



NET ENT

NET ENTERTAINMENT

Interim report January – March 2011

Agenda

- Q1 Highlights
- Financials
- Italy update
- Strategic initiatives
- Future outlook

Q1 highlights

- One new license agreement signed
- Extended agreement with existing customer
- Gaming activity +32% to 1.9bn
- Strategic initiatives progressing well
 - Regulatory adaptations
 - Next generation platform
 - Mobile solution



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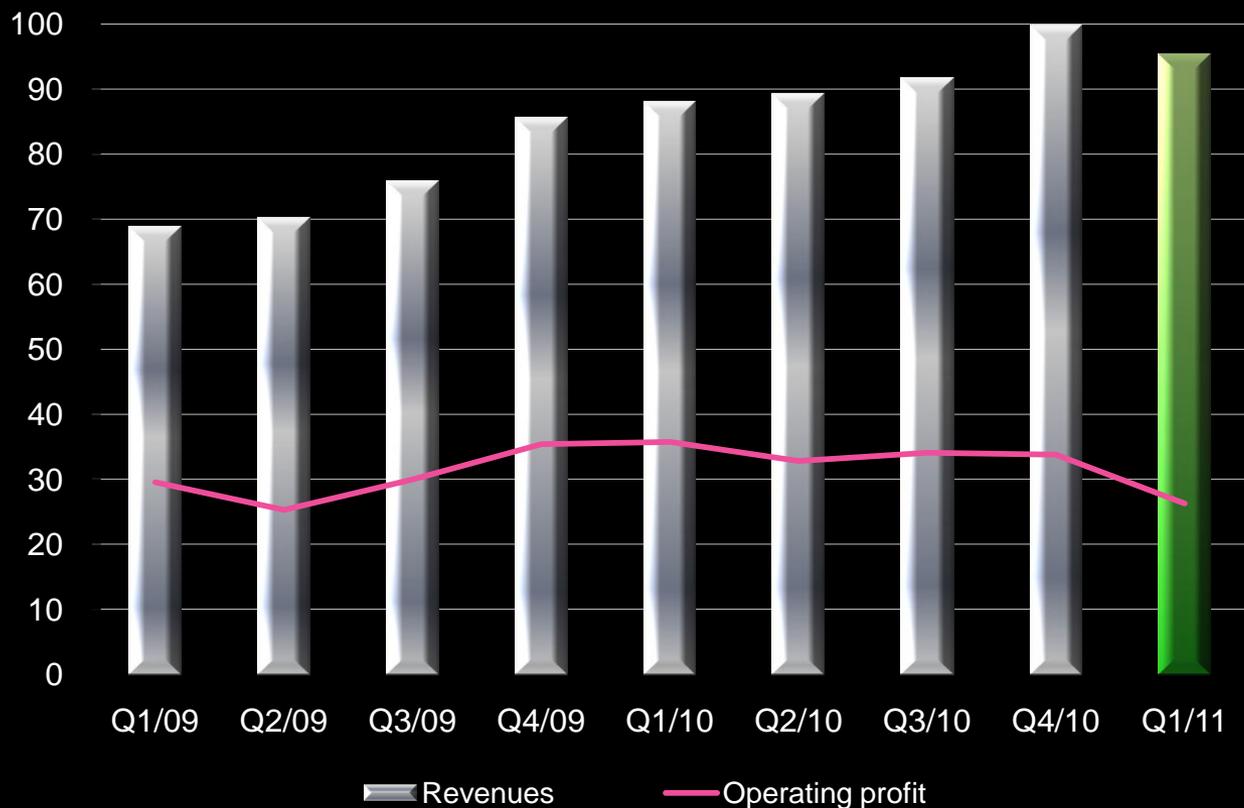
Q1 financials

- Revenues increased 8% to 95.2 (87.9) MSEK
 - 21% net of currency effects
 - 20% net of revenues from France
- EBIT amounted to 26.3 (35.7) MSEK
- Operating margin of 27.6% (40.7%)
- Margin affected by
 - Strategic initiatives which will continue in 2011
 - Strengthened organization to meet higher business and regulatory demands

Financial performance by quarter

SEK million

Revenues and operating profit by quarter

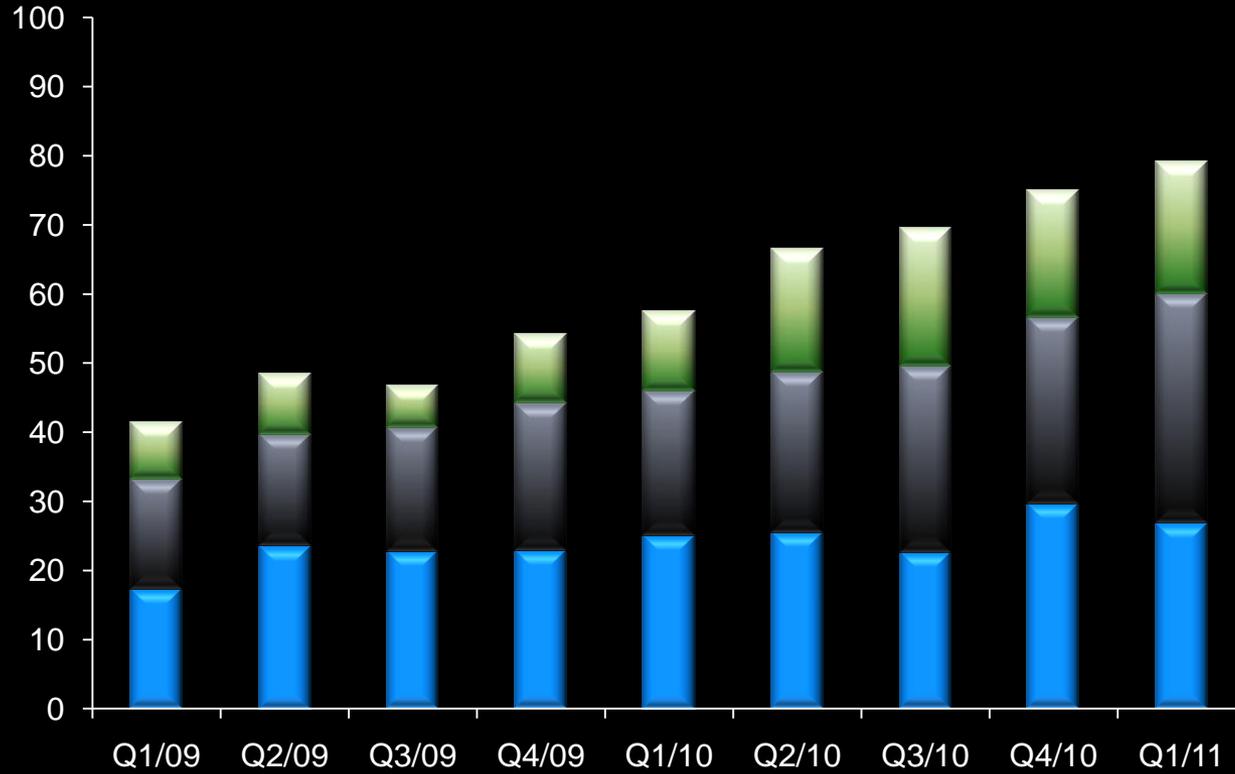


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Cost base

SEK million

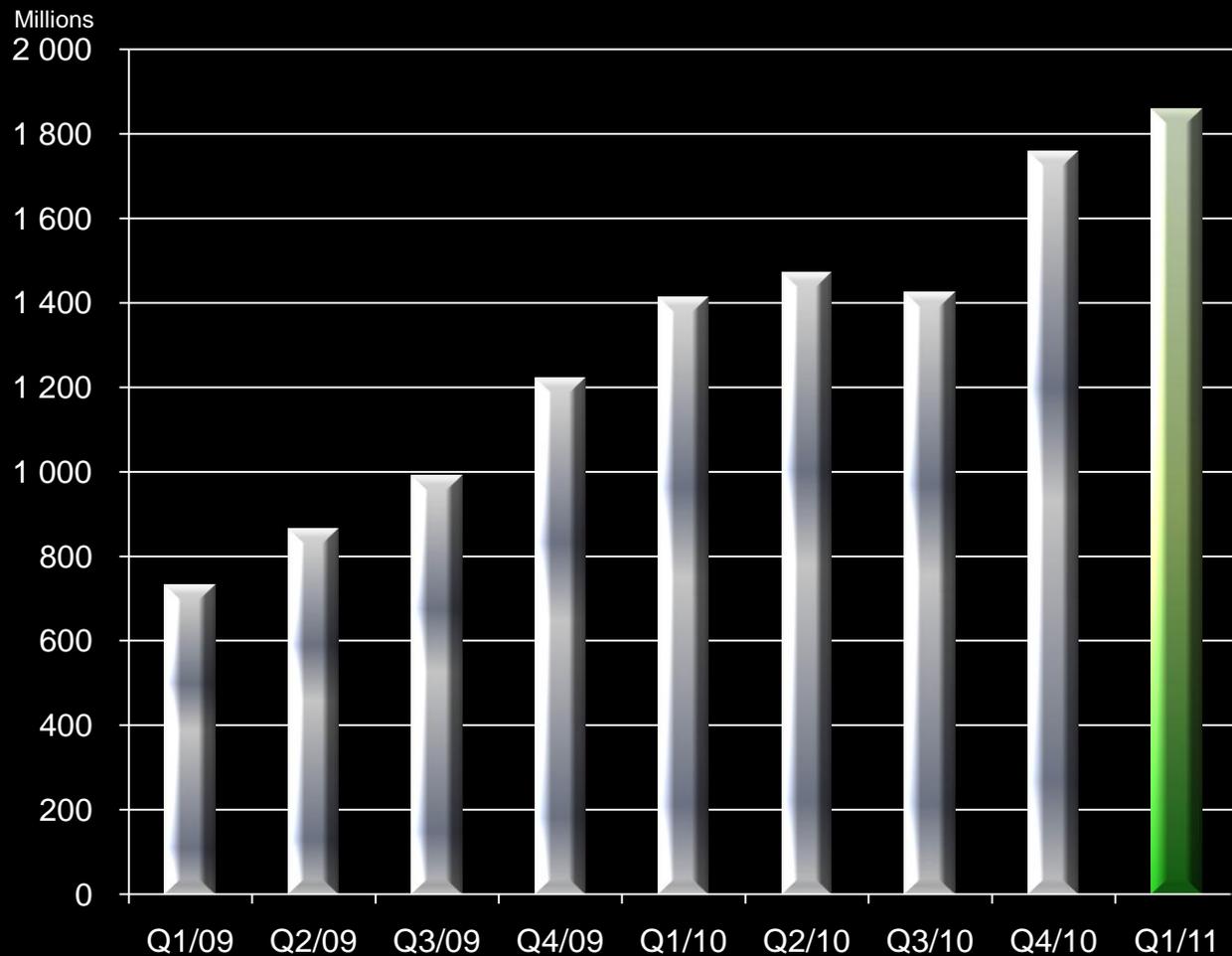


Other expenses Personnel Capitalized development



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Game transactions



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Italy update

- Several additional prospects
- Significant customer base
- Platform & Day 1 games certification complete
- Integration certification ongoing
- Licensing process for operators
- Launch pushed into second half of 2011



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Strategic initiatives

- Regulatory adaptations
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Regulatory adaptations

- Industry undergoing fundamental change
- Every country unique
 - Very different from .com operations
 - Affecting both product and organization
 - Synergies from Italian regulation
- Large potential
 - Increased business volumes
 - Reducing political risk
 - Further increasing barriers to entry
- Net Entertainment taking lead position



Next generation platform

- Safeguarding future growth and requirements
- Major development project
- Benefits;
 - Increasing capacity
 - More efficient development and operation
 - Improved integration possibilities
 - Better hardware utilization
- Increasing our competitiveness

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Mobile solution

- Games second-to-none
 - Graphics
 - Entertainment value
 - Functionality and usability
- Much interest among operators
- Future growth driver
- Explosive development
 - 5% of all Internet traffic today via Mobile devices¹;
 - Smart phones and Tablets to grow 30% vs 100% PA 2010-2015¹
 - Mobile gaming in Europe expected to grow 30% PA 2010-2015²

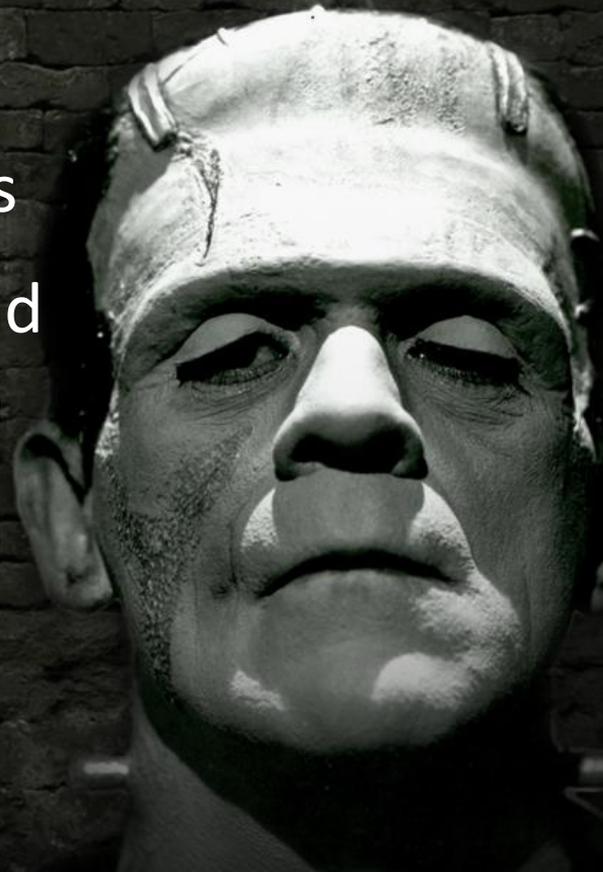


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Outlook ahead

- Frankenstein to be released in June
- Six operators yet to be launched
- Italy launch expected in H2
- Sales focus on world leading operators
- Future holds exciting opportunities and Net Entertainment has a pole position





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A NET ENTERTAINMENT PRODUCTION