

Q3 2011

Third quarter revenues increased by 21 percent



CEO
Magnus
Silverberg

Presentation Outline

- ✓ Introduction
- ✓ B2C – Business to Consumers
- ✓ B2B – Business to Business
- ✓ Financial Presentation
- ✓ Legal Update
- ✓ Events after Q3
- ✓ Q&A



Introduction



Betsson - 48 years of Accumulated Competence

- ✓ **378 employees + 171 full time consultants**
- ✓ **Listed on Nasdaq OMX Nordic, Mid Cap (BETS)**
- ✓ **Market Cap of approximately € 670 000 000**
- ✓ **Betsson competes** with national monopolies but also with peers, such as Unibet, Ladbrokes, Sportingbet, Bwin.party and similar



High Growth and Profitability

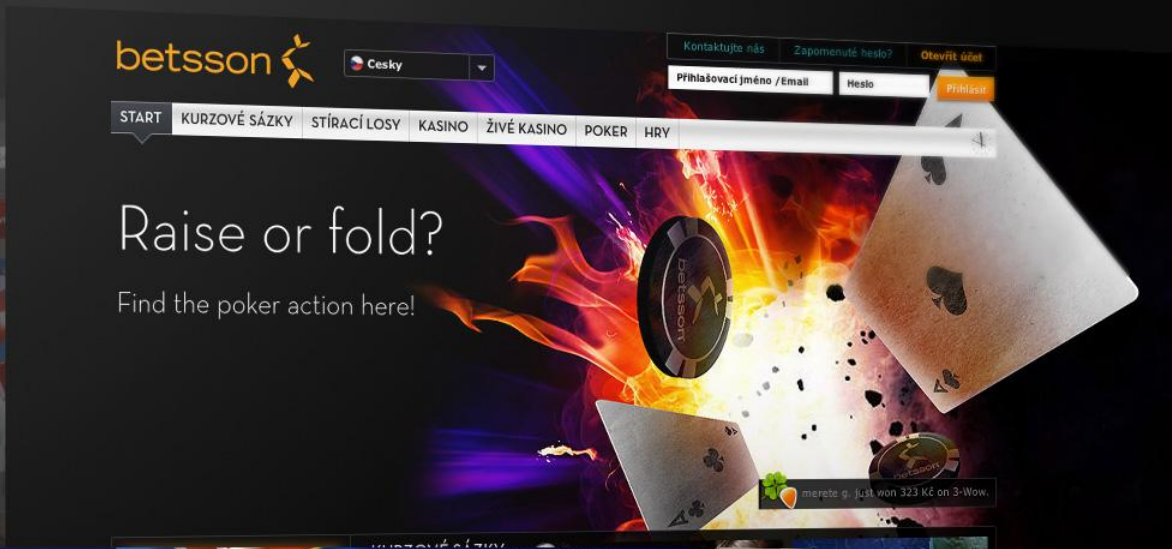
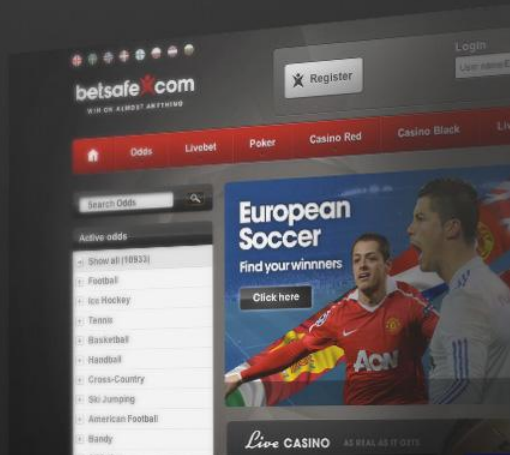
- ✓ **High growth** in combination with **strong margins**
- ✓ Manage to **invest during operation**, constantly investing in IT-infrastructure and partnerships while managing operations

	Revenue Growth	EBIT-Margin
2007	121%	29.3%
2008	60%	26.7%
2009	25%	24.4%
2010	23%	23.7%
2011 (Q3)	21%	32.8%



B2C - Business to Consumers





B2C Developments

Betsson.com

- ✔ Biggest online Jackpot ever of **EUR 11.7 million** went out on Mega Fortune
- ✔ New Mobile **Live Score application** launched

Betsafe

- ✔ Integration of Betsafe is developing **according to plan**
- ✔ Betsafe delivered Gross Profit of **SEK 102.6 million**

Other

- ✔ Betsson has applied for gaming **licenses in Italy and Denmark**

B2B - Business to Business





Betsson Business Solutions is a dedicated business area within the Betsson Group, acting as an independent B2B division for all our brands and products.

WHO WE ARE

Betsson was originally founded in 1963 and has conducted gaming operations for the last 45 years. Betsson Business Solutions acts as an independent B2B division for Betsson's all brands and products, working with local marketing partners, media houses and white label operators.

[Read more](#) ▶

HOW WE WORK

Betsson Business Solutions can help you either if you are looking to take your existing gaming environment online, capitalize on your existing online activities or if you are looking to grow a new venture online, we are the partner for you. With our portfolio of products, platforms and flexible organization we will meet your needs.

[Read more](#) ▶

WHAT WE OFFER

Betsson has since its start pushed innovation in its products and for us a top class product offering is essential for success. You as a partner will benefit from the best products available on the markets today backed up by an experienced operational organization.

[Read more](#) ▶



B2B Developments

New Deals

- ✓ **www.gunnersgaming.com**
 - Collaboration with Arsenal, under the brand name; “**Gunners Gaming by Betsson**”
- ✓ **www.harrycasino.com**
 - Niche casino on the regulated UK market
- ✓ **www.dhoze.com**
 - Primary focus on sports betting targeting the Portuguese market

Existing Partners

- ✓ The underlying activity is **steadily increasing**

China

- ✓ The project in China is developing according to plan. **A beta version of a gaming site is currently being run** under the license of the collaboration partner
- ✓ **No investments** in the Chinese markets have been undertaken

New B2B Deal with Arsenal

- ✓ Betsson and Arsenal signs **3 year deal**
- ✓ Betsson to **provide new white label site;** Gunnersgaming.com
- ✓ Betsson also **provides In-Stadia betting** through subcontractor
- ✓ Arsenal has **200.000 members** world wide



GunnersGaming

by betsson

MAN UTD v CHELSEA

MATCH PRICES
DRAW 21/10

MAN UTD 5/1				CHELSEA 5/1			
1	2	3	4	5	6	7	8
MAN UTD TO WIN							
SCORE	ODDS	STAKE	SCORE	ODDS	STAKE	SCORE	ODDS
1-0	6/1	3-0	20/1	4-0	50/1	5-0	300/1
2-0	9/1	3-1	15/1	4-1	45/1	5-1	300/1
2-1	6/1	3-2	25/1	4-2	50/1	5-2	300/1
THE DRAW							
0-0	15/2	1-1	11/2	2-2	14/1	3-3	46/1
CHELSEA TO WIN							
SCORE	ODDS	STAKE	SCORE	ODDS	STAKE	SCORE	ODDS
1-0	7/1	2-0	33/1	4-0	80/1	5-0	300/1
2-0	12/1	3-1	25/1	4-1	55/1	5-1	300/1
2-1	9/1	3-2	28/1	4-2	50/1	5-2	300/1

HOME	AWAY	HOME	AWAY	HOME	AWAY	HOME	AWAY
Arsenal	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Manchester Utd	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Chelsea	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Liverpool	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Manchester City	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Real Madrid	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Bayern Munich	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Barcelona	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Inter Milan	1/1	1/1	1/1	1/1	1/1	1/1	1/1
AC Milan	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Juventus	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Atletico Madrid	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Valencia	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Sevilla	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Real Sociedad	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Osasuna	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Real Betis	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Real Zaragoza	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Albacete	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Levante	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Granada	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Malaga	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Deportivo La Coruna	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Racing Santander	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Real Valladolid	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Almeria	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Castellon	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Leganes	1/1	1/1	1/1	1/1	1/1	1/1	1/1
SD Eibar	1/1	1/1	1/1	1/1	1/1	1/1	1/1
SD Huesca	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Real Murcia	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Alfonso Paredes	1/1	1/1	1/1	1/1	1/1	1/1	1/1

HOME	AWAY	HOME	AWAY	HOME	AWAY	HOME	AWAY
Man Utd	Man Utd	12/4	1/4	1-13 Minutes	6/1		
Man Utd	Draw	14/1	1/1	15-20 Minutes	6/1		
Man Utd	Chelsea	20/1	1/1	20-30 Minutes	12/1		
Draw	Man Utd	7/2	1/1	30-40 Minutes	12/1		
Draw	Draw	5/1	1/1	40-50 Minutes	15/1		
Draw	Chelsea	9/2	1/1	50-60 Minutes	12/1		
Chelsea	Man Utd	18/1	1/1	60-70 Minutes	14/1		
Chelsea	Draw	14/1	1/1	70-80 Minutes	16/1		
Chelsea	Chelsea	4/1	1/1	80-90 Minutes	16/1		
				90+ Minutes	15/1		

1ST PLAYER TO SCORE	HOME	SCORE	AWAY	SCORE	ODDS
MAN UTD	HOME	1-0	CHELSEA	1-0	1/1
MAN UTD	HOME	2-0	CHELSEA	1-0	1/1
MAN UTD	HOME	3-0	CHELSEA	1-0	1/1
MAN UTD	HOME	4-0	CHELSEA	1-0	1/1



Financial Presentation



Q3 Highlights

- ✓ **Revenues** amounted to **SEK 465.7** (385.1) million and the **operating margin** amounted to **32.8 percent** (21.0 percent)
- ✓ **Operating income** amounted to **SEK 152.8** (80.7) million, equivalent to an **increase of 89 percent**
- ✓ **Earnings per Share** **SEK 3.40** (1.94)

Q3 Highlights

- ✓ Customer deposits **increased by 62%**
- ✓ Cash by end of period **SEK 490.3** million
(377.3)
- ✓ Betsson has **no** outstanding **interest-bearing liabilities**

Numbers in gray = Q3 2010

Revenues

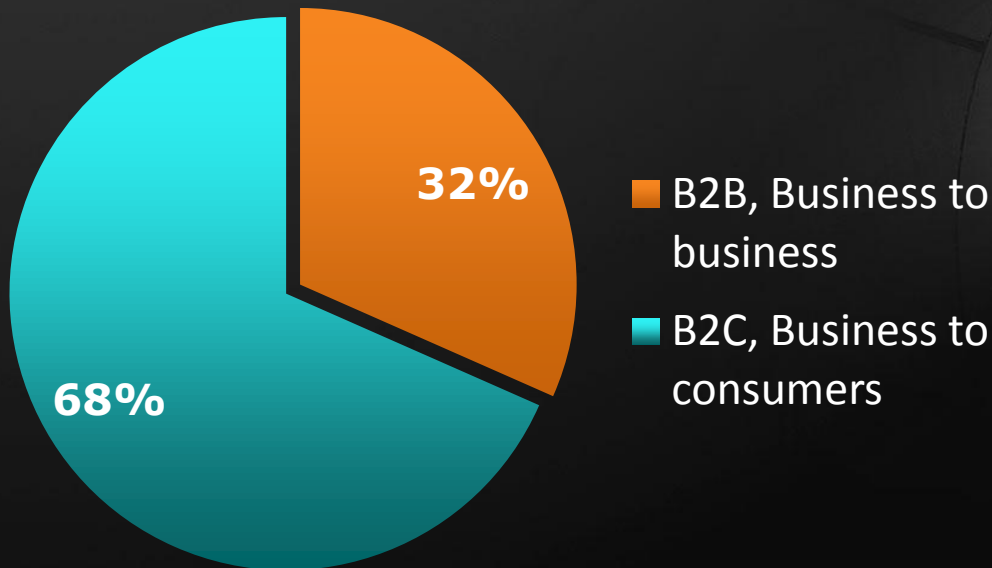
M SEK



Product and Geographical Split

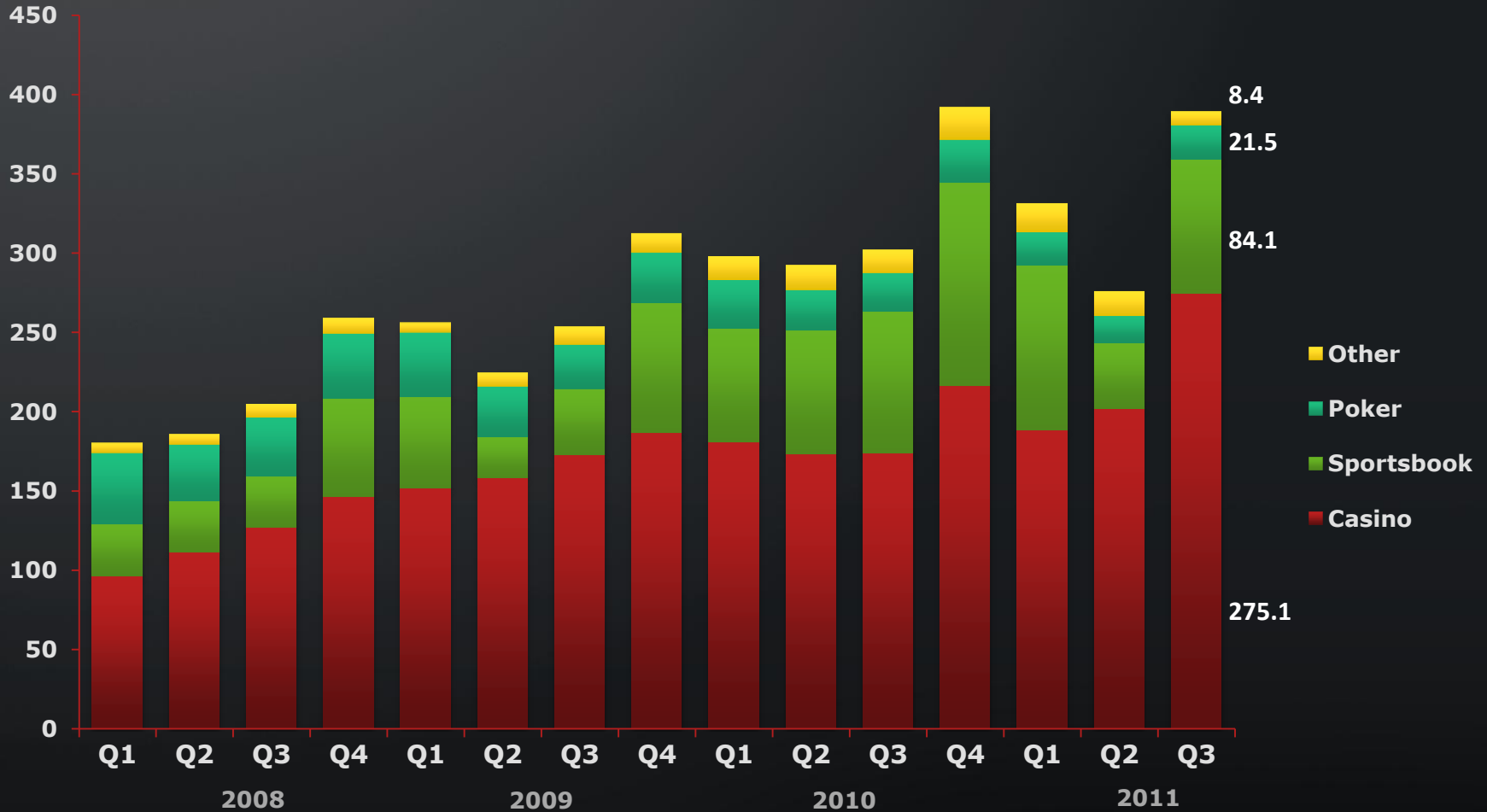


Gross Profit per Segment

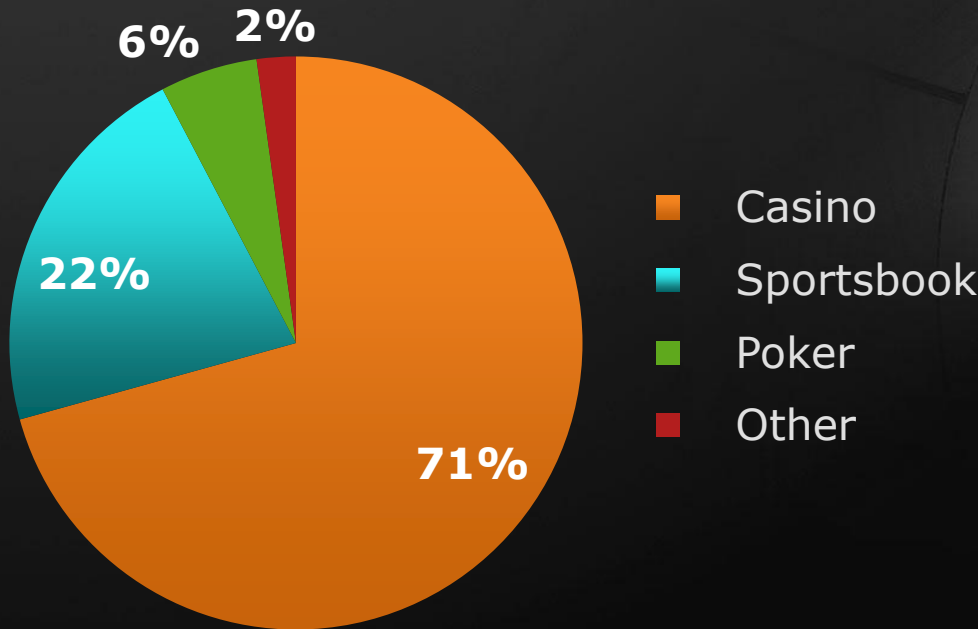


Gross Profit per Product

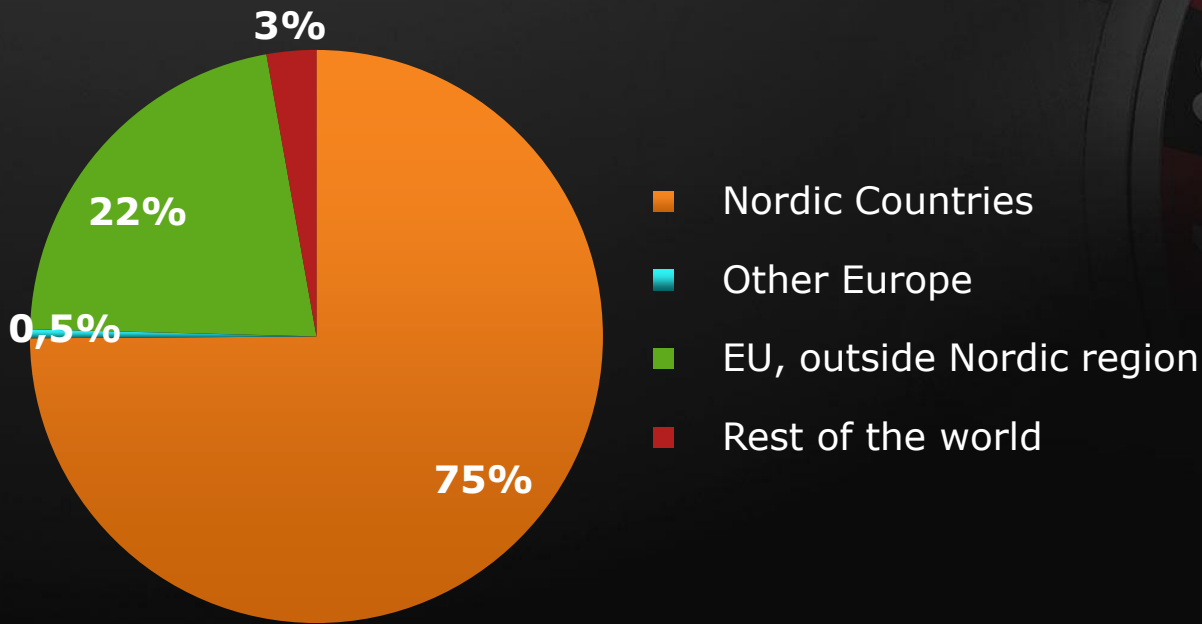
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Gross Profit per Product



Gross Profit per Geographical Area (B2C)

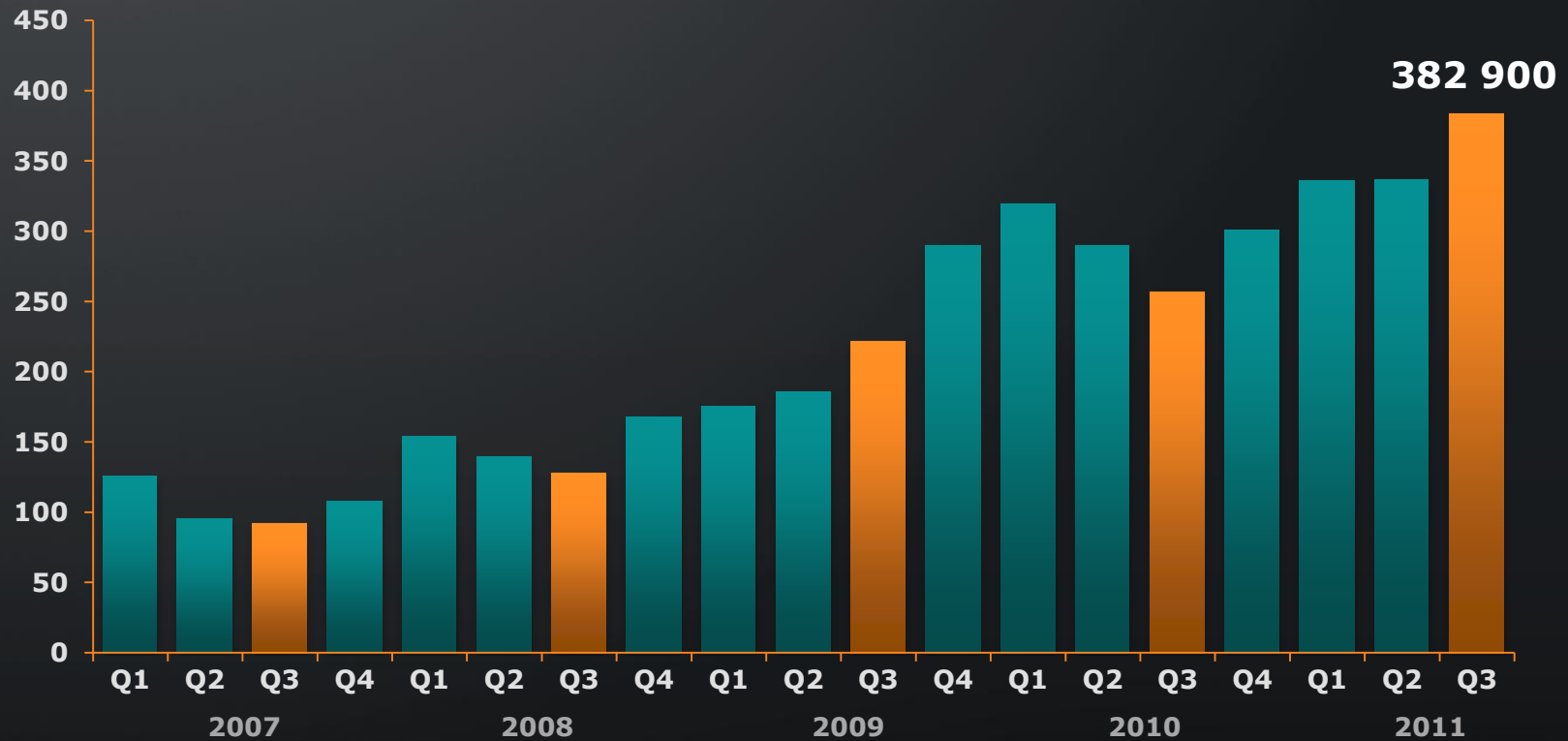


Key Performance Indicators



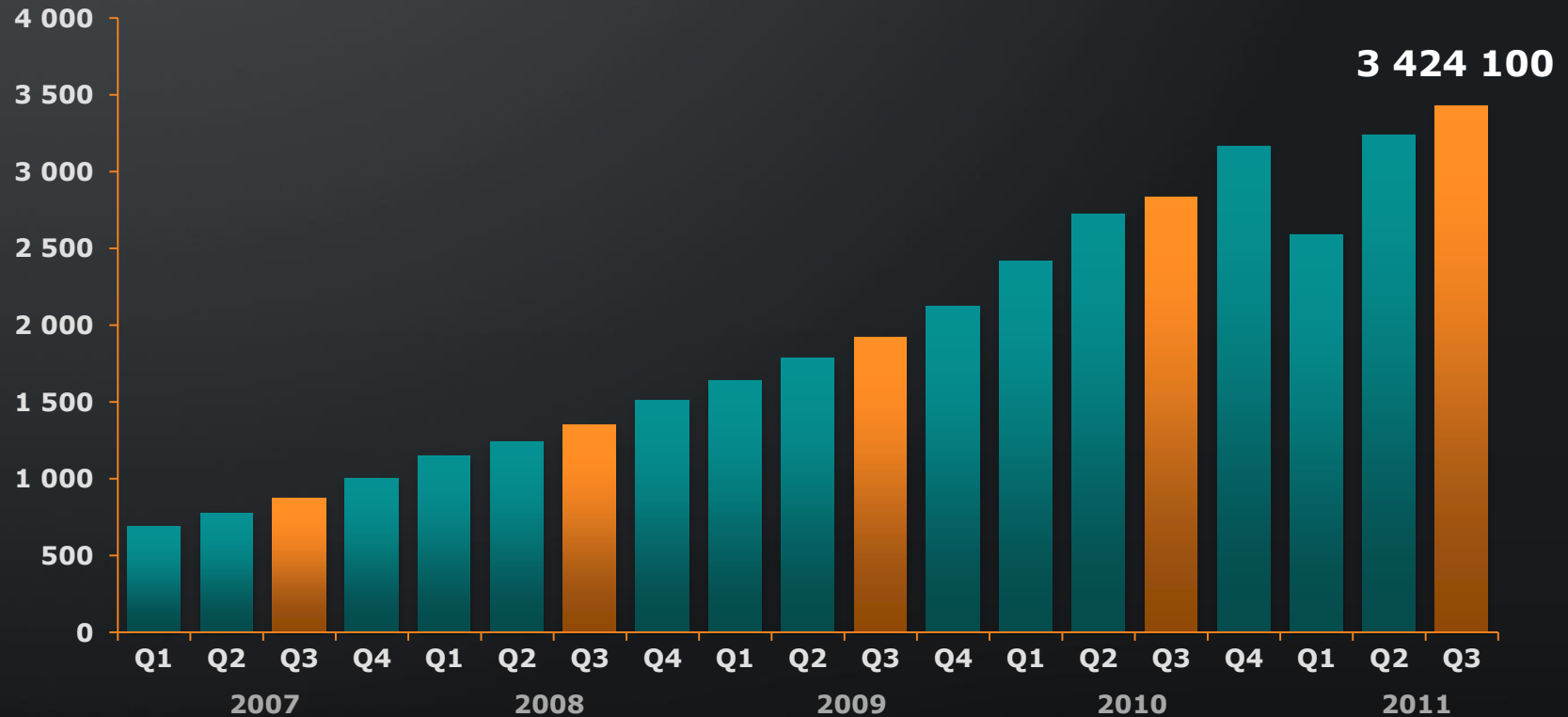
Active Customers

Thousand



Registered Customers

Thousand



Growth Indicators

	Y/Y	Q/Q
Active Customers	50%	14%
Registered Customers	21%	6%
Revenue	21%	38%
Customer Deposits*	62%	29%
Gross Turnover SB*	49%	1%



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

* Including all of Betsson's gaming solutions

Sportsbook Margins

SEK million

	2011 - Q3 SB	2011 - Q3 3rd PARTY SB	2010 -Q3	2010 - FY
Gross Turnover SB	527.7	1288.9	1215.7	5355.7
Gross Margin SB	7.6%	n.a.	8.6%	7.8%
Gross Profit	24.5	59.6	89.5	367.7

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 applied for license



Denmark's new regulation has been **approved** and is currently being implemented.

Betsson has applied for license



The Spanish **online gaming regulation has now been approved** by the Spanish parliament and the European Commission. **Still some uncertainty** about the process





Dutch government recently changed its stance completely and announced its plans to grant licences for internet gaming. It is currently discussing to introduce national licences for online betting, poker, casino and lottery. **Liberalisation of this market is likely to happen 2012 or 2013**



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



The much **discussed and criticised majority proposal** to a new federal State Treaty on gaming has been notified to the European Commission together with Schleswig-Holstein's own draft. **The European Commission** strongly criticized the draft treaty in its reply and the Bundesländer is now **trying to form a compromise** and also get Schleswig-Holstein on board



Events after Q3



- ✓ The activity level going into the fourth quarter is **stable**, with **revenues somewhat over** the monthly average revenue in the third quarter
- ✓ **On 17 October**, Betsson applied for a gaming **license for the Danish market**



Q&A

