

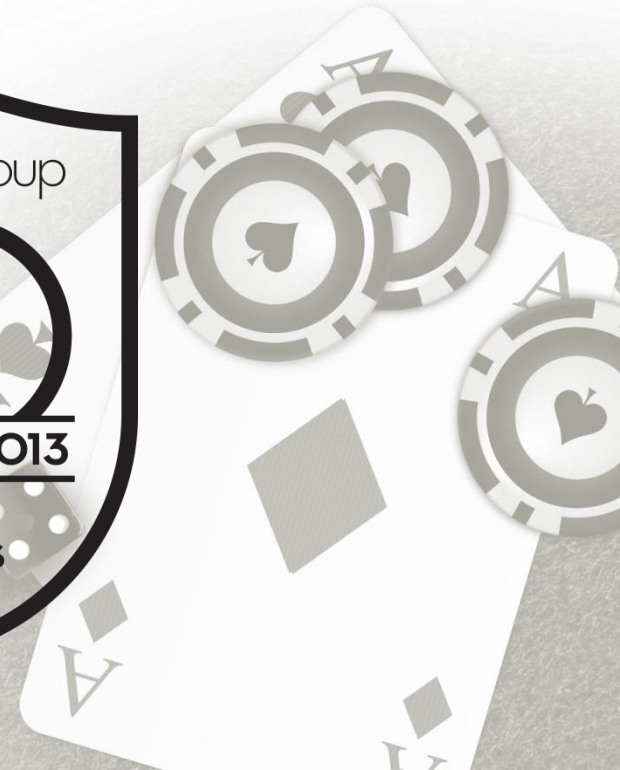
Q4 2013

Strategic acquisition in the Netherlands



Presentation Outline

- ✓ Acquisition - Oranje and Kroon
- ✓ Business development update
- ✓ Q4 Highlights
- ✓ Events after Q4
- ✓ Q&A



ACQUISITION - Oranje and Kroon



Oranje and Kroon - The Company

- ✓ The Company
 - ✓ Class One Holding Ltd - founded 2000 by three entrepreneurs
 - ✓ Two Casino sites - Oranje and Kroon
 - ✓ Casino sites targeting customers in the Netherlands and Belgium
 - ✓ Strong brands - considered to be top 3 in the Netherlands



Oranje and Kroon - The Company

- ✓ The Company
 - ✓ Exclusive and proprietary developed games
 - ✓ A powerful affiliate business and +300 domains, example casino.nl, onlinecasino.nl, idealcasino.nl
 - ✓ License in Belgium
 - ✓ Registered customers: 209 000

Standalone figures for Oranje and Kroon

P&L	2013
Revenues	EUR 32.5 million
Revenue growth	5%
EBIT	EUR 22.1 million
EBIT margin	68%
Profit after tax	EUR 21.1 million

Oranje and Kroon - The Deal

- ✔ Price: 100-145 million euros
 - ✔ 100 MEUR upfront- 40MEUR in cash and 60MEUR in shares
 - ✔ Additional purchase price in the range of 0-45MEUR
- ✔ Financing
 - ✔ Share issue - 60MEUR
 - ✔ Bank loan - 90MEUR
 - ✔ The Bank facility will also be used to repay existing bank debt

Maximum purchase price (MEUR)	EBIT multiple (based on FY 2013)
100	4,5
130*	5,9
145	6,6

*Due to the ongoing legislative proposal Betsson expect the amount of the total price to be 130 million

Oranje and Kroon - Reasons for the deal

- ✔ Strategic move - good position in a soon locally regulated market
- ✔ Over 25% of Betssons profit is expected to come from locally regulated markets
- ✔ Very strong brands in the Netherlands
- ✔ Oranje and Kroon adds valuable know-how of the markets in Netherlands and Belgium
- ✔ Good potential to increase growth both short term and after the re-regulation



Oranje and Kroon - Legal

- ✓ Environment in the Netherlands today
 - ✓ Gaming companies operates on international licenses, for example Maltese licenses
 - ✓ Oranje and Kroon leads the lobbying work
- ✓ After the regulation
 - ✓ 20% tax + 2% levies on GGR
 - ✓ No restrictions regarding what type of games that will be allowed
 - ✓ Unlimited number of licenses
 - ✓ Better opportunities for marketing and thereby increased growth
 - ✓ Likely implementation towards end 2015



Oranje and Kroon - Going forward

- ✓ Oranje and Kroon within Betsson
 - ✓ Lean and efficient organisation - straightforward integration
 - ✓ Key employees stays within Betsson
 - ✓ The main owners will work as advisors
 - ✓ Betsson will continue the important lobbying work that the founders of Oranje and Kroon has started



Q4 BETSSON

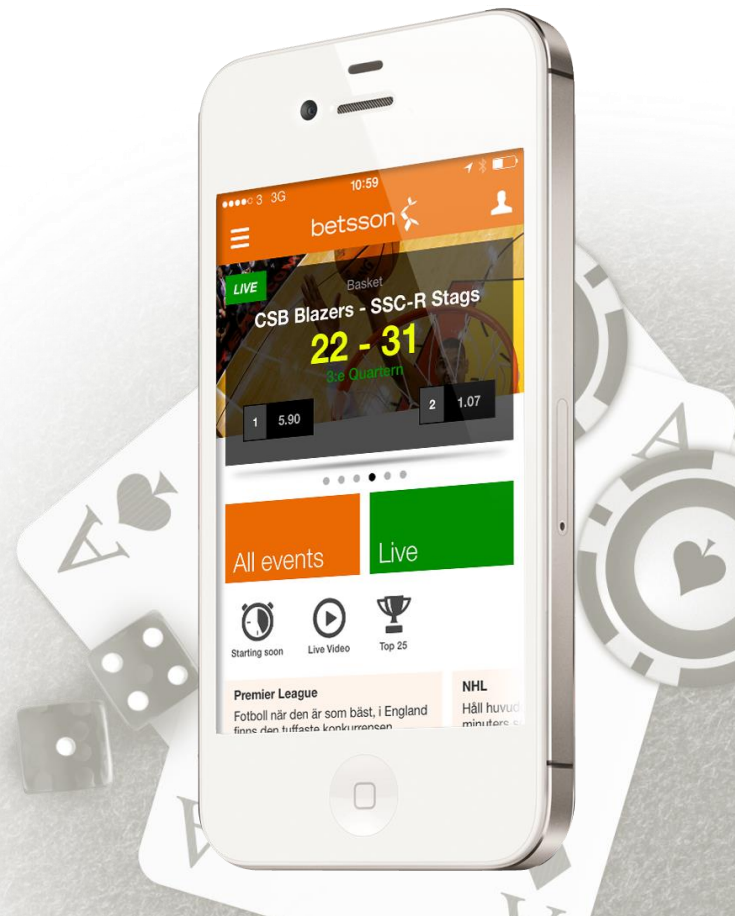


BUSINESS DEVELOPMENT UPDATE



Mobile first

- ✔ Betsson.com mobile - YoY growth of 733%, QoQ growth of 38%
- ✔ Mobile revenues of 80.9 million SEK in total - QoQ growth of 16%
- ✔ Betsafe Native app launched in App Store
- ✔ Betsson Native app launched for Android
- ✔ iPadify all the mobile webs



Development Q4

- ✔ Other Brands
 - ✔ New campaign engine enabling faster and more accurate communication
 - ✔ NGG migrated to PAAS payment system
 - ✔ Launched Automaten brands in the affiliate channel
 - ✔ New ATH in Starcasino
- ✔ Malta
 - ✔ New office - Betsson Experience Center



Q4 HIGHLIGHTS



Q4 Financial highlights

- ✓ Revenues amounted to **SEK 655.5** (651.9) million, equivalent to an increase of **1%** and **12%** for the full year
- ✓ Casino growth of **8%**
- ✓ Negative FX effects of **26.3 million** in the quarter
- ✓ Organic growth, adjusted for FX, amounted to **5%**
- ✓ SB margin **6,2%** in Q4 - last year **7,4%**
- ✓ Adjusted for SB margin and FX the growth would have been **11%**

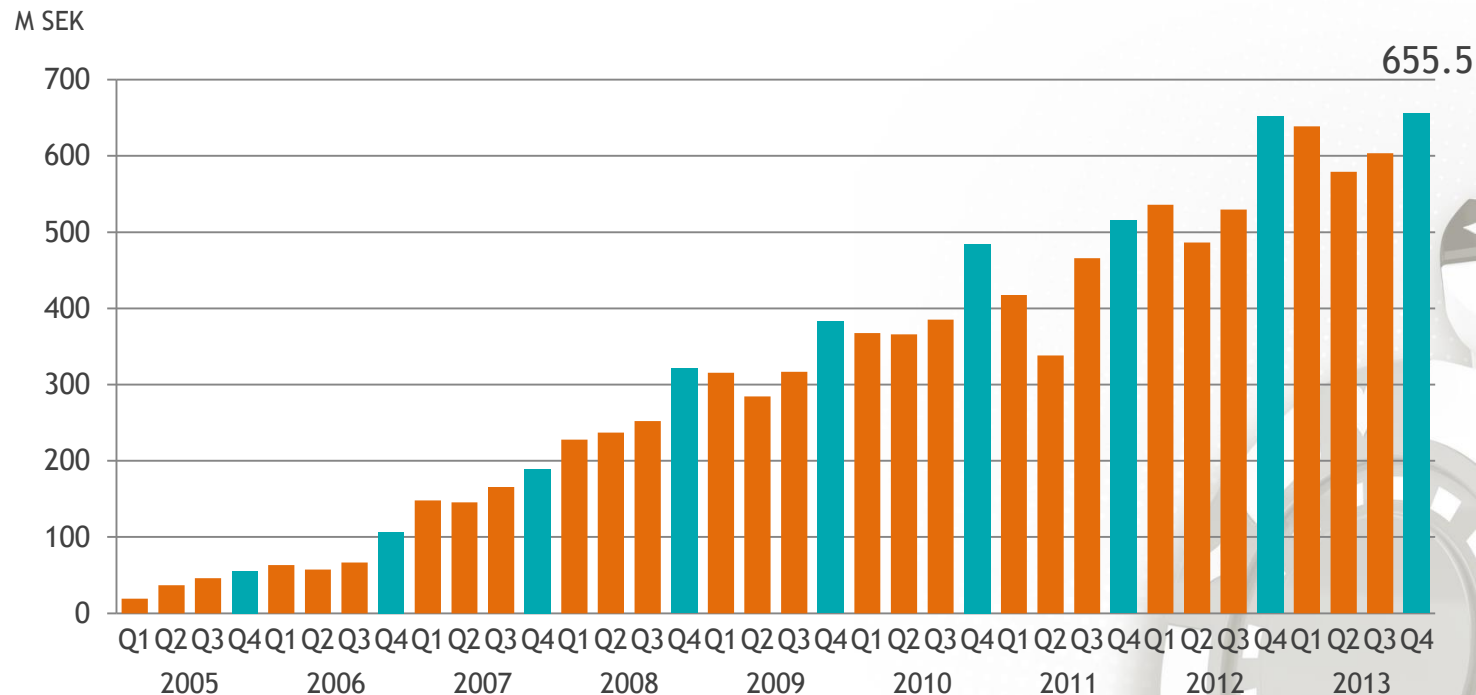


Q4 Financials

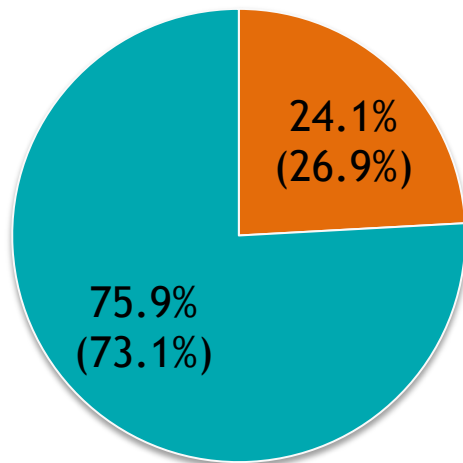
- ✔ Operating income of SEK 150.0 (173.4) million equal to a margin of 22.9 percent (26.6 percent)
- ✔ Cash by end of period SEK 562.5 million (467.2)
- ✔ Earnings per Share SEK 3.24 (3.95)
- ✔ Betsson's Board of Directors proposes a distribution to the shareholders amounting to SEK 421.5 million, corresponding to SEK 9.71 (9.7). The distribution per share will somewhat be affected through planned new share issues



Revenues



Gross Profit per Segment



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



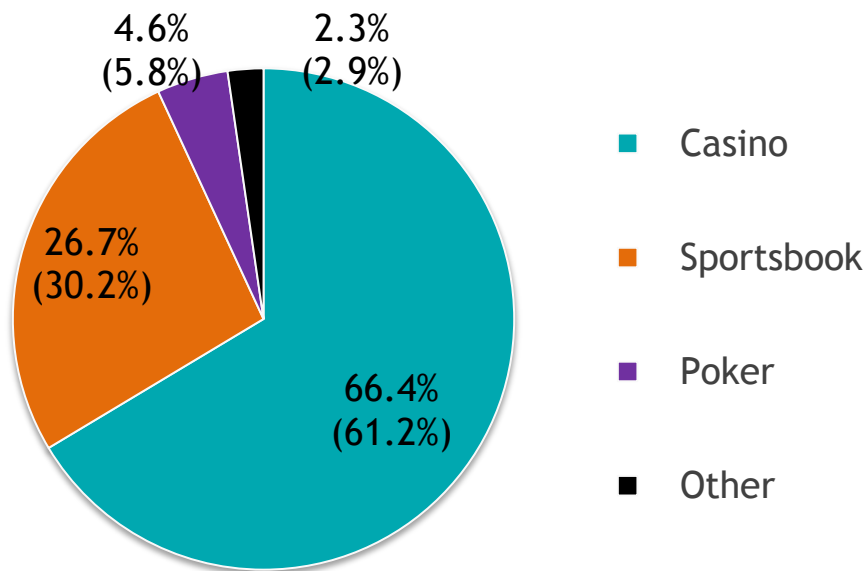
Gross profit growth per segment

- ✓ The Automaten brands have been included in B2C since the first of April 2013 and prior to that included under the B2B
- ✓ The Automaten brands contributed with SEK 36.7 million to B2C in Q4

B2C/B2C	B2C	B2C adj for Automaten	B2B	B2B adj for Automaten
Gross profit Growth	4%	-5,5%	-10%	14,7%



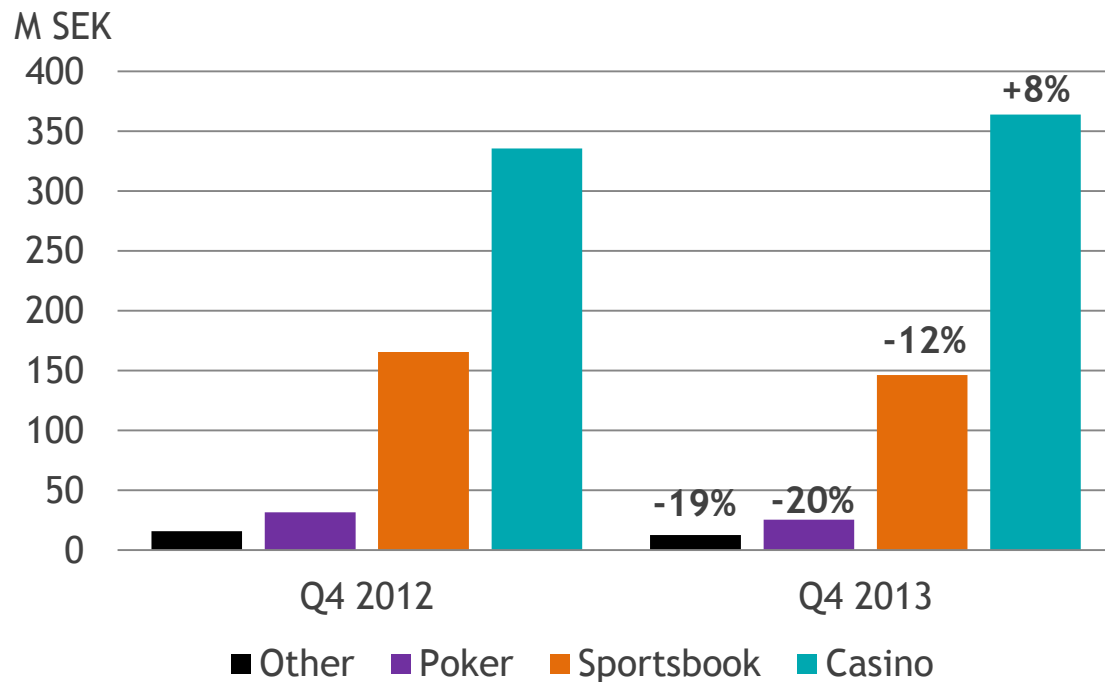
Gross Profit per Product



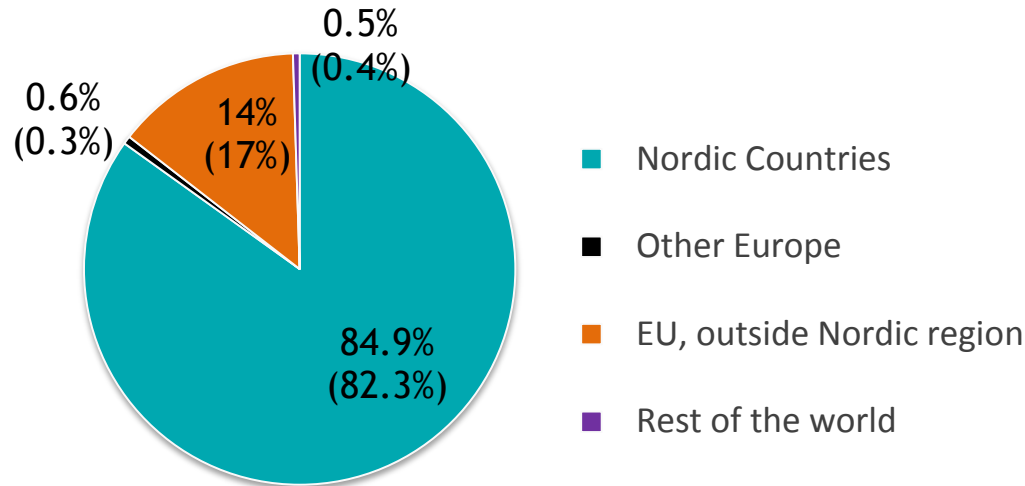
Figures in brackets refer to the same period last year



Gross Profit growth per Product



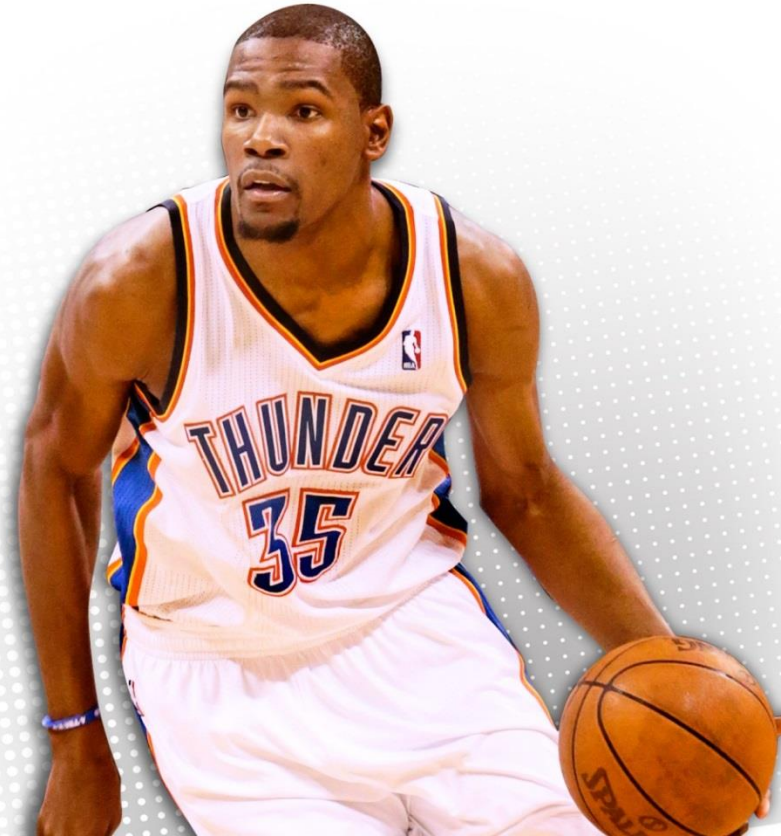
Gross Profit per Geographical Area (B2C)



Figures in brackets refer to the same period last year



KEY PERFORMANCE INDICATORS

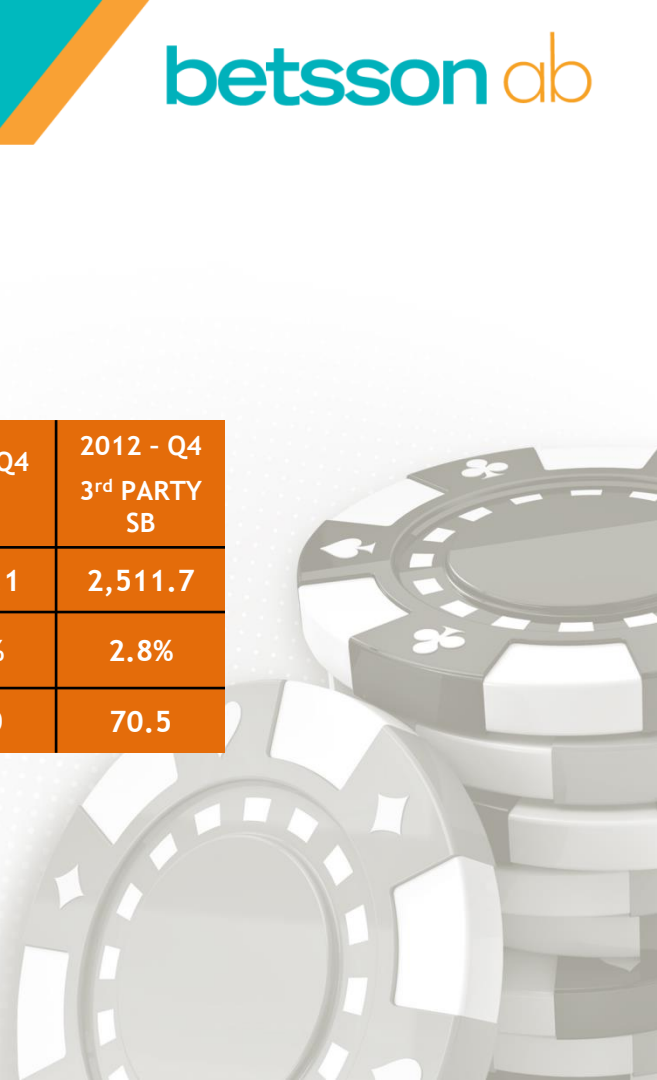


Q4 Sportsbook

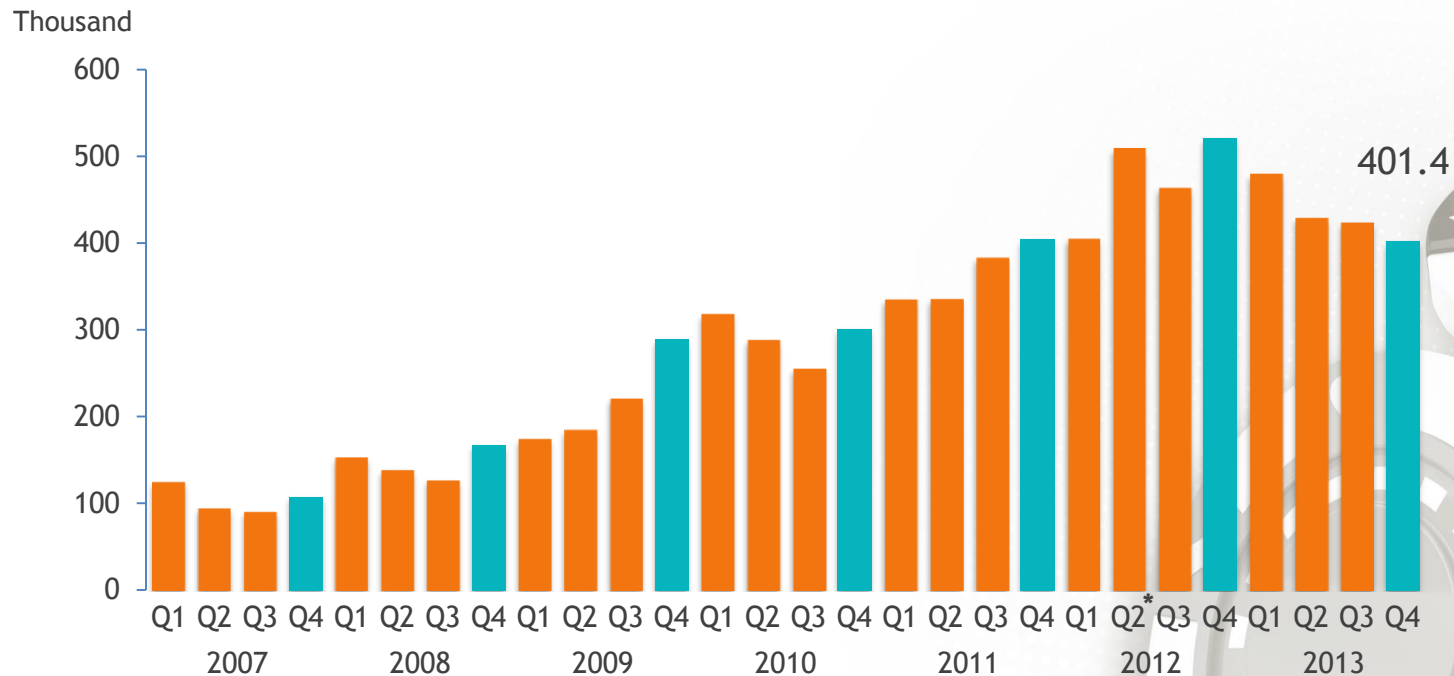
SEK million	2013 - Q4 SB	Growth Q4 SB	2013 - Q4 3 rd PARTY SB	Growth 3 rd PARTY SB	2012 -Q4 SB	2012 - Q4 3 rd PARTY SB
Gross Turnover SB	1,428.6	12,4%	2,666.0	6%	1271.1	2,511.7
Gross Margin SB*	5.5%		2.5%		7.5%	2.8%
Gross Profit	79.1	-16,7%	67.2	-4,7%	95.0	70.5

Total margin after free bets was 6.2% (7.4%)

* Margins after allocated costs

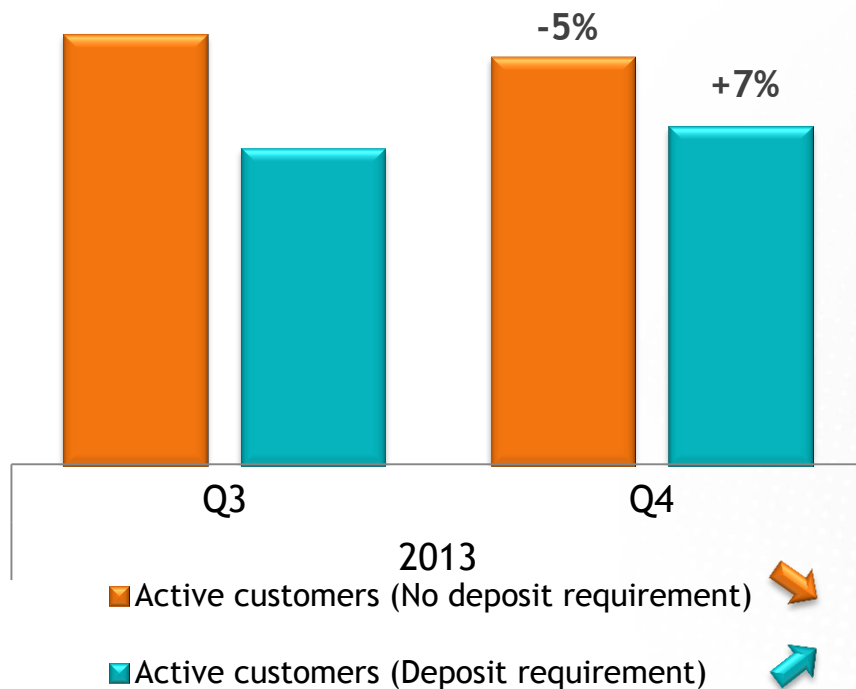


Active Customers - Long term trend

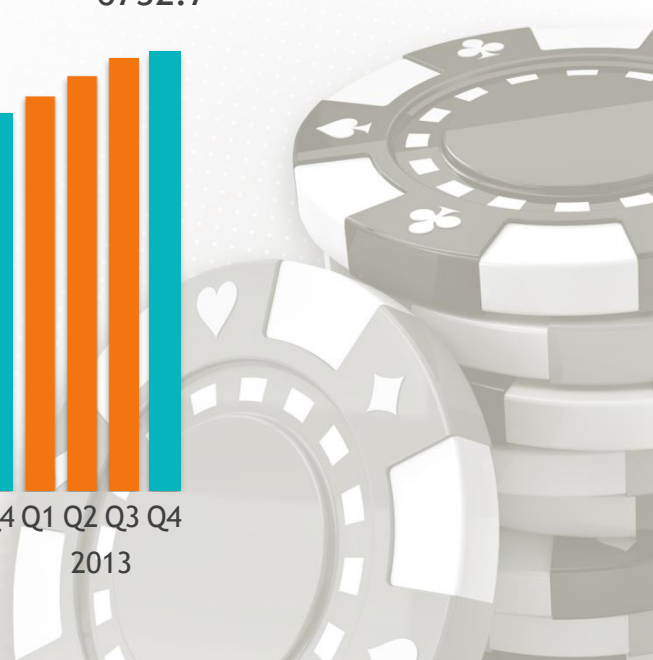
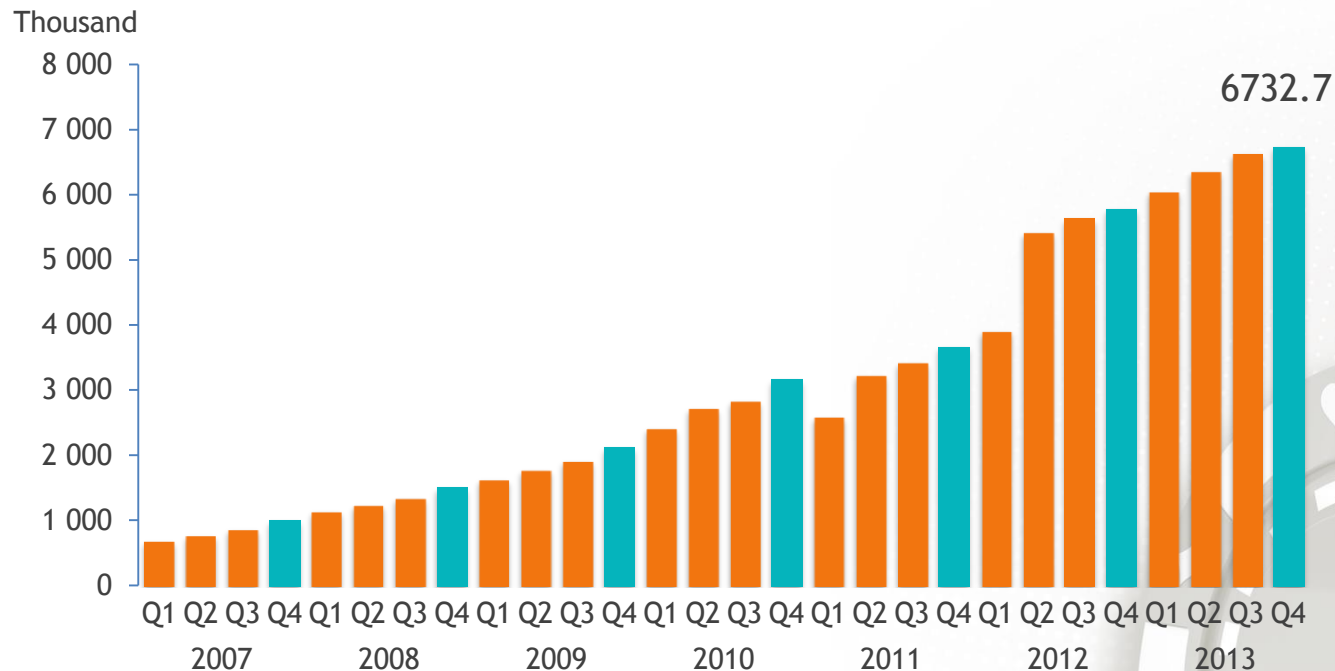


* In Q2 2012 UEFA European Football Championship took place.

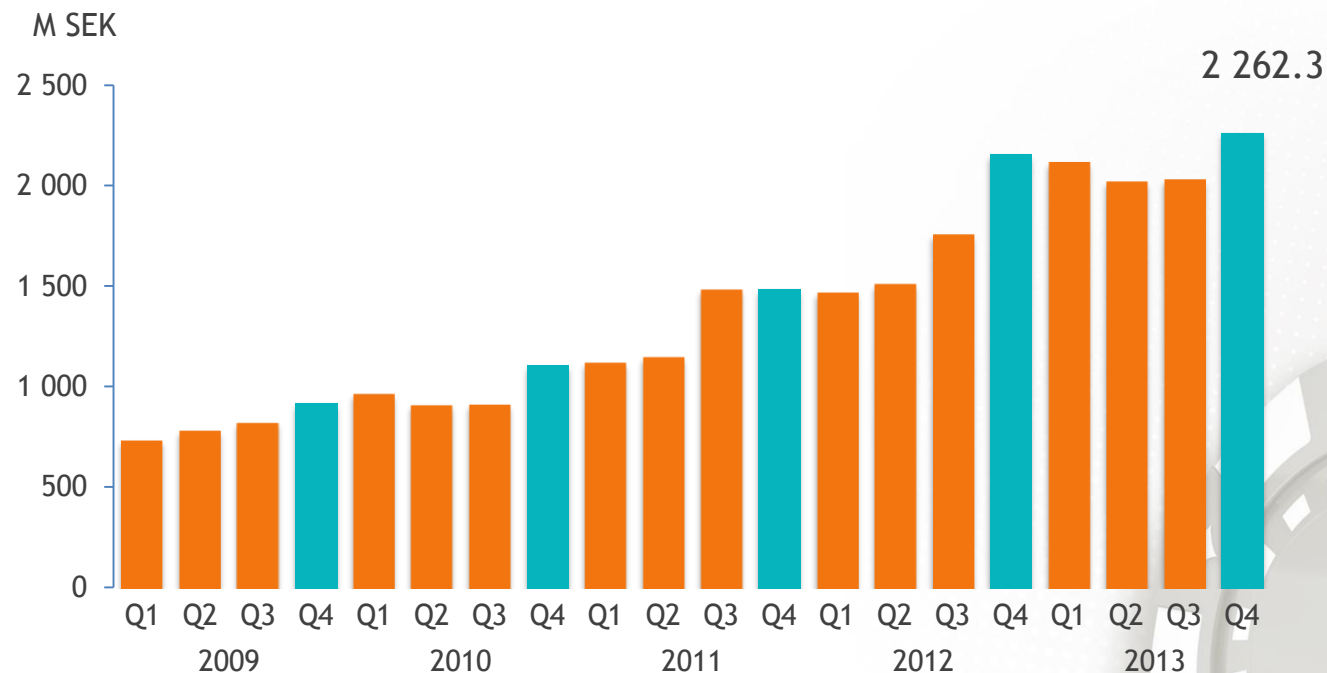
Active Customers - focus on customers with potential



Registered Customers, 16.5% growth



Deposits, 5% growth



2 262.3

Q4

2013

EVENTS AFTER Q4



- ✓ The first quarter started with revenue **in line** with the average level in the previous quarter. This is despite continued negative currency movements
- ✓ Betsson acquired Class One Holding Ltd, which operates the brands, Oranje and Kroon Casino



Q&A

- ✓ Don't miss our CMD in Stockholm the 7th of March!
- ✓ Sign up at betssonab.com

