

Q2 2013

Operating profit increased by 26 percent



Presentation Outline

- ✓ Business development update
- ✓ Regulated Markets
- ✓ Q2 Highlights
- ✓ Legal Update
- ✓ Events after Q2
- ✓ Q&A



BUSINESS DEVELOPMENT UPDATE



Multi Supplier and Multi Brand Strategy



Business to Consumers (B2C)



Business to Business (B2B)



Business development update

During the quarter, the investments in business optimization has continued:

“E-Commerce” capabilities

- *SEO improvements - Betsson Casino ranked nr 1 on Google*
- *New system for conversion implemented*

Backend efficiency

- *Betsson migration, see next slide*
- *New payment providers added*

Product enhancement

- *Mobile functionality and games added*
- *Integrated four more games suppliers, delivering more than 40 new games*
- *Improved live betting product*



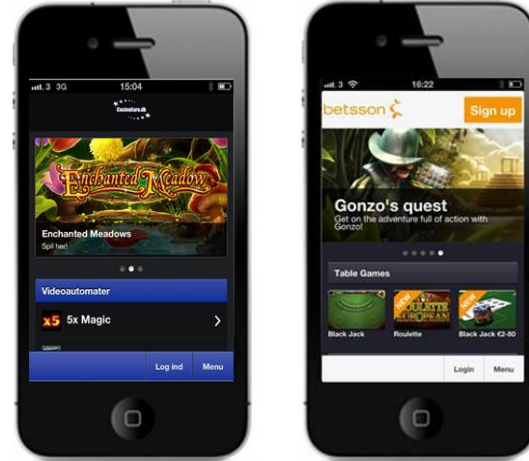
Betsson.com migration

- ✓ During the quarter Betsson.com was successfully migrated
- ✓ Betsson.com are now on the common technical platform - gives better functionality and enables advanced further development
- ✓ New mobile solution for Betsson.com - strong mobile development after the migration
- ✓ Positive feedback from our customers



Mobile development

- ✔ Strong demand for mobile, correlates with the increased usage of smartphones.
- ✔ Revenues from our mobile solution amounted to 9% of total revenues in Q2.
- ✔ Mobile penetration varies among our different brands. Betsafe have the highest penetration with 16%.
- ✔ New functionality launched (chat, withdrawals)
10 new casino games launched, new native development ongoing



REGULATED MARKETS



Italy, Denmark, China

- ✓ The Italian casino site, Starcasino.it, has developed positively. Management deems that there are good premises to establish, over time, successful operations in Italy.
- ✓ The Danish sites continue to show stable development. The set of regulations in Denmark provides a groundwork for evaluating potential new gaming laws in Betsson's main markets.
- ✓ During the second quarter, the software development continued in China. Betsson does not anticipate any significant revenues from the Chinese market over the coming quarters, but still believe there is a strong potential in this project.



Q2 HIGHLIGHTS

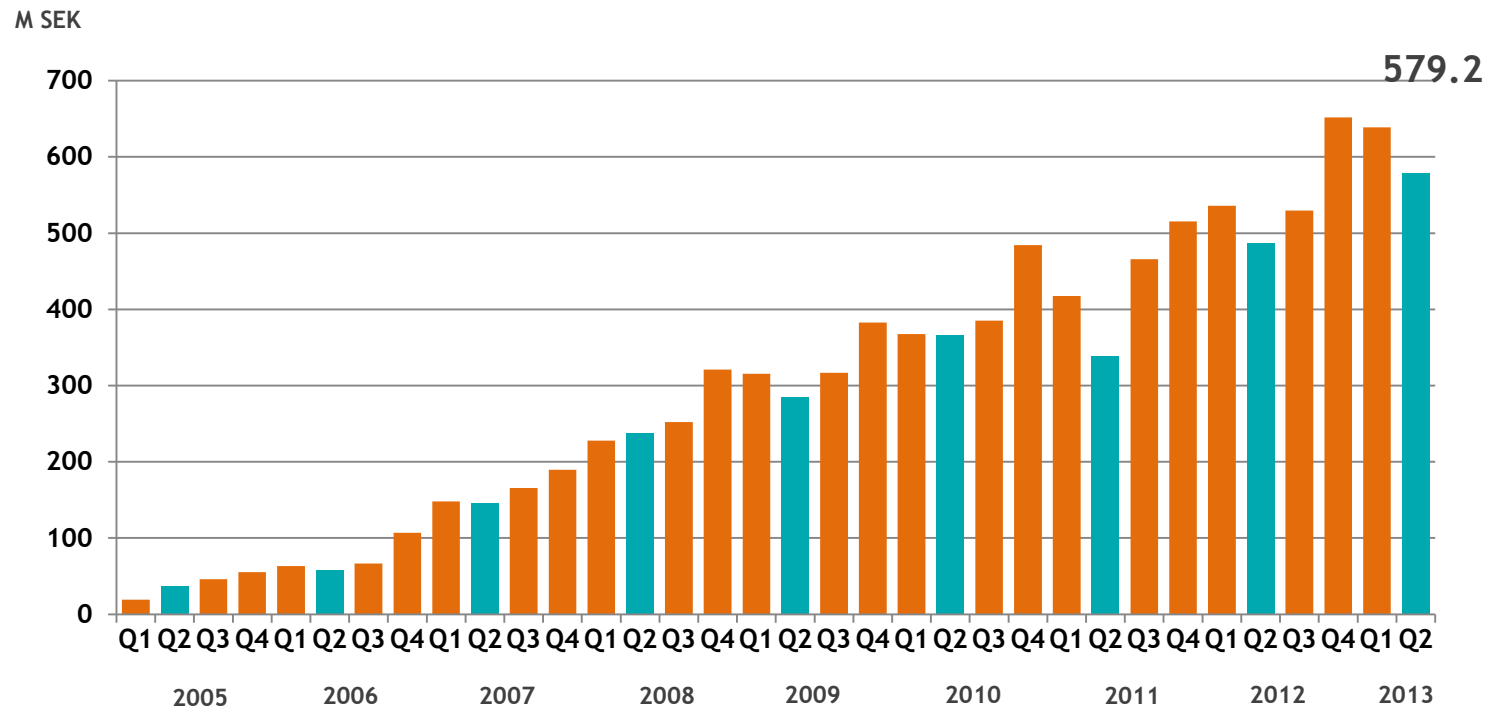


Q2 Financials

- ✓ Revenues amounted to **SEK 579.2** (486.2) million, equivalent to an **increase of 19 percent**
- ✓ **Organic growth**, adjusted for FX, amounted to **7.1%**.
- ✓ **Operating income** amounted to **SEK 137.8** (109.5) million equal to a margin of **23.8 percent** (22.5 percent) and **26% growth**
- ✓ Cash by end of period **SEK 317.5** million (342.3)
- ✓ **Earnings per Share** **SEK 2.95** (2.54)



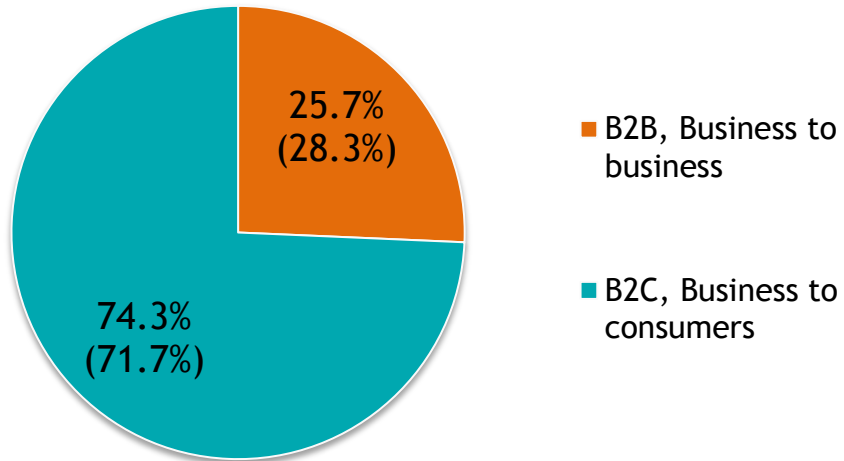
Revenues, 19% growth



PRODUCT AND GEOGRAPHICAL SPLIT



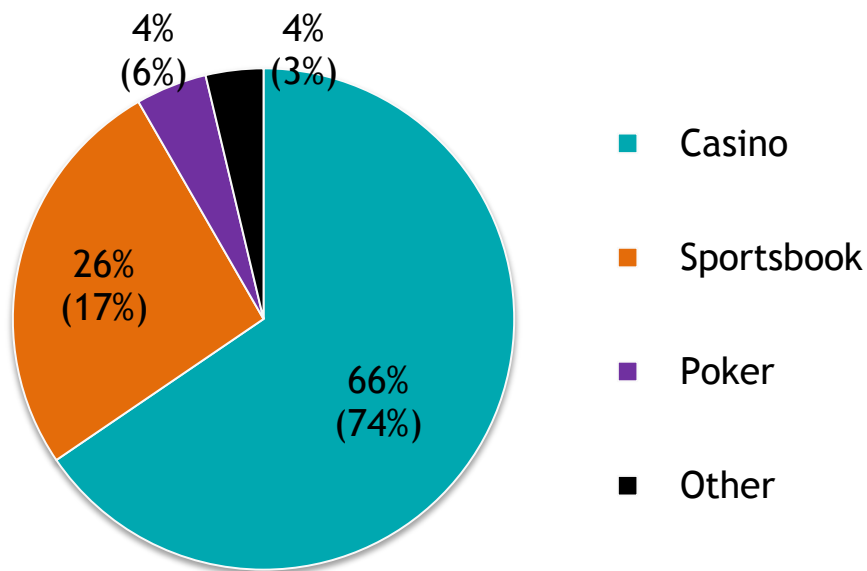
Gross Profit per Segment



Figures in brackets refer to the same period last year



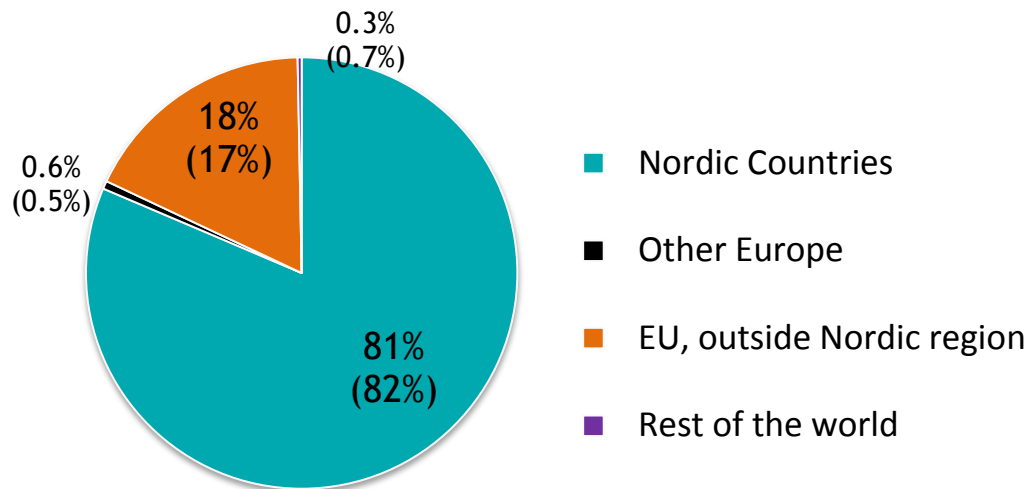
Gross Profit per Product



Figures in brackets refer to the same period last year



Gross Profit per Geographical Area (B2C)



Figures in brackets refer to the same period last year



KEY PERFORMANCE INDICATORS



SB Turnover, 26% growth



* In Q2 2012 UEFA European Football Championship took place.

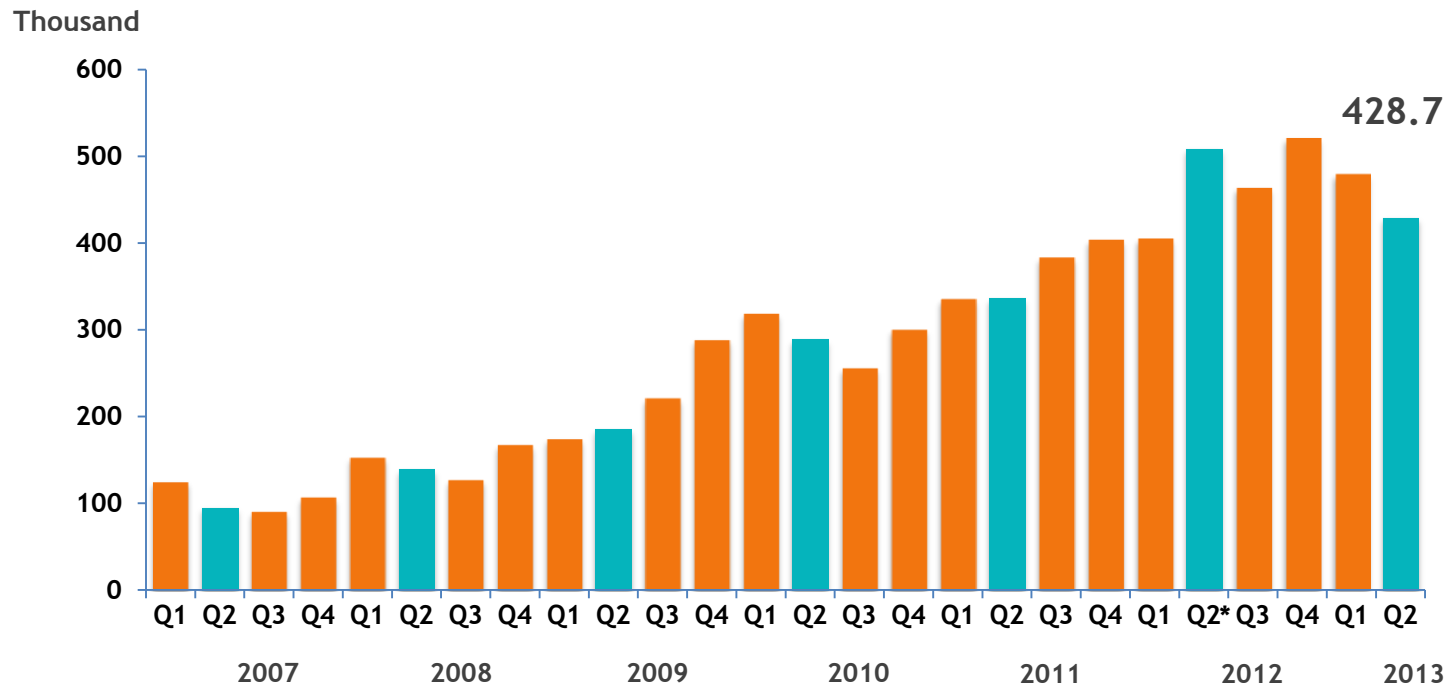
Q2 SB Margins

SEK million	2013 - Q2 SB	2013 - Q2 3rd PARTY SB	2012 -Q2 SB	2012 - Q2 3rd PARTY SB
Gross Turnover	1,129.9	2,317.7	731.1	2,013.7
Gross Margin SB*	5.2%	2.9%	4.0%	2.0%
Gross Profit	58.9	67.7	29.4	39.5

Total margin after free bets was 6.5% (4.6%)

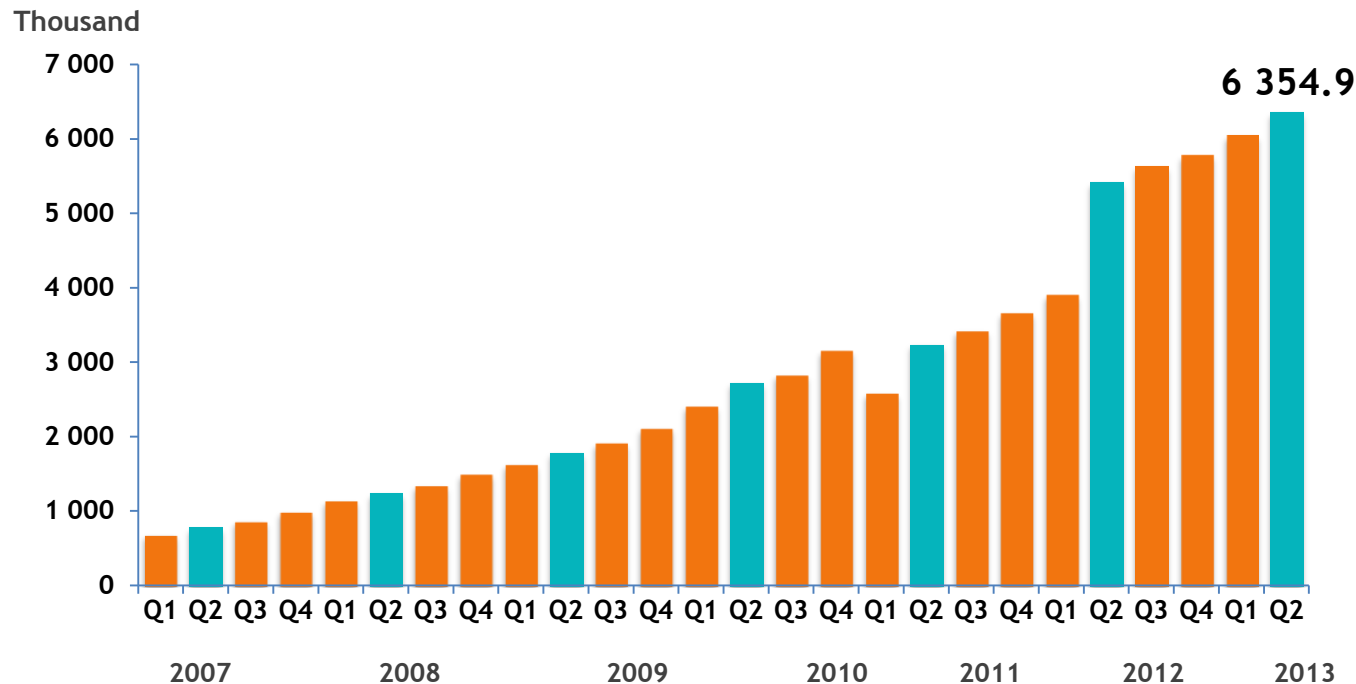
* Margins after allocated costs

Active Customers, -16% growth

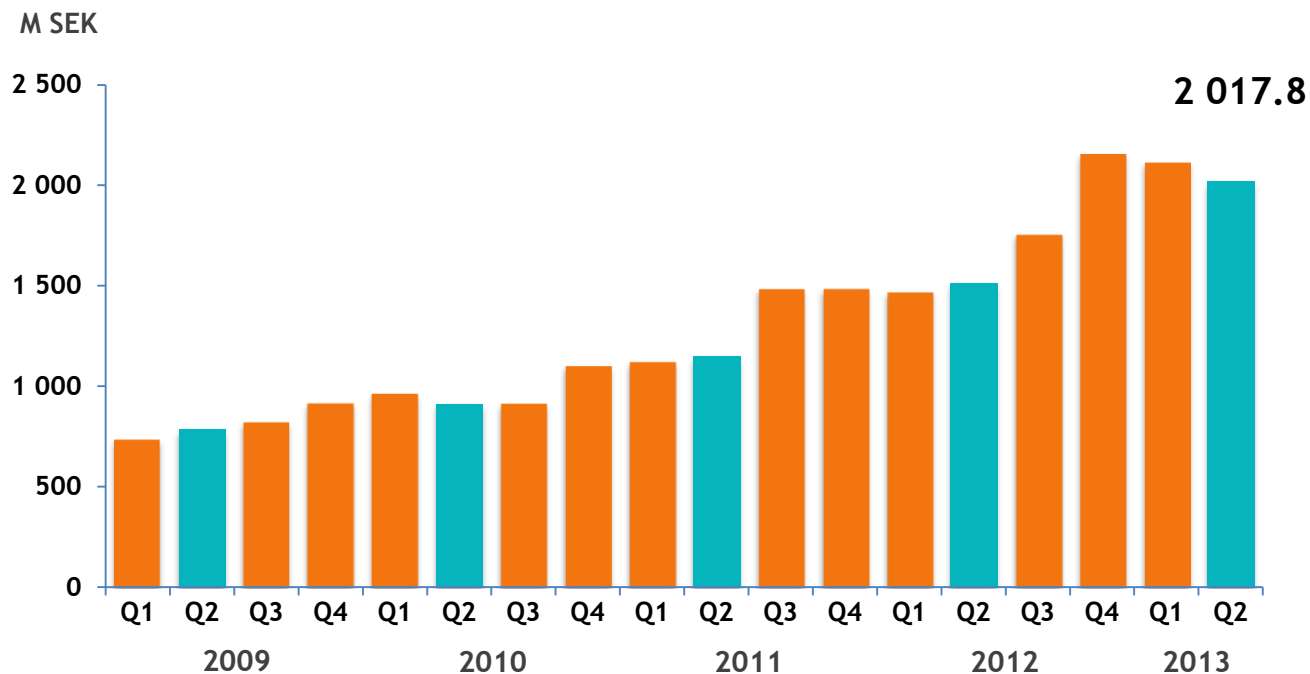


* In Q2 2012 UEFA European Football Championship took place.

Registered Customers, 17% growth



Deposits, 34% growth



LEGAL UPDATE



Sweden

- ✔ Peter Norman issued a statement on the 4th of June, basically postponing any regulation of the market until 2017
- ✔ The Swedish Gaming board (“LI”) is considering to issue fines against Swedish newspapers that continue to accept gaming advertising

Turkey

- ✔ A new gaming law has been passed
- ✔ It passed in the form that was proposed except for the fines for players that were lowered, from 100.000-500.000TL to 5.000-20.000TL.
- ✔ Betsson is expecting the law to become operational during 2013. Too early to judge the commercial impact



The Netherlands

- ✓ The Dutch government are planning to grant local licenses starting January 1, 2015 and recently published the law proposal. The proposal is similar to the Danish regulation.

Hungary

- ✓ Hungary has approved a new law enabling online gaming to be licensed by private operators alongside with the monopoly. The terms for a license looks reasonable except for a high tax of around 20%

Bulgaria

- ✓ Bulgaria plans to regulate online gaming but has recently settled for a 15% turnover tax which is commercially unworkable for most operators.



EVENTS AFTER Q2



- ✓ The start of the third quarter has seen lower average revenues than in the previous quarter. As a result of seasonal variations, **July and August** is usually weak months.
- ✓ There have been **no other significant events** after the end of the period



Q&A

