



Interim report January – March 2013

# Agenda

- Net Entertainment in brief
- First quarter highlights
- Financial update
- Product update
- Market update
- Outlook
- Q&A



# Net Entertainment in brief

**NETENT**

Global B2B Development Company

Online Casino Software

Great growth possibilities



Innovation & technology

Workforce of >400

Listed on Nasdaq OMX Stockholm  
Market Cap > €350m



**NASDAQ  
OMX**

**BETTER GAMES**

# Game portfolio

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Slots



Roulette



Blackjack



Video Poker

Mobile

Mini games

Live casino



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# Highlights and Key Data Q1/13 vs Q1/12

Revenues (MSEK)	148.8	+17%
Revenues (M€)	17.5	+22%
EBIT (MSEK)	41.0	+2%
Transactions (Bn)	3.9	+30%
FTE	421	+16%
Mega Fortune (M€)	17.8	
New customers in Q1	+6	
Italy market position	2nd	
Live Casino launches Q1	+4	

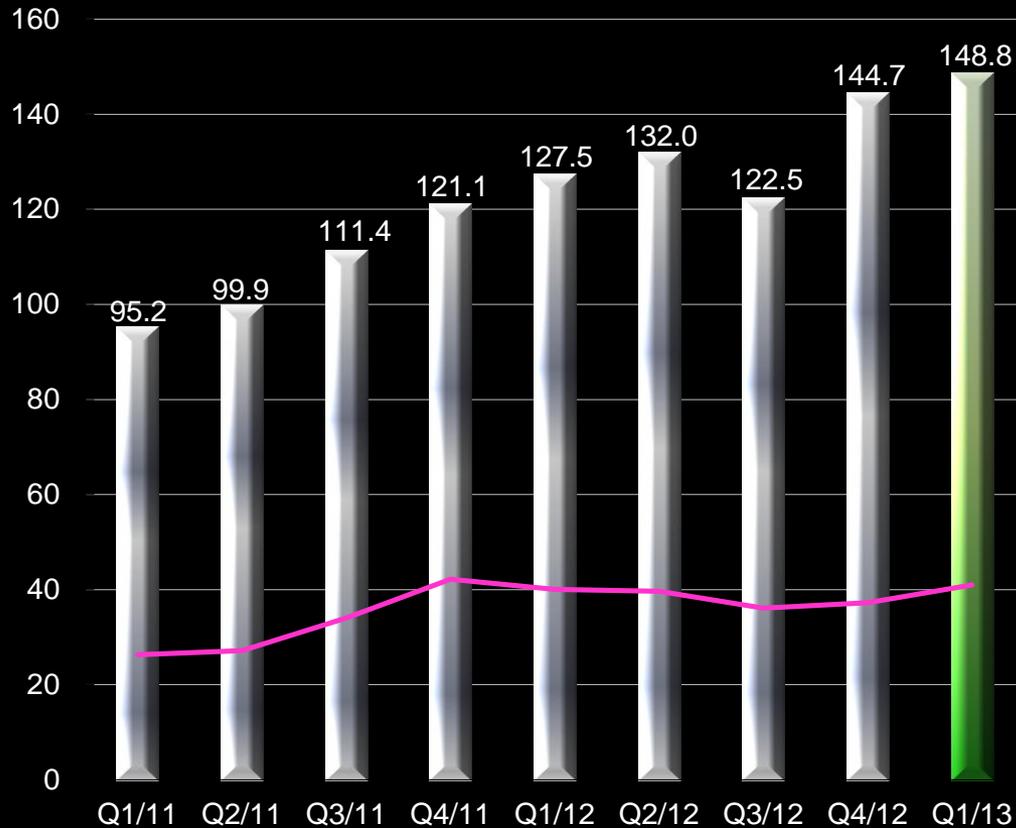




Financials

# Revenues & operating profit by quarter

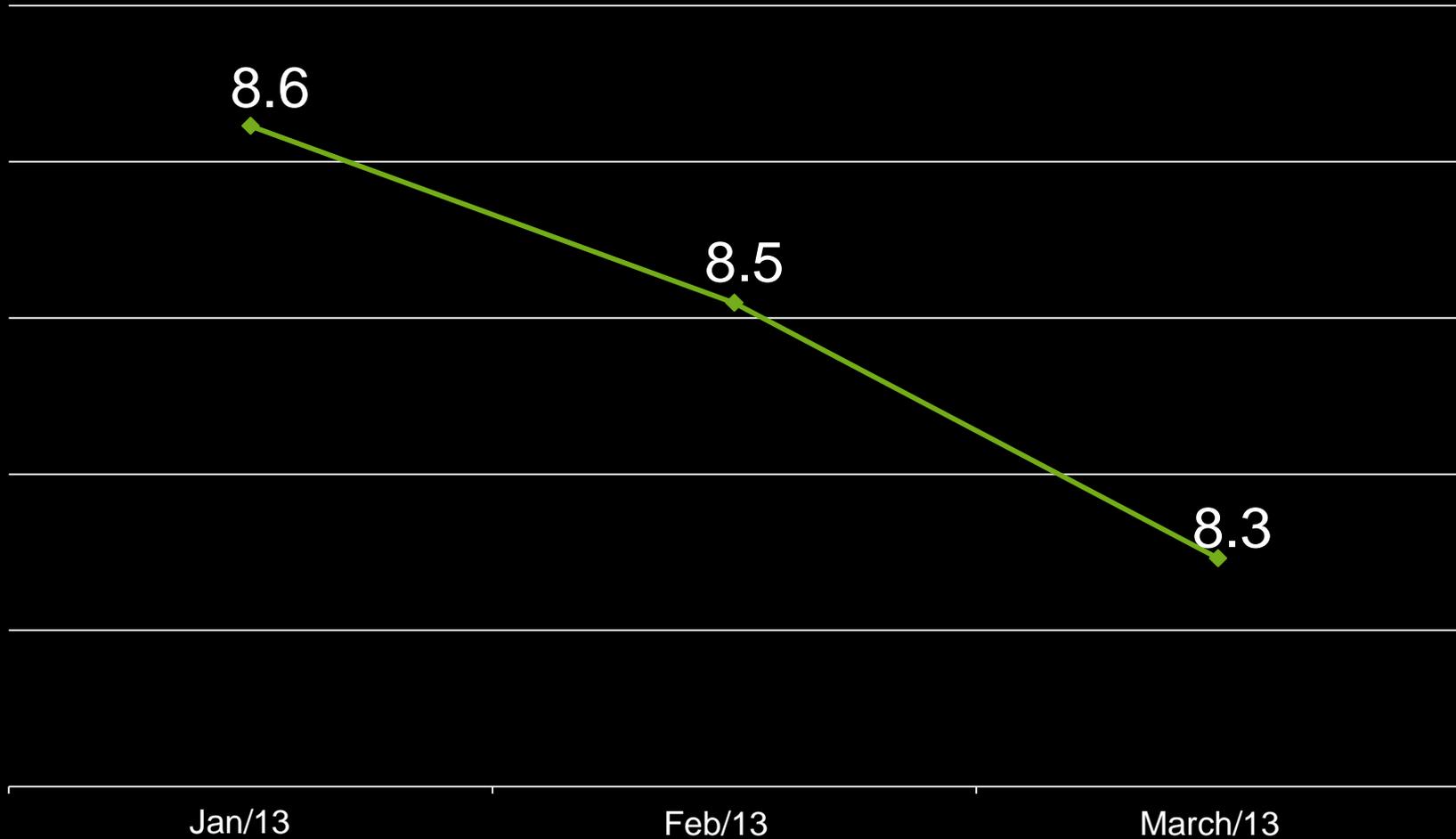
SEK million



■ Revenues    — Operating profit

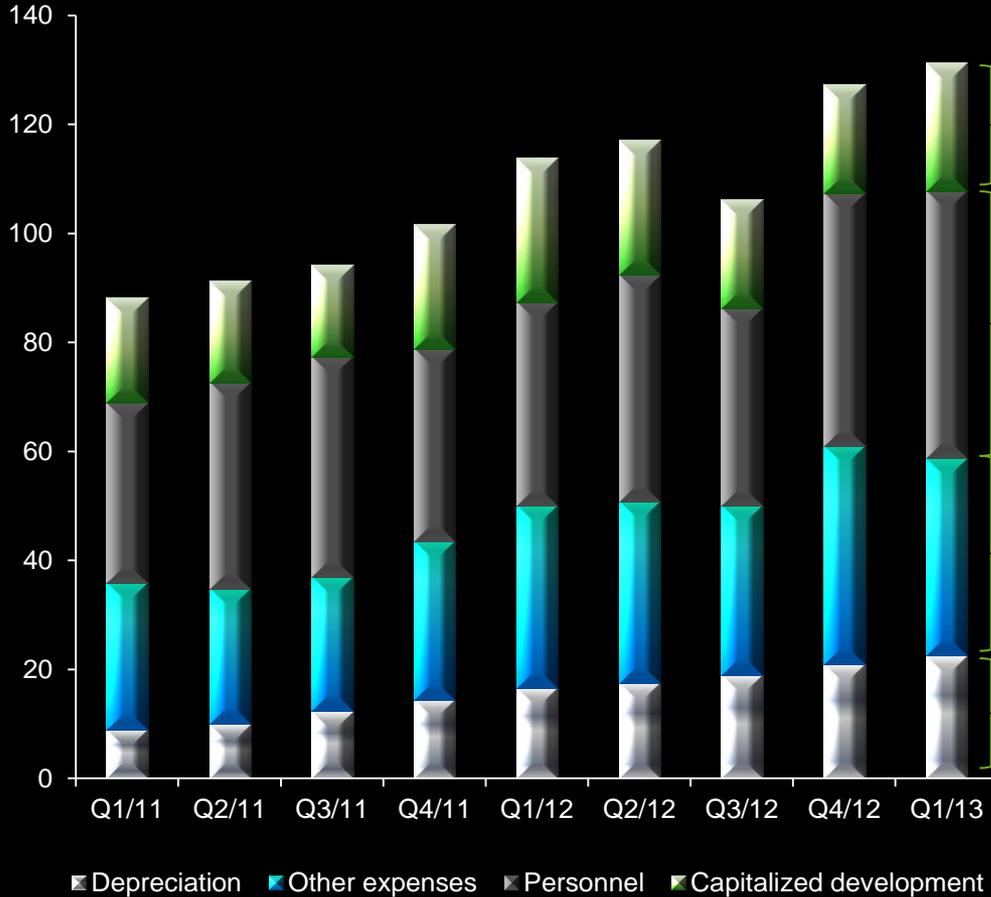
- Revenues up 16.7% to 148.8 (127.5) MSEK
  - 22.2% in euro
- EBIT amounted to 41.0 (40.1) MSEK
- Operating margin of 27.5% (31.4%)

# Currency development SEK vs EURO



# Cost Base By Quarter

SEK million



## Q1/13 vs Q4/12

- Capitalized development increased:
  - More projects being capitalized
- Personnel cost increased:
  - Increased no. of resources
- Other expenses decreased
  - Higher capitalization
  - Overall lower cost across company
- Depreciation & Amortization
  - Live Casino amortization start in mid Feb
  - Other game releases, standard & mobile

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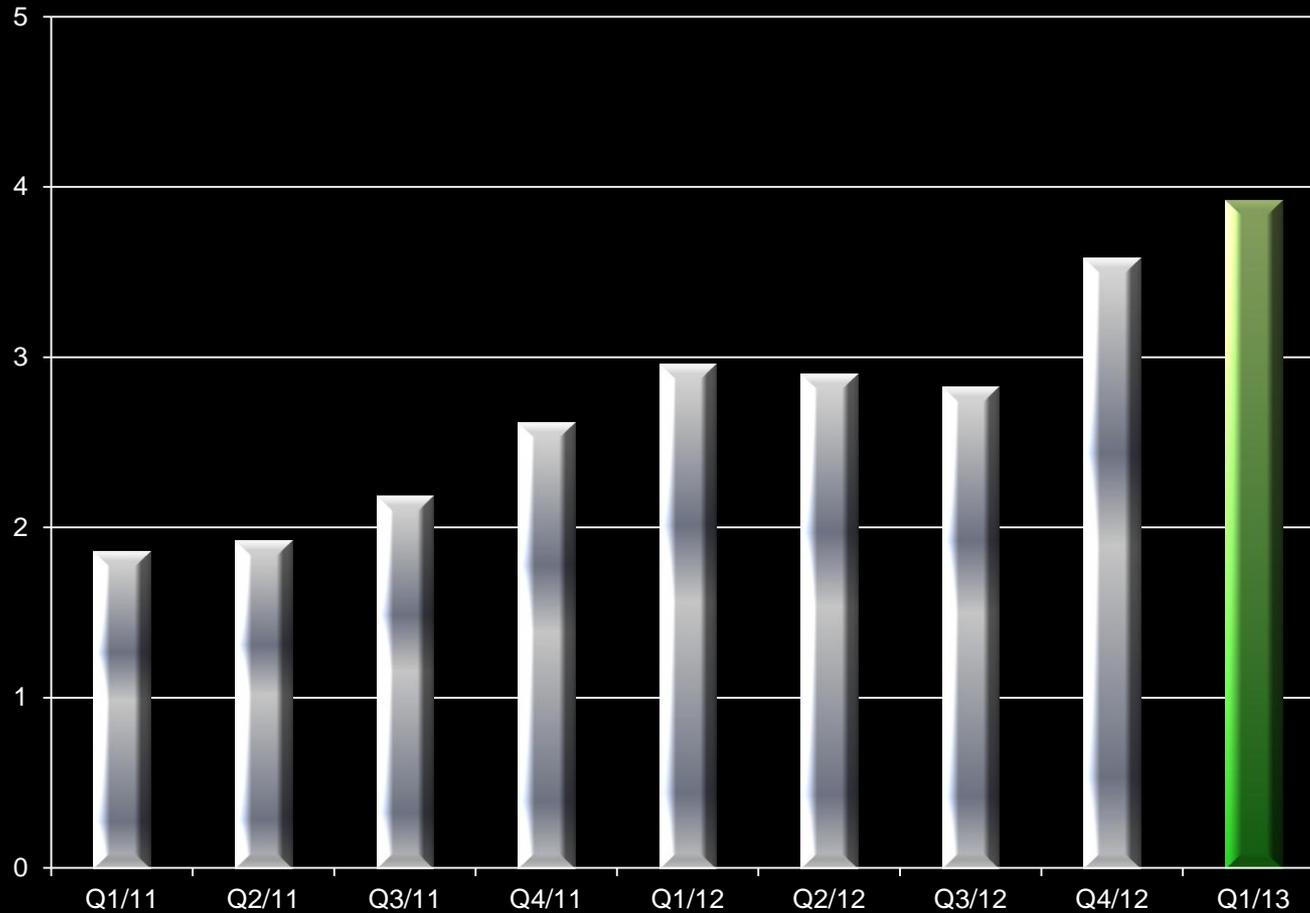
# Product Update



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# Game transactions by quarter

Billion

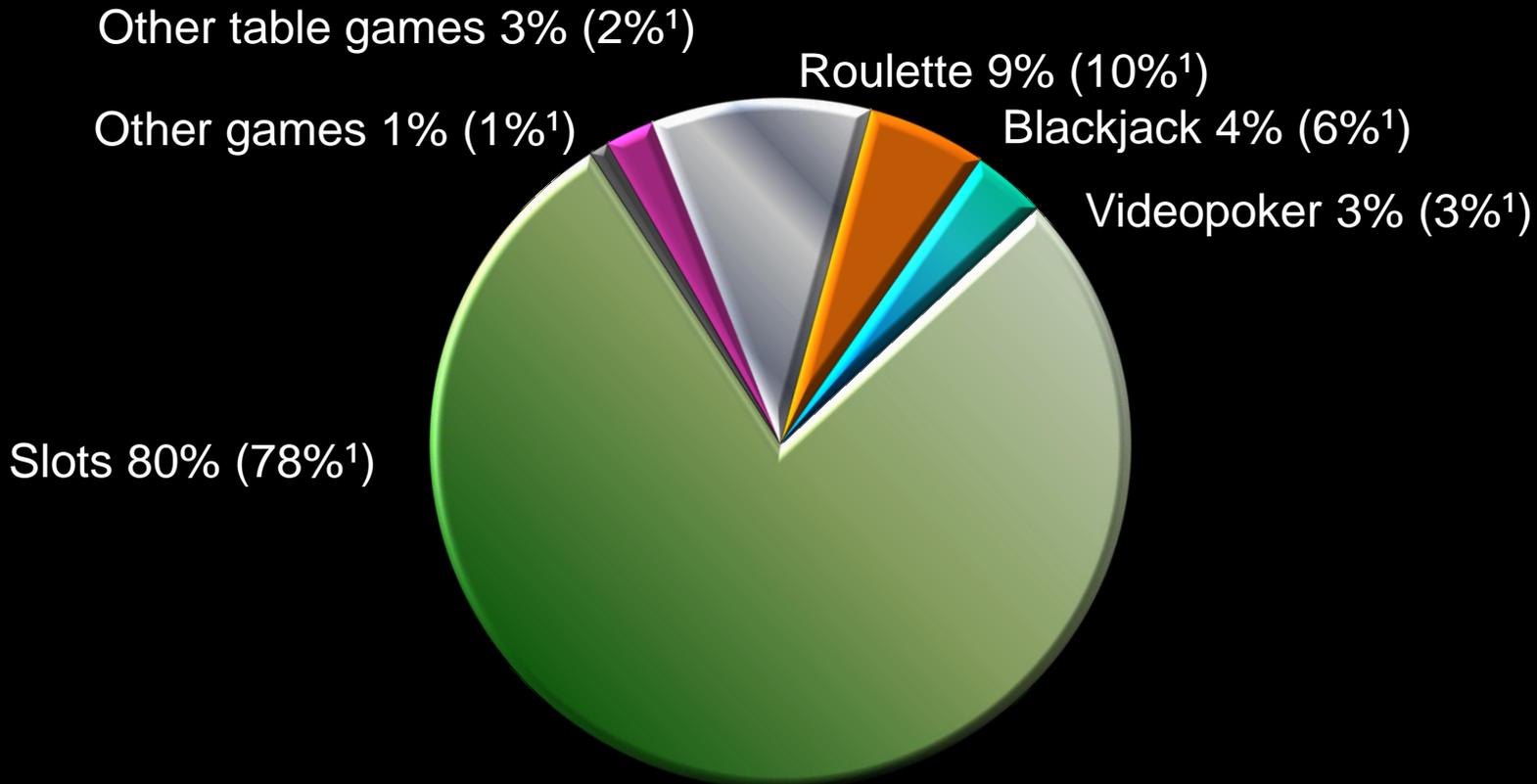


## Q1 2013

- 3.9 billion transactions
- 30% growth vs Q1 2012
- 8% growth vs Q4 2012

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# GGY game split Q1 2013



# Game releases in Q1

Wild Turkey



Thief



Muse



Fruit Shop Touch



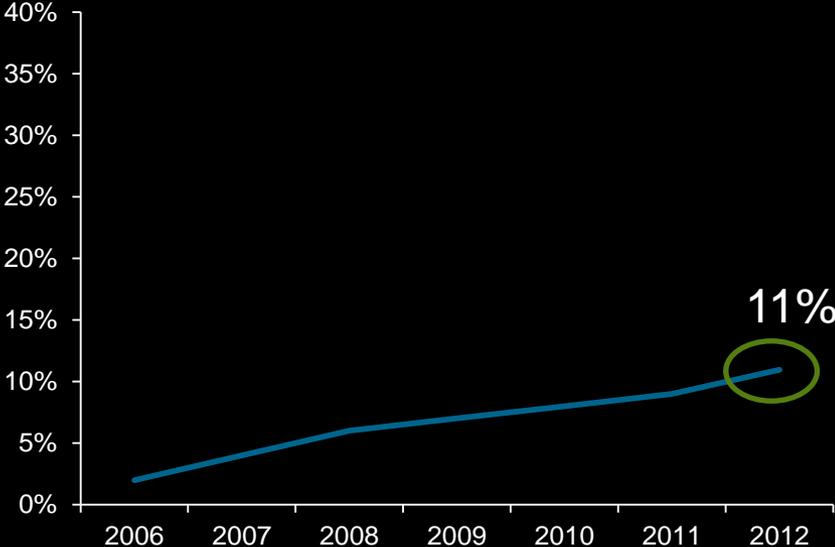
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# Market Update

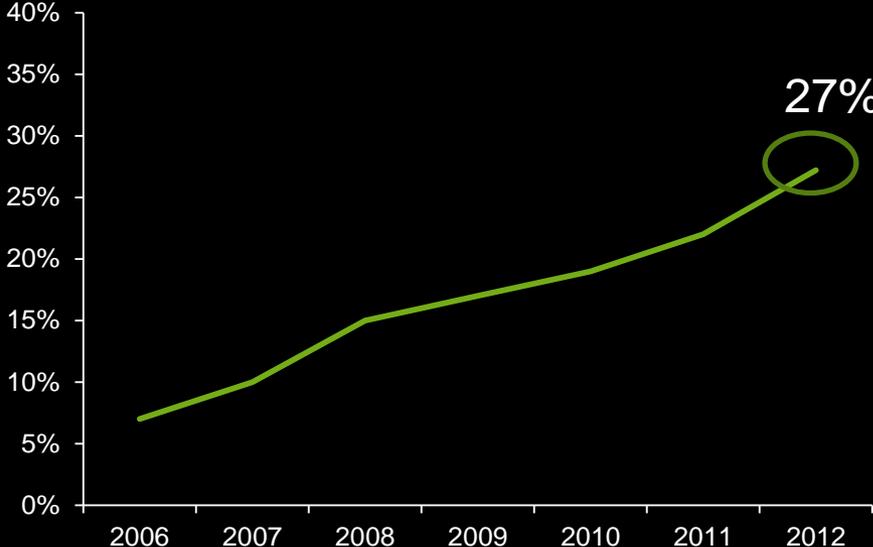


# Market share development

### Global online casino share



### European online casino share



Note: Market share is based on the gross gaming yield of Net Entertainment's customers in relation to H2GCs market estimates per December 2012

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# Regulation – Selection of countries



Regulated – Net Entertainment present with positive performance



Regulated – Net Entertainment present and now performing well



Expected to present new gaming legislation during 2013



Regulated – Legislation on a federal level. Slots allowed eventually



Partly regulated – Land based operators with license can offer games online



Regulated in Schleswig-Holstein – Federal legislation more restrictive



Three states have regulated online gaming

# Future Outlook

# Future Outlook

- Margin in upper range of the company's expectations due to higher set-up fees in Q1 and fewer resources recruited
- Expected increased revenues from Live Casino and UK operators in fourth quarter
- Eleven new customers yet to launch, including  
- Continued recruitment of resources and increased depreciation coming quarters
- Continued regulation in Europe – Net Entertainment will eventually enter additional markets
- Strong overall sales pipeline
- Well positioned for continued growth

# Q&A



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