

Q4 2012

Revenues increased by 27 percent



Presentation Outline

- ✓ Introduction
- ✓ B2C - Business to Consumers
- ✓ B2B - Business to Business
- ✓ Q4 Progress
- ✓ Q4 Financials & KPI:s
- ✓ Legal Update
- ✓ Events after Q4
- ✓ Q&A



INTRODUCTION

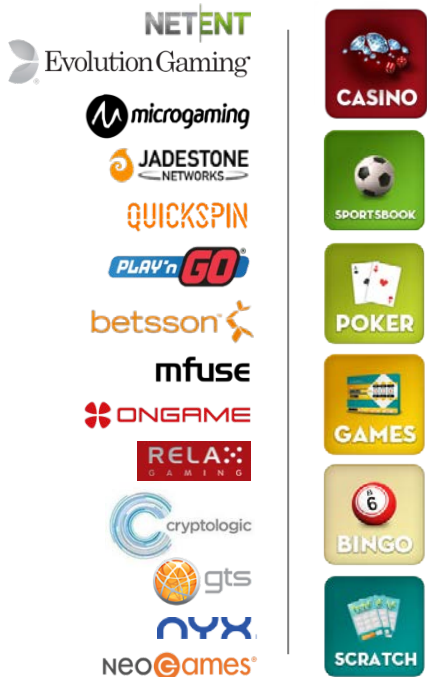


Betsson - 50 years anniversary

- ✔ 748 (412) employees + 184 (169) full time consultants
- ✔ Listed on Nasdaq OMX Nordic, Mid Cap (BETS)
- ✔ Market Cap of approximately € 1 000 000 000
- ✔ Licensed in Malta, Italy, Denmark and Estonia



Multi Supplier and Multi Brand Strategy



Proprietary Gaming Platform

Business to Consumers (B2C)



Business to Business (B2B)



B2C - BUSINESS TO CONSUMERS



PRESENTATION Q4 2012

betsson ab



B2B - BUSINESS TO BUSINESS



PRESENTATION Q4 2012

betsson ab

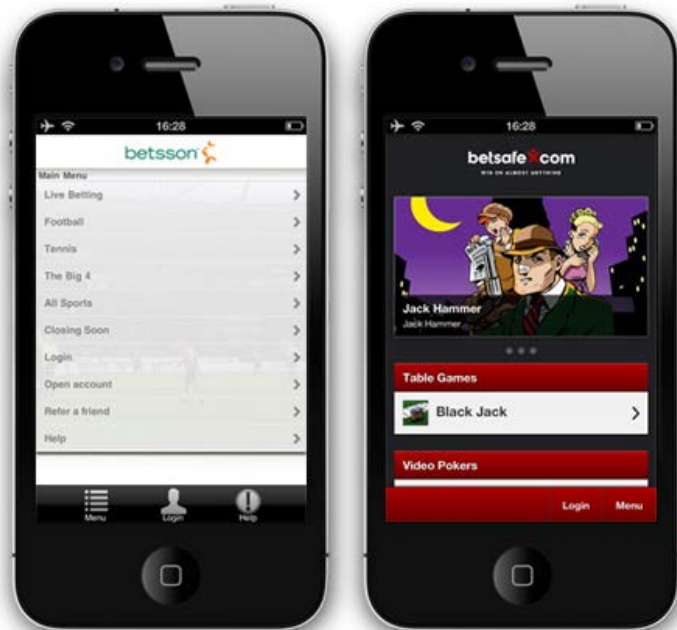


Q4 PROGRESS



Mobile Growth

- ✓ Strong development throughout 2012, expected to continue in 2013
- ✓ Mobile revenues 7% of total revenues in Q4, corresponding to +100% quarterly growth
- ✓ Sportsbook turnover 8% of total in Q4



Betsafe Situation

- ✓ Initial issues after migration of Betsafe to the common platform
- ✓ Implemented actions have given result
- ✓ Back on track



betsafe  **com**

WIN ON ALMOST ANYTHING

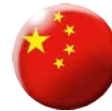
Casino operator of the year

Betsson was awarded the prestigious award "Casino operator of the year", at the EGR award ceremony in London in Q4.



Regulated markets

- ✓ On December 3, **online slots** became allowed in Italy. Betsson has invested in a **major launch campaign** for Starcasino. It is still too early to evaluate the effect.
- ✓ **Danish sites** are developing strong and gave a positive net contribution in Q4.
- ✓ Betsson is continuing to invest in software development for the Chinese market. During 2012, SEK 15 million was invested.



Investing in growth

Business optimization projects:

- *Business Intelligence*
- *Platform migrations*
- *SEO*
- *Payment optimization*
- *Mobile product development*
- *Financed from synergies and operational leverage*

Specific growth projects:

- *Regulated markets*
- *China*
- *Will have negative impact on margins*



Q4 FINANCIALS



Q4 Financials

- ✓ Revenues amounted to SEK 651.9 (515.2) million, equivalent to an increase of 27 percent
- ✓ Operating income amounted to SEK 173.4 (172.3) million
- ✓ Operating margin (percent of Revenues) amounted to 26.6 percent (33.4 percent)
- ✓ Earnings per Share SEK 3.95 (4.01)



Q4 Financials

- ✓ Income statement is charged with a cost of SEK 39.2 (9.2) million in connection with investments in newly regulated markets and software development in China. Income statement is also charged with restructuring costs amounting to SEK 5.8 (-) million.
- ✓ Deposits in all of Betsson's gaming solutions amounted to SEK 2,154.8 (1,484.5) million, which represents an **All Time High (ATH)** and an increase of **45 percent**
- ✓ Cash by end of period SEK 467.2 million (509.7)

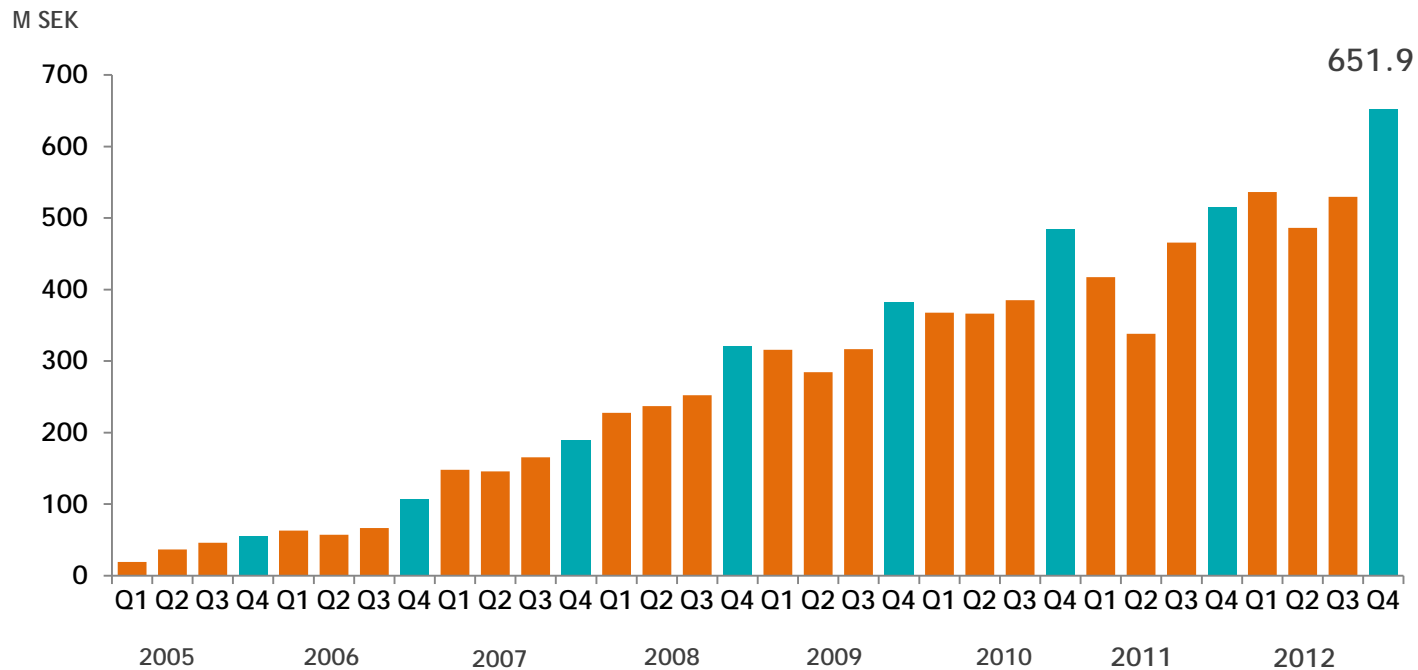


Proposed distribution

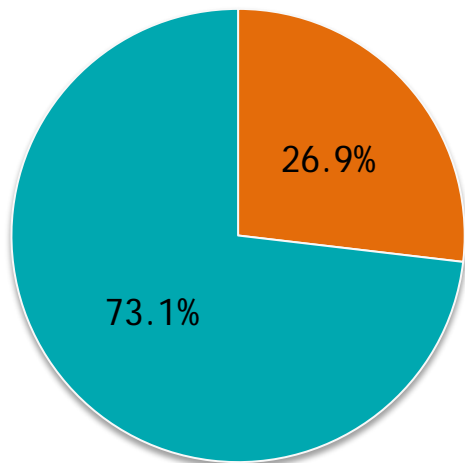
- ✓ Betsson's Board of Directors proposes a transfer to the shareholders, amounting to SEK 410.9 million.
- ✓ Assuming that the number of shares outstanding does not change the proposal involves the transfer of SEK 9.7 per share.



Revenues



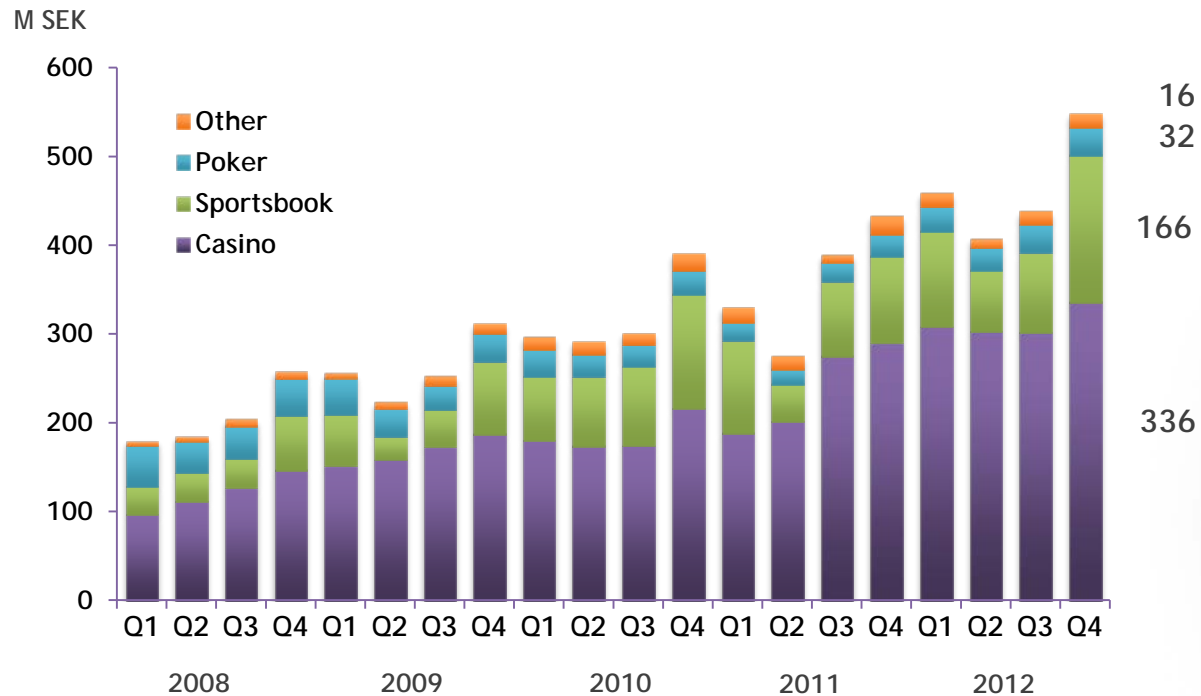
Gross Profit per Segment



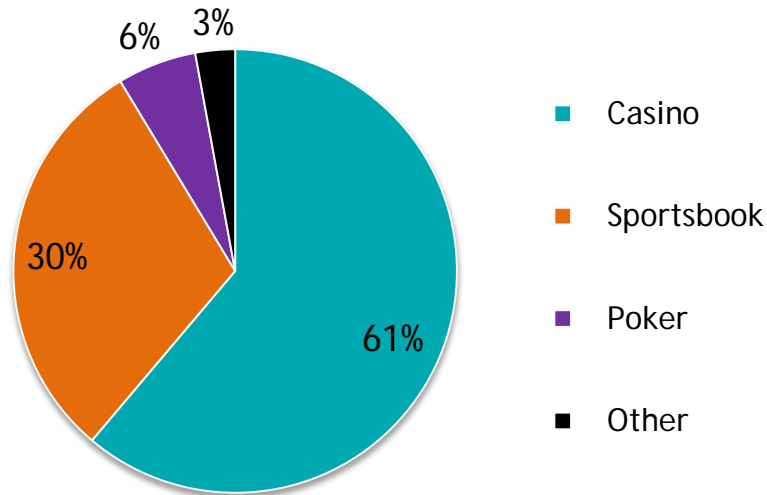
- B2B, Business to business
- B2C, Business to consumers



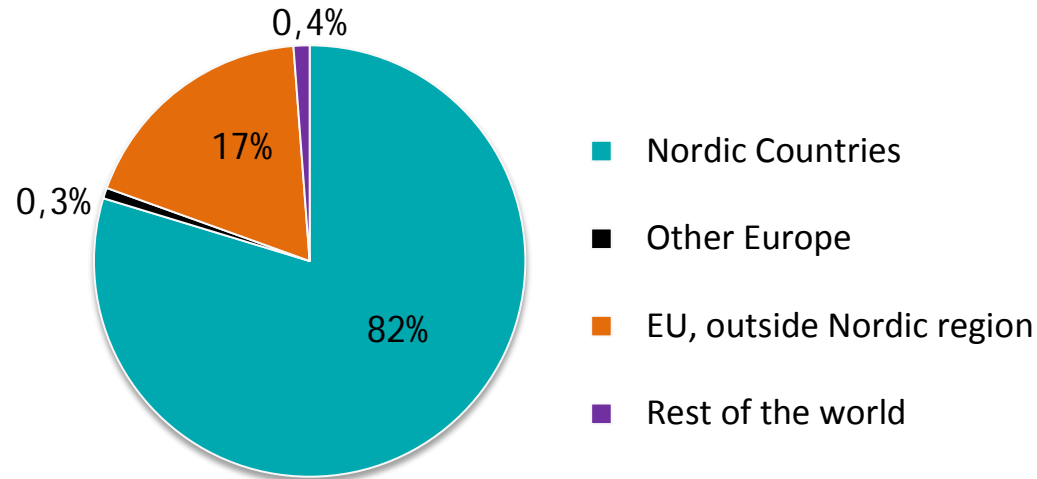
Gross Profit per Product



Gross Profit per Product



Gross Profit per Geographical Area (B2C)



KEY PERFORMANCE INDICATORS



ATH in SB Turnover

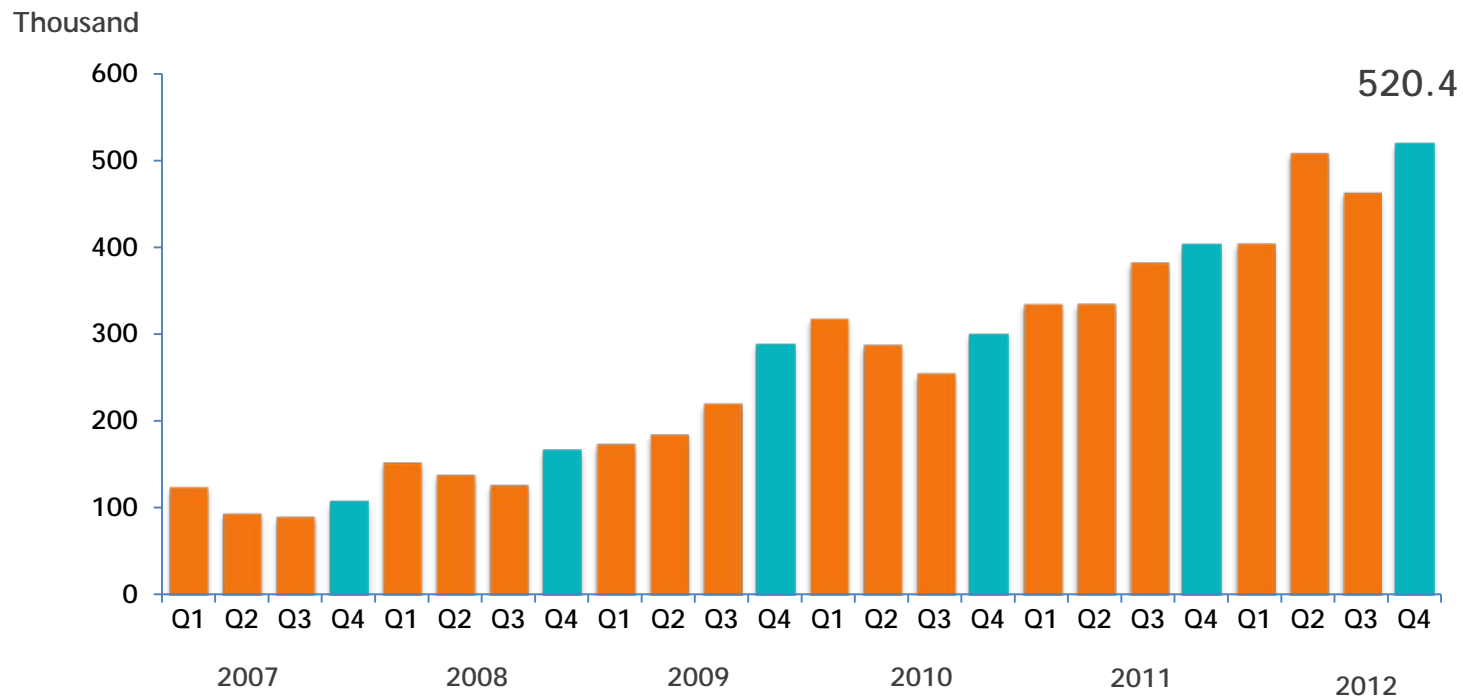


Q4 SB Margins

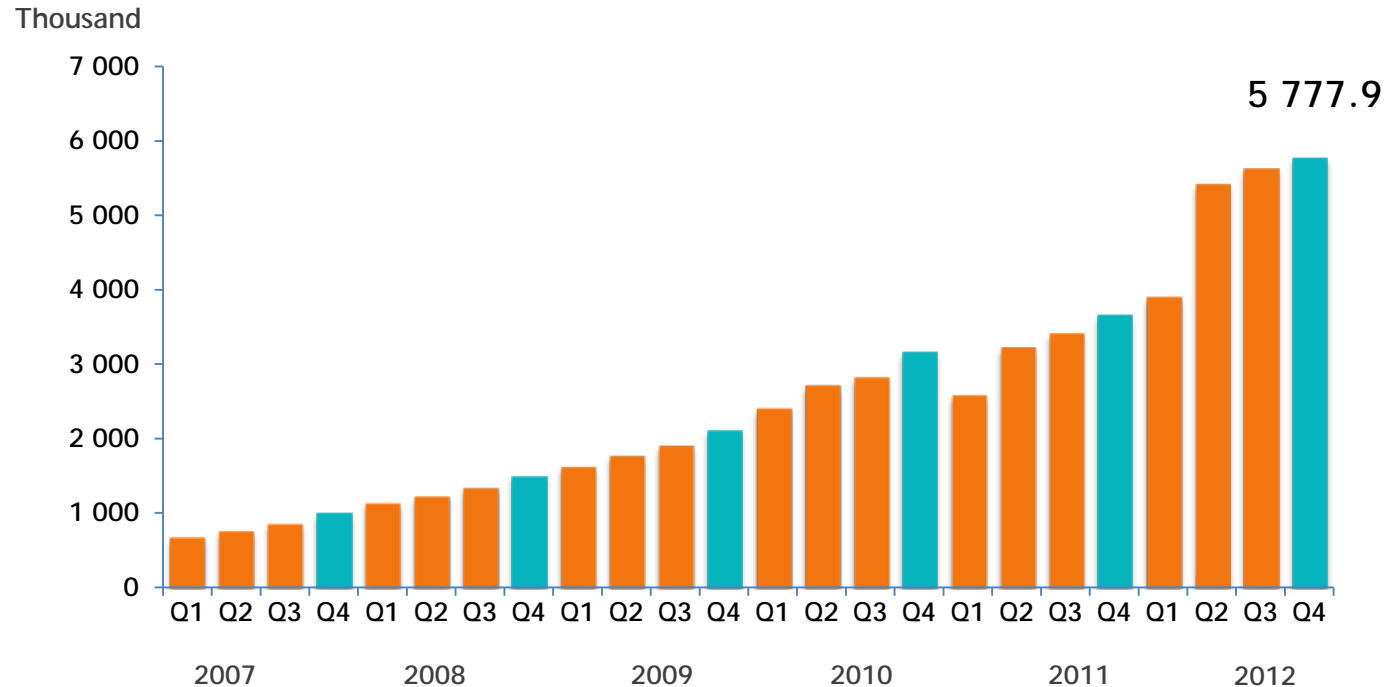
SEK million	2012 - Q4 SB	2012 - Q4 3rd PARTY SB	2011 -Q4 SB	2011 - Q4 3rd PARTY SB
Gross Turnover	1,271.1	2,511.7	590.1	1,581.2
Gross Margin SB*	7.5%	2.8%	6.4%	3.8%
Gross Profit	95.0	70.5	37.6	59.6

* Margins after allocated costs

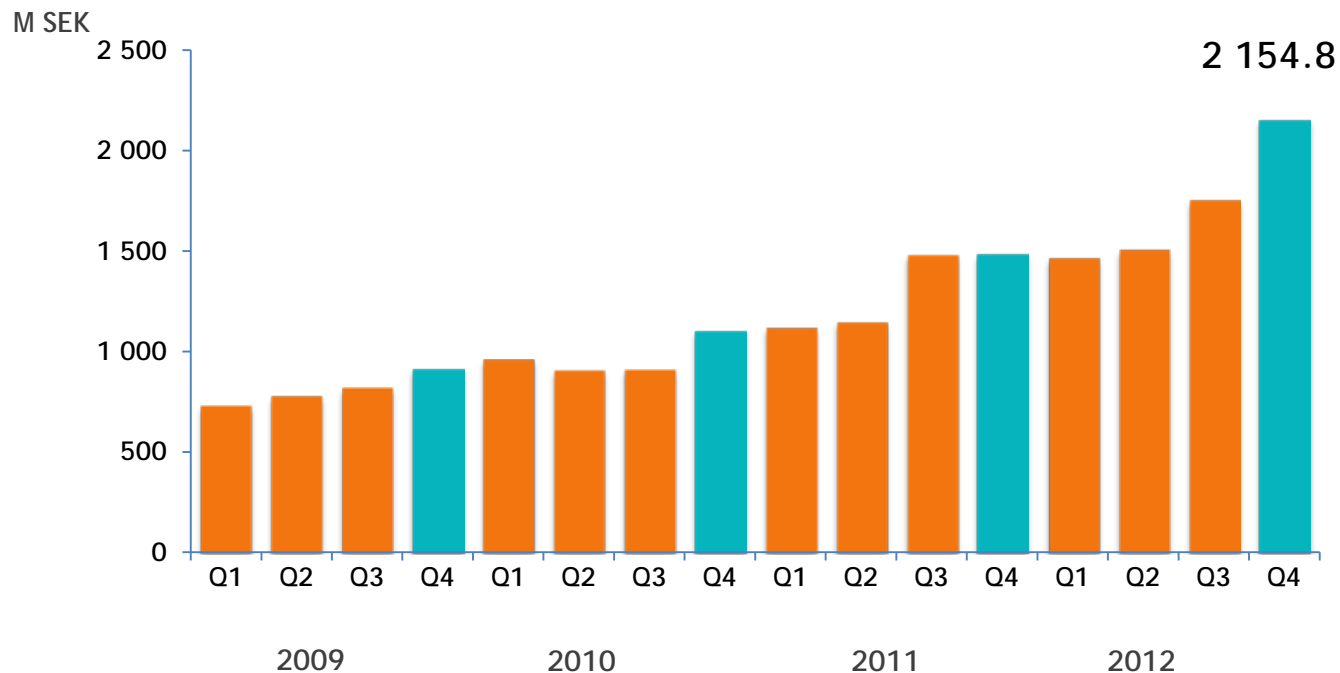
Active Customers



Registered Customers



Deposits



Growth Indicators Summary

	Y/Y	Q/Q
Active Customers	29%	12%
Registered Customers	58%	3%
Revenue	27%	23%
Customer Deposits*	23%	45%
Gross Turnover SB*	74%	30%

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

* Including all of Betsson's gaming solutions

LEGAL UPDATE



Germany

It's now very unlikely that Schleswig-Holstein will implement a separate gaming regulation as the ruling coalition has decided to join the federal state treaty together with the other 15 Bundesländer. Betsson has decided not to complete its application in this round for this reason.

Holland

The Dutch government has now regrouped and are again planning to grant local licenses for internet gaming in 2013/2014. Betsson has been invited to discuss the upcoming regulation and aim to discuss the proposed 29% net gaming tax which is commercially unviable.



Greece

The gaming law from 2011 has been adjusted and the gaming authority is threatening with a “black list” for non-compliant operators. On January 25th 2013 the ECJ ruled against this new legislation and made it clear it was contrary to EU law principles and needed to be changed. The European Commission has also again initiated infringement proceedings against Greece.

Sweden

There is continued support for a re-regulation of the Swedish market, but a new main law proposal is not expected until after the election 2014. We continue to try to educate and influence different stakeholders through the Swedish business organization BOS. Gerdin and Sjöberg, were acquitted from illegally promoting online gaming as the local Swedish law is in breach of EU law principles, in the Gerdin/Sjöberg case which was given in December by the supreme court.



EVENTS AFTER Q4



- ✓ The initial stages of the first quarter have been stable, with an all time high (ATH) in customer deposits and revenues. This corresponds to levels above the average in previous quarter and is driven by high activity.
- ✓ In the beginning of 2013, Betsson Malta launched its first social betting app.
- ✓ February the fourth, Betsson received Fair Play award at IGA 2013.
- ✓ There have been **no other significant events** after the end of the period



Live social sports app

- ✓ MyFootball Connect™ provides an innovative and exciting 'second screen' social sports experience
- ✓ Played against your friends or random opponents during live football matches
- ✓ Players gain achievements and rewards
- ✓ Fully socially-integrated product
- ✓ Launching cross-platform, currently iOS



Q&A

