

A high-angle photograph of a poker table with a green felt top. A hand is visible in the upper left, holding a card. Several cards are laid out on the table: a yellow card with a white logo, a 9 of hearts, a 10 of diamonds, a 4 of diamonds, and a 10 of spades. A tray of colorful chips (blue, red, green, white) is in the upper right. A pile of chips in various colors (green, blue, orange, silver) is in the lower right. A few cards are scattered on the table.

Fourth quarter operating income increased by 35 percent



CEO
Magnus
Silverberg

Presentation Outline

- ✓ Introduction
- ✓ B2C – Business to Consumers
- ✓ B2B – Business to Business
- ✓ Financial Presentation
- ✓ Legal Update
- ✓ Events after Q4
- ✓ Q&A



Introduction

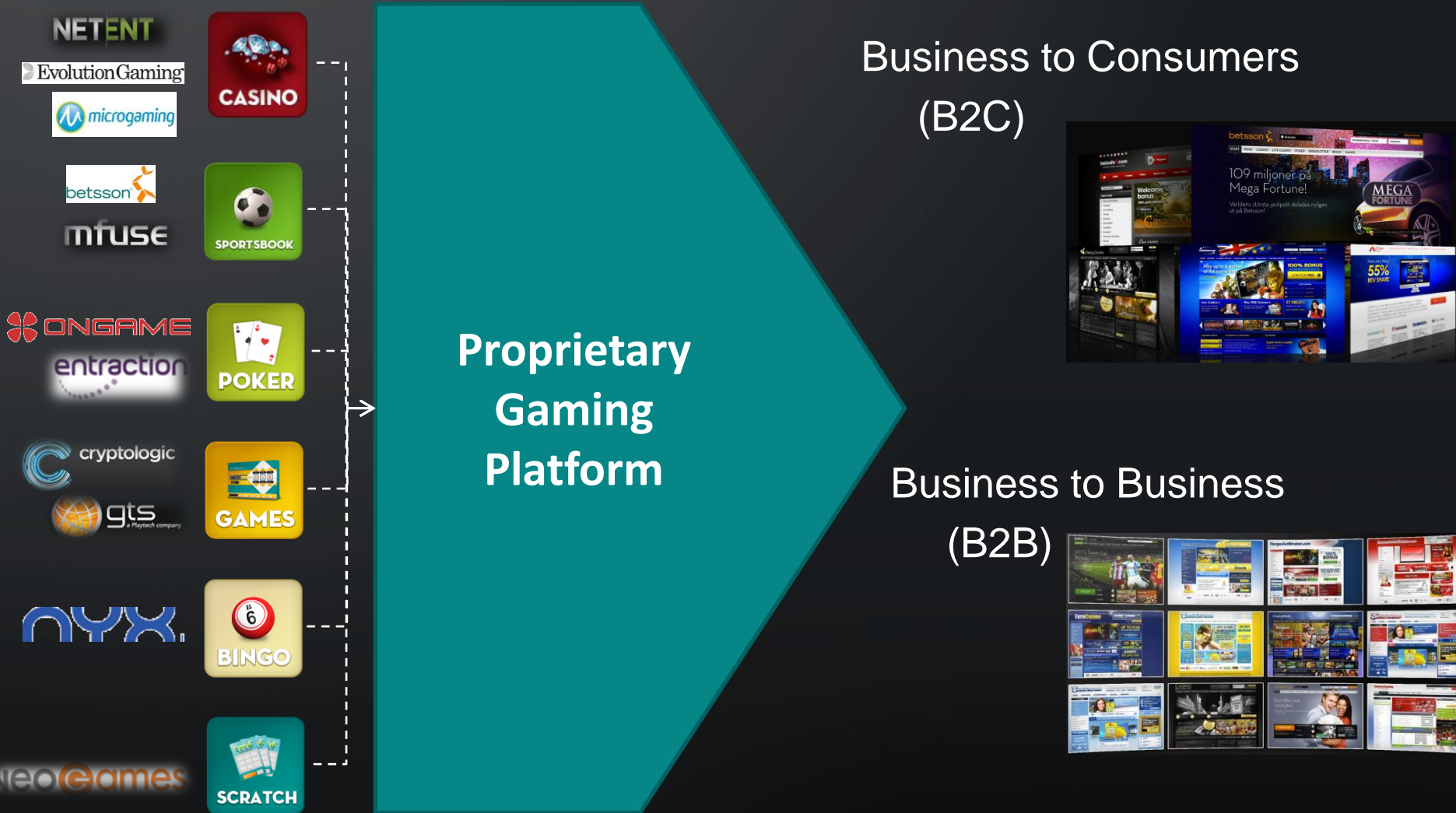


Betsson – 49 years in gaming

- ✓ 412 employees + 169 full time consultants
- ✓ **Listed on Nasdaq** OMX Nordic, Mid Cap (BETS)
- ✓ Market Cap of approximately **€ 800 000 000**
- ✓ **Betsson competes** with national monopolies but also with peers, such as Unibet, Ladbrokes, Sportingbet, Bwin.party and similar

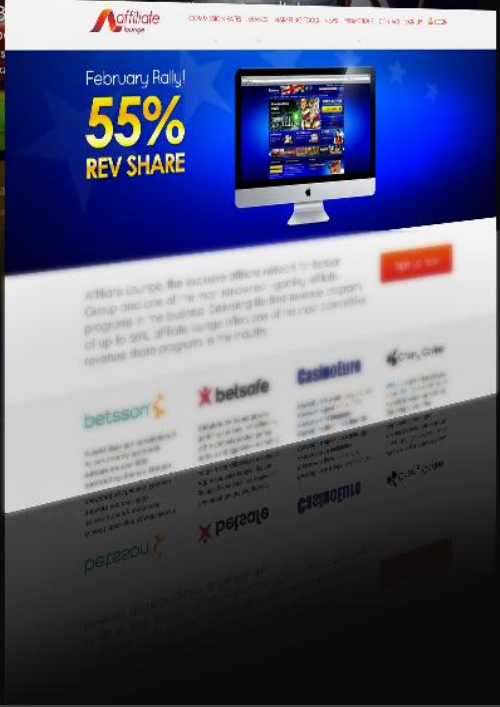


Multi Supplier and Multi Brand Strategy



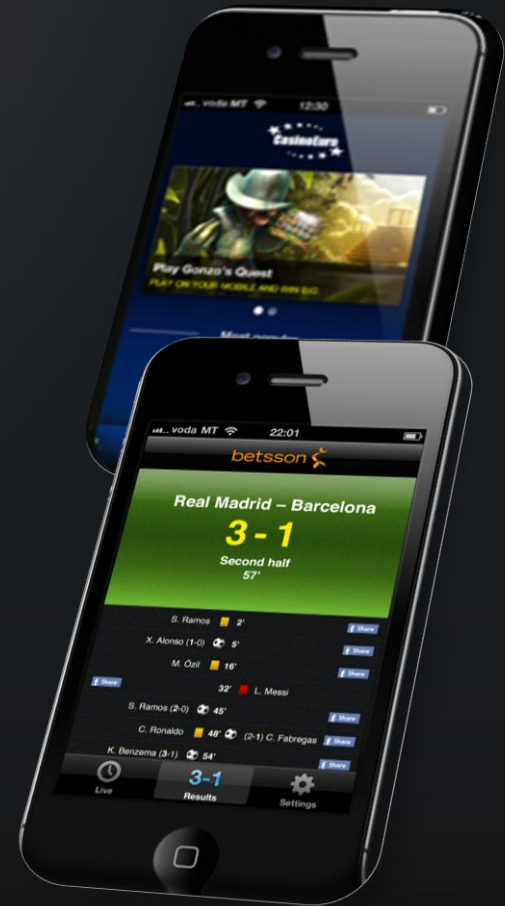
B2C - Business to Consumers





B2C Developments

- ✓ In the **mobile technology area**, Betsson complemented its existing Livescore and Sportsbook apps with a **Casino app** during **the fourth quarter**
- ✓ Betsson predicts a **high demand** for mobile solutions and **further launches** are planned for **the first quarter**
- ✓ Betsson received a **gaming license in Denmark** during the quarter and **Italy after the end of the quarter**
 - Betsson has developed **four sites compliant** with the new **Danish license**
 - These sites were launched on **January 1, 2012** and **are developing well**
- ✓ The integration of **Betsafe** is developing **according to plan**



B2B - Business to Business



Betsson AB Presentation Q4 and FY 2011



B2B Developments

New Deals

- ✓ B2B agreement has been signed during the quarter, with Berlingske Media in Denmark
- ✓ **Management believes** that the Company has good opportunities to **sign additional collaboration** agreements over the next **twelve month period**

Existing Partners

- ✓ The gaming solution offered **through Realm Entertainment** continues to develop positively

China

- ✓ The **beta version** of the gaming site which has been **operating in China** has been evaluated, whereby Betsson has made the decision to concentrate on **further technological development**
- ✓ The developments to the site in China are expected to be **implemented** during the **second half of 2012**

Financial Presentation



Q4 Highlights

- ✓ **Revenues** amounted to **SEK 515.2** (484.3) million and the **operating margin** amounted to **33.4 percent** (26.4 percent)
- ✓ **Operating income** amounted to **SEK 172.3** (127.7) million, equivalent to an **increase of 35 percent**
- ✓ **Earnings per Share** **SEK 4.01** (3.19)

Numbers in gray = Q4 2010



Q4 Highlights

- ✓ Deposits in all of **Betsson's gaming solutions** amounted to SEK 1 484.5 (1 104.5) million, which is **ATH with an increase of 34 percent**
- ✓ Cash by end of period **SEK 509.7** million (497.1)
- ✓ Betsson has **no** outstanding **interest-bearing liabilities**

Numbers in gray = Q4 2010



Full year report

- ✓ Revenues **increased** by 8% to **SEK 1 736.6** million (1 603.2)
- ✓ Operating income **increased** to **SEK 559.7** million (380.6), equivalent to an **increase** of **47 percent**
- ✓ Operating margin **32.2%** (23.7)
- ✓ Earnings per Share SEK **13.12** (9.32)

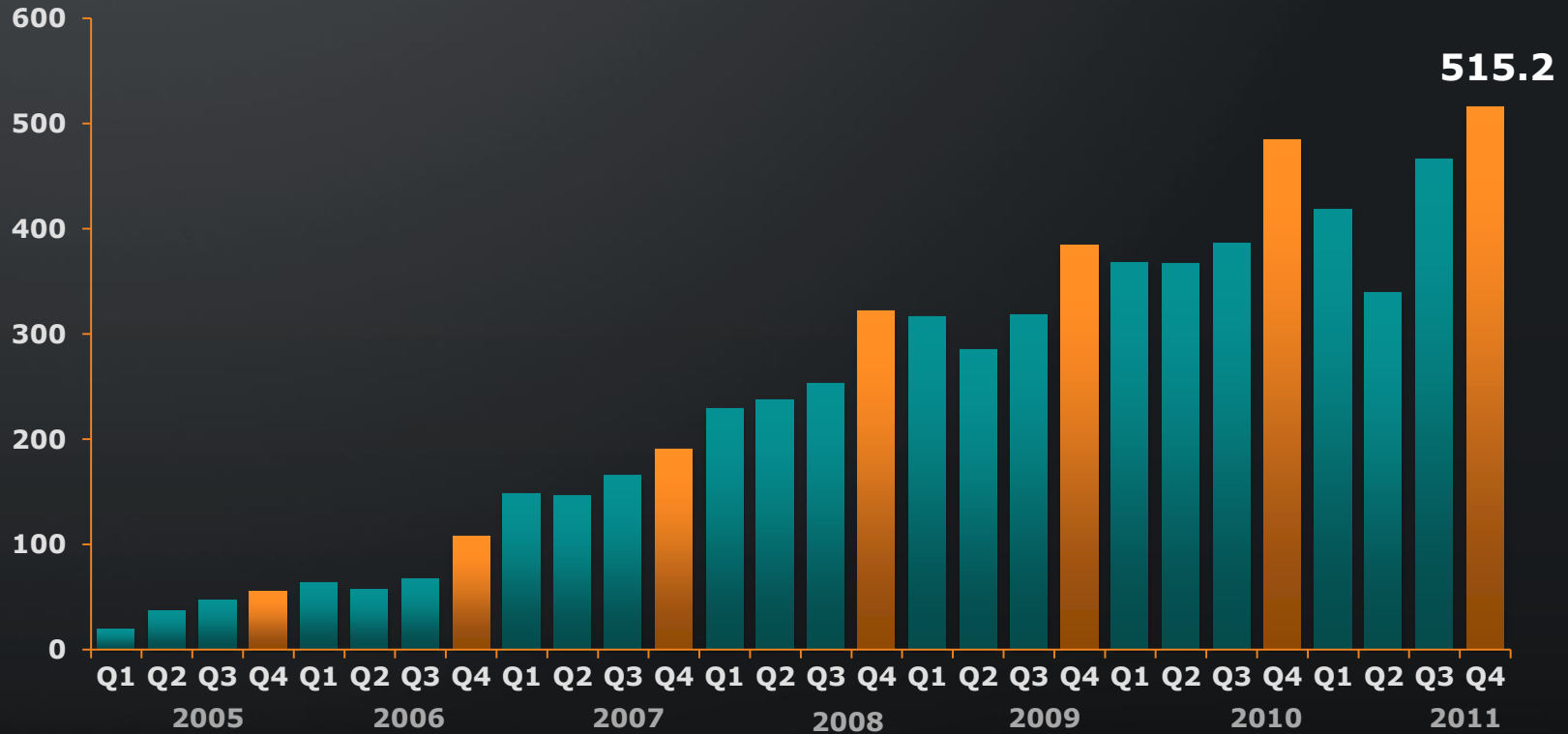
Numbers in gray = 2010

Betsson-Shareholder value

- ✓ According to dividend policy, **75 percent** of profits shall be distributed to shareholders
- ✓ This is equivalent to a transfer to shareholders amounting to **9.40-9.60** (7.00) **per share**
- ✓ **Automatic redemption** process (more favorable than dividends)

Revenues

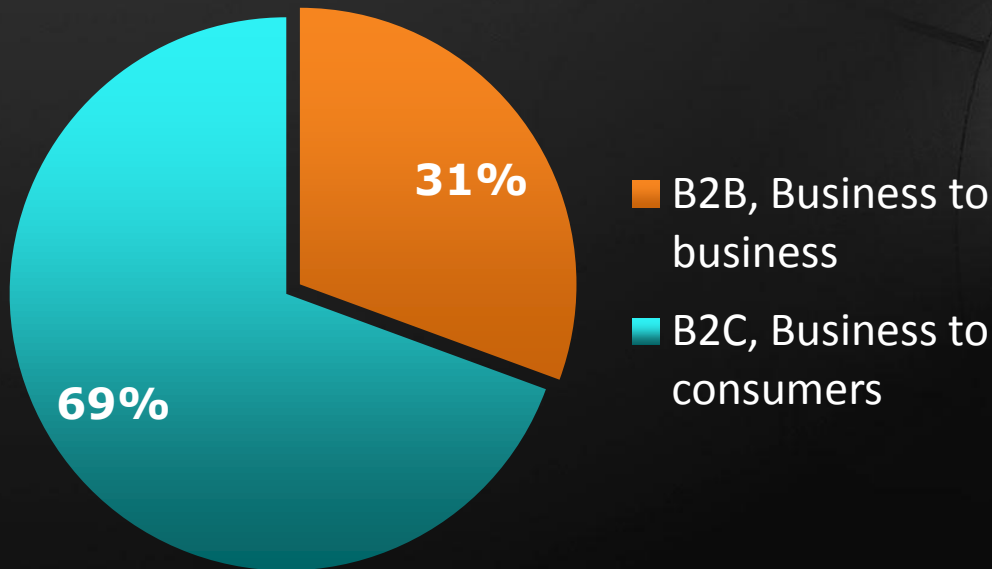
M SEK



Product and Geographical Split

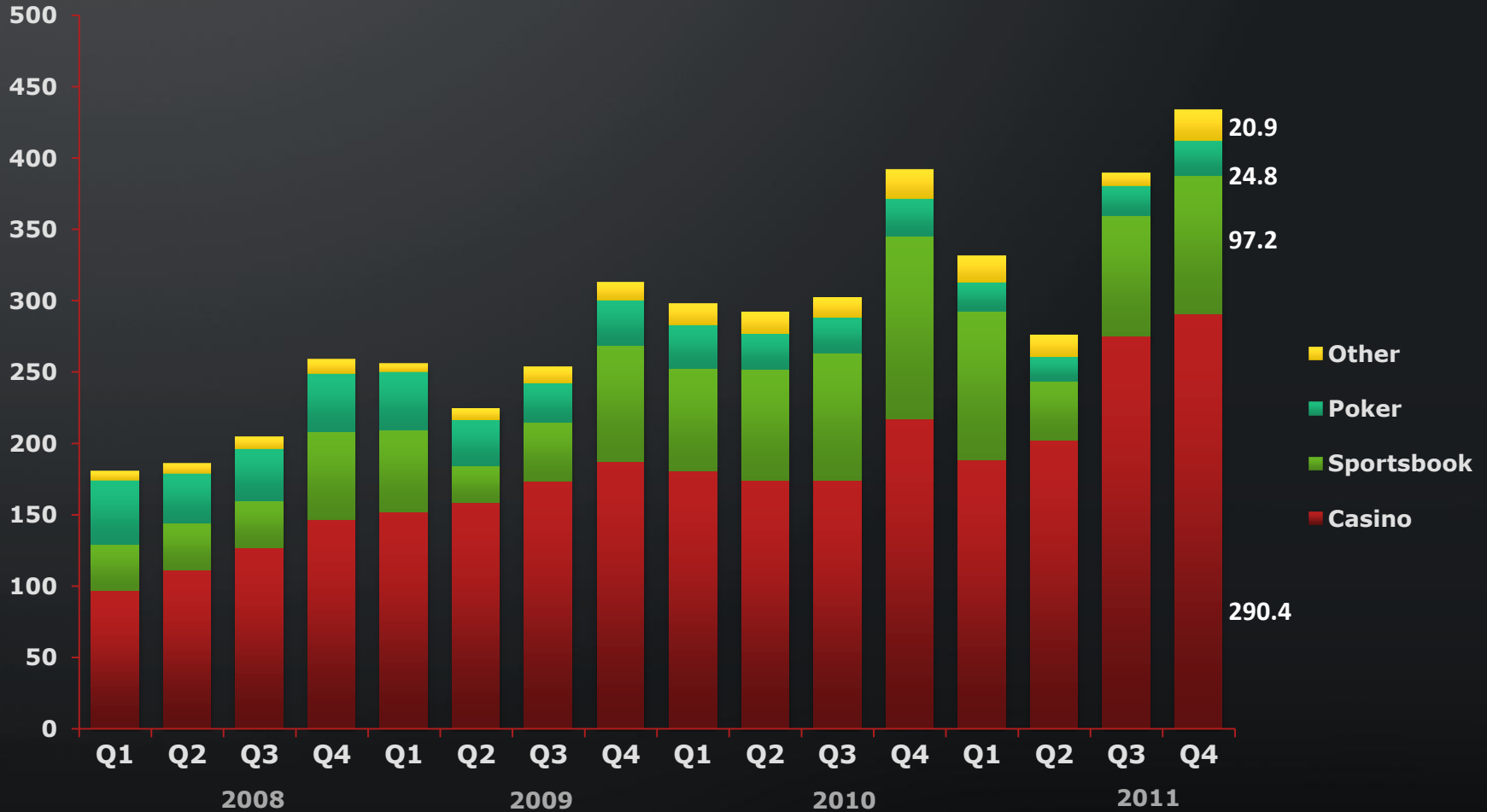


Gross Profit per Segment

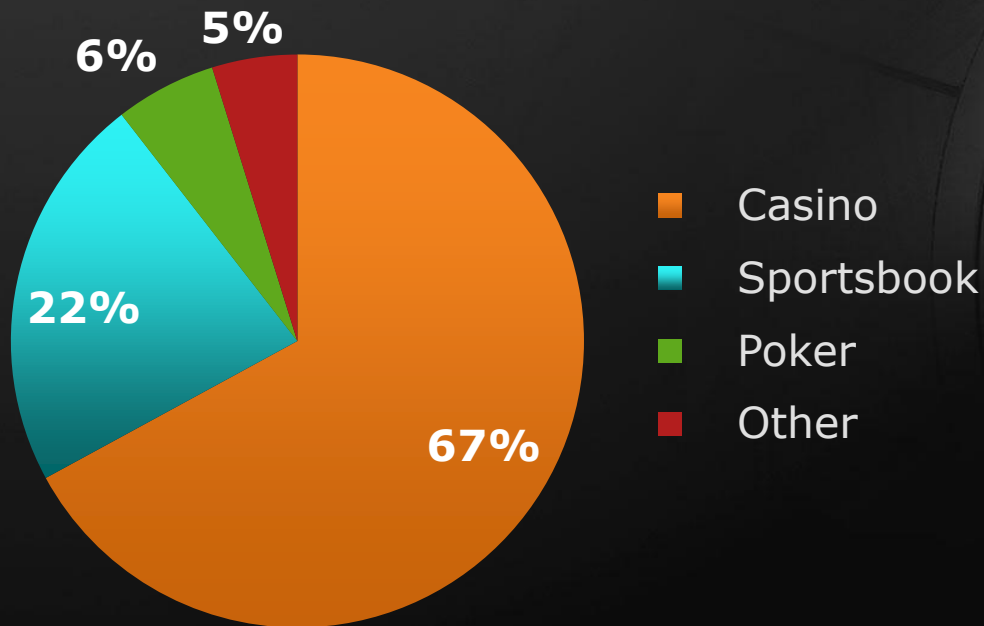


Gross Profit per Product

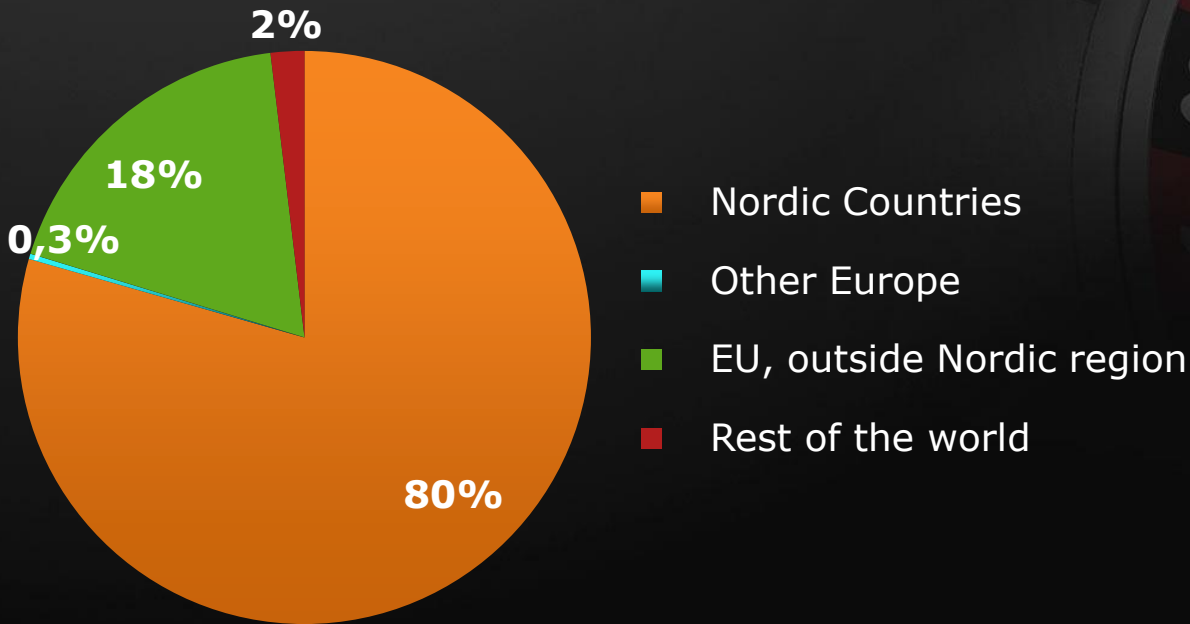
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Gross Profit per Product



Gross Profit per Geographical Area (B2C)

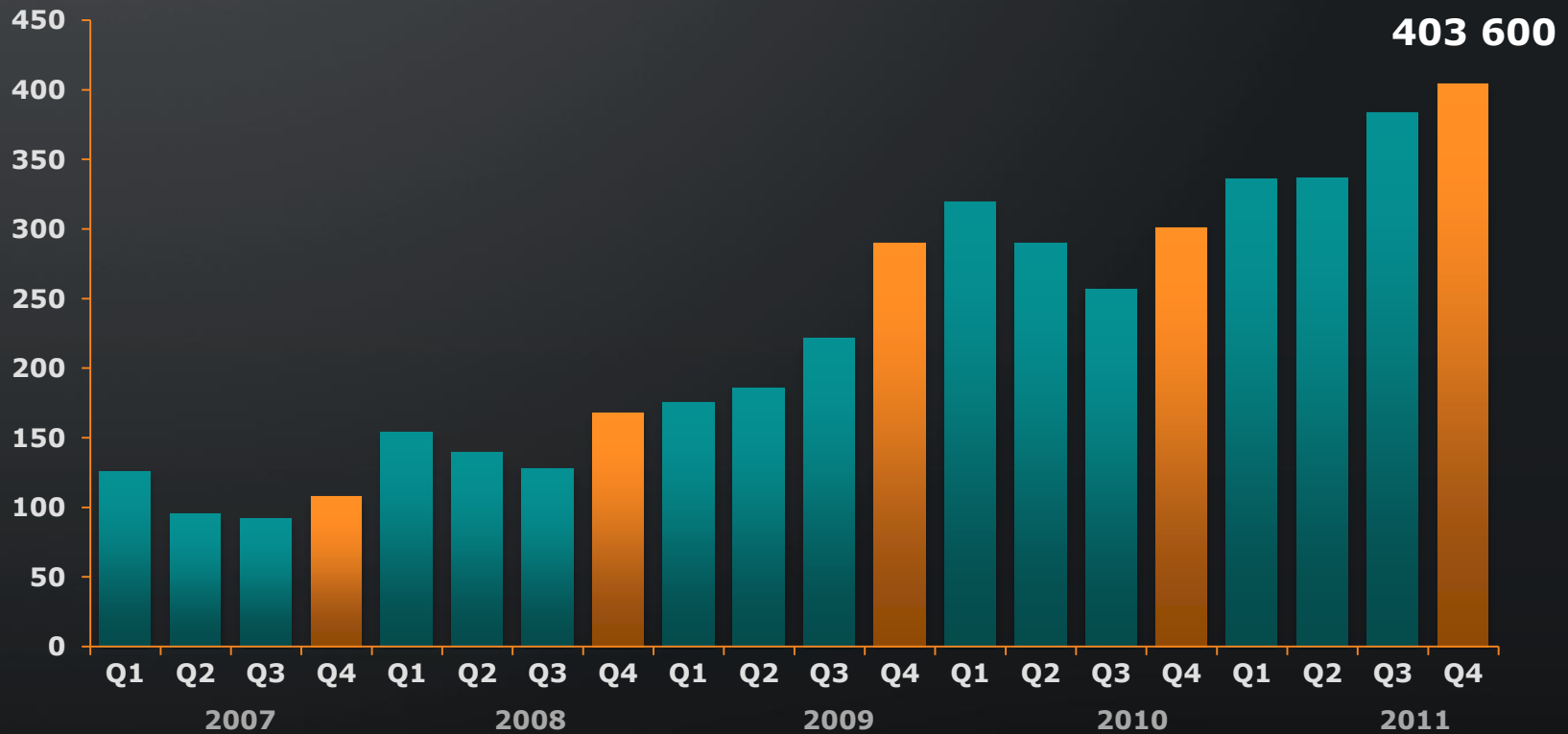


Key Performance Indicators



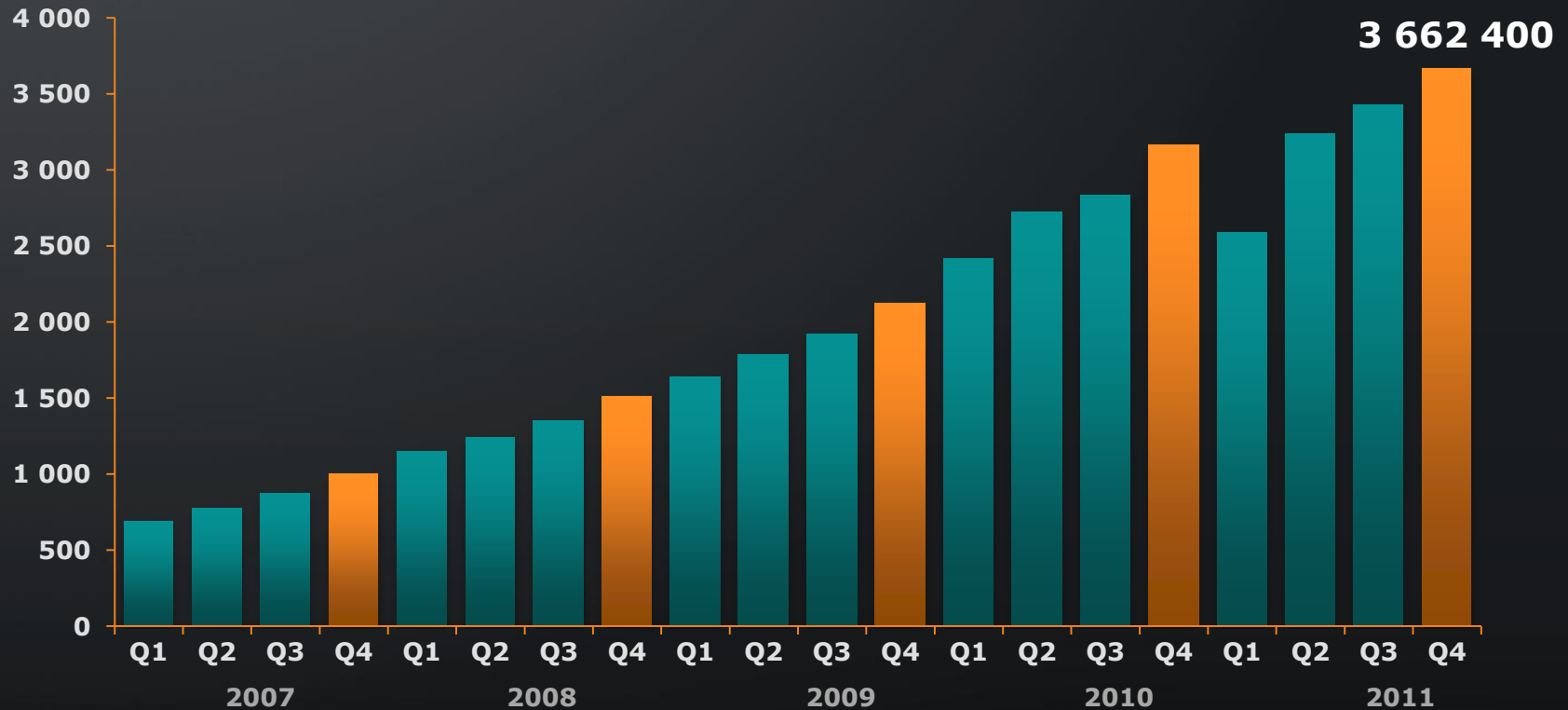
Active Customers

Thousand



Registered Customers

Thousand



Growth Indicators

	Y/Y	Q/Q
Active Customers	34%	5%
Registered Customers	16%	7%
Revenue	6%	11%
Customer Deposits*	34%	0%
Gross Turnover SB*	15%	20%



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

* Including all of Betsson's gaming solutions

Sportsbook Margins

SEK million

	2011 - Q4 SB	2011 - Q4 3rd PARTY SB	2010 -Q4	2011 - FY
Gross Turnover SB	590.1	1581.2	1894.1	2588.8
Gross Margin SB	6.4%	n.a.	7.6%	6.9%
Gross Profit	37.6	59.6	128.2	151.2

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 very early but the Dutch authorities seem determined to **reregulate** the market in **the near future**



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




Schleswig-Holstein is still moving ahead with their separate gaming regulation and not waiting for the other 15 Bundesländer to join. The SH regulation is **similar to the Danish model** and includes a 20% gaming net tax



Events after Q4



- 
- ✓ The **activity level** going into the first quarter is stable, with **revenues in line with** the average revenue level in the fourth quarter
 - ✓ On 19 January, Betsson received a gaming license for the Italian market
 - ✓ On 23 January, the title of “Online Sportsbook Operator of the Year” was bestowed on Betsson by IGA

Q&A

