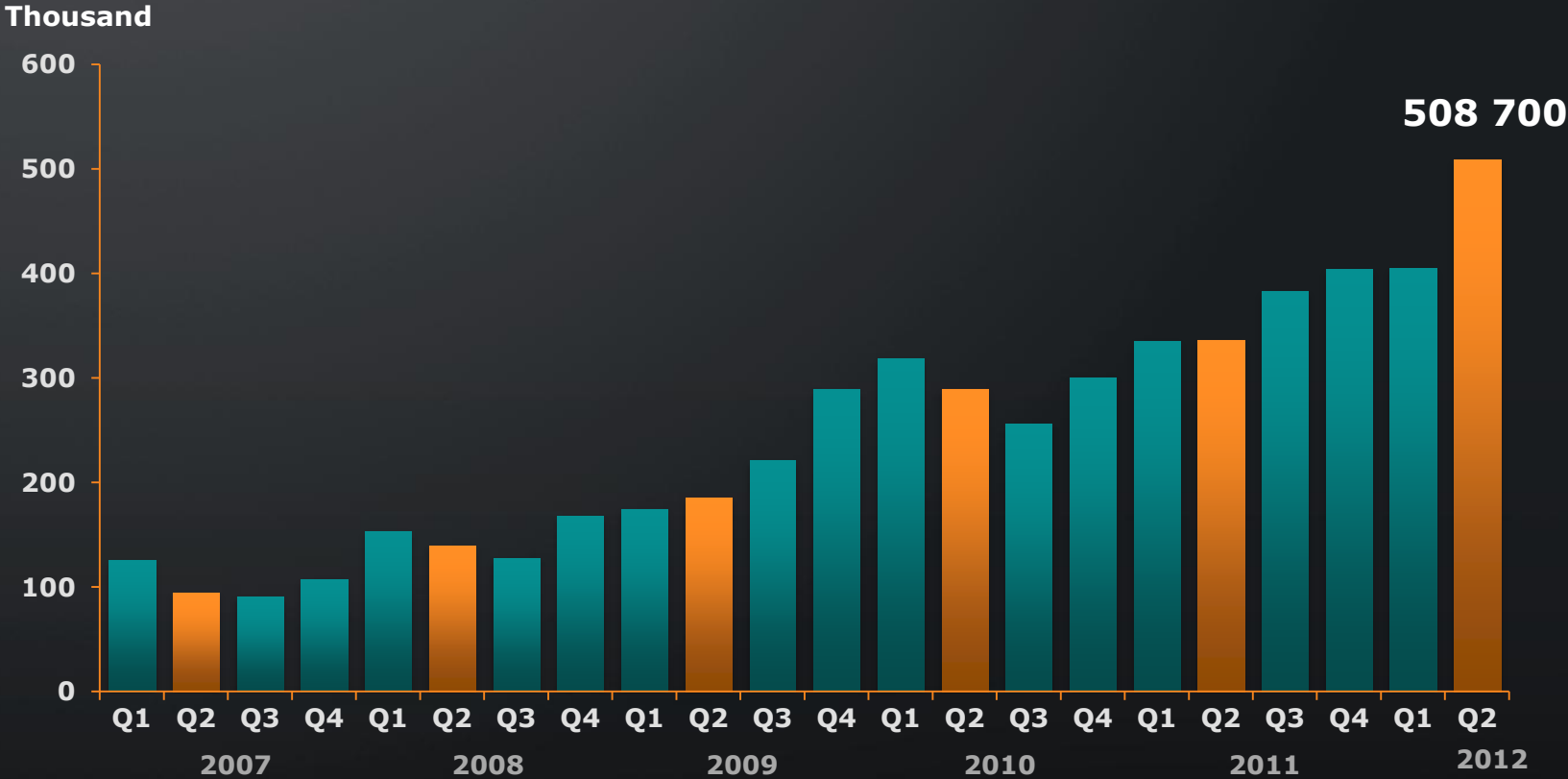
Gross Profit per Geographical Area (B2C)



Key Performance Indicators

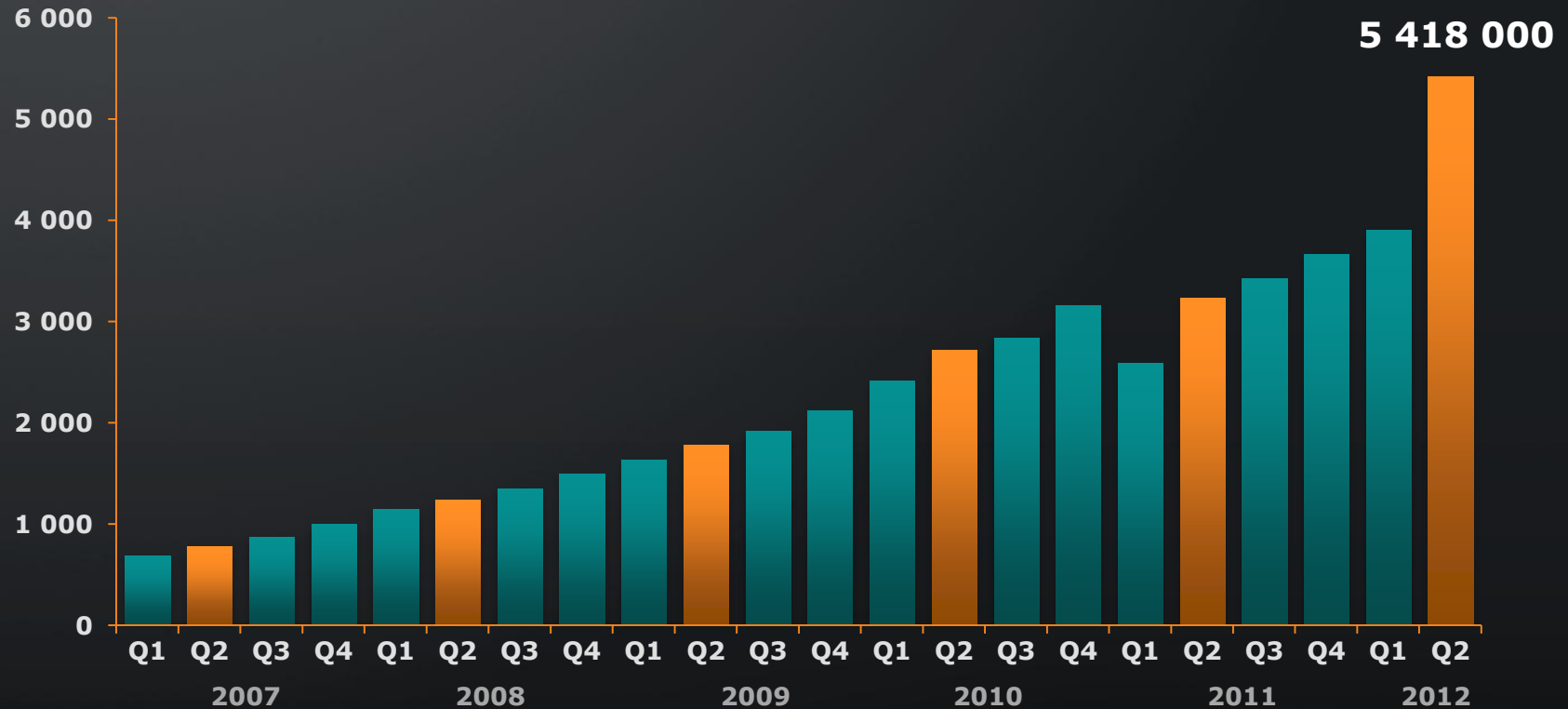


Active Customers



Registered Customers

Thousand



Growth Indicators

	Y/Y	Q/Q
Active Customers	51%	26%
Registered Customers	68%	39%
Revenue	44%	-9%
Customer Deposits*	31%	2%
Gross Turnover SB*	52%	4%



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

* Including all of Betsson's gaming solutions

Legal Update





Schleswig-Holstein is moving ahead with their separate gaming regulation and not **waiting for the other 15 Bundesländer to join**. The effect of the Schleswig-Holstein licenses in the rest of Germany is still unclear.

The new federal law proposed by the other 15 Bundesländer ("E15") is now in force and a new tax law has recently been added to it. The tax rate is 5 per cent of the stake. Betsson agrees with the **European Commission which has severely criticized the new tax law**



Spain recently introduced new legislation and have handed out its first online gaming licenses during Q2 2012. Due to low number of players from Spain Betsson has chosen not to participate in the licensing scheme at this point but are evaluating the situation and might reconsider depending on the future legal and commercial development





The **Dutch government** plans to grant local licences for internet gaming and Betsson has held discussion with them. 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



Online gambling continue to be illegal in the USA but Nevada and New Jersey are looking to **regulate intra-state gambling** and discussions on how to regulate online gambling continue both on a federal and state level. Progress is likely to come primarily on a state level and the products that are likely to be first in line are **poker and casino games**




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 Q2



- 
- A close-up photograph of a hand holding several playing cards. The cards are fanned out, showing the Queen of Hearts, the Queen of Clubs, and the Queen of Spades. The background is a dark green felt surface, likely a casino table.
- ✓ July is traditionally the **weakest month of the year**, with few sporting events and a relatively low level of activity. **Comparable revenue** in July this far is **in line with** second quarter's **average level of revenue**
 - ✓ The former subsidiary **Angler Gaming plc.** was successfully listed on the **Aktietorget stock exchange** on **6 July**
 - ✓ There have been **no other significant events** after the end of the period

Q&A

