

NET ENTERTAINMENT
INTERIM REPORT
JANUARY-SEPTEMBER 2009
BETTER GAMES

Net Entertainment

- Leading games and systems developer for online gaming
- >13 years industry experience
- Historically focused on casino games
- Customers include some of the worlds leading operators
- Licensed in Malta
- Workforce of 188



Future growth drivers

Business drivers

- Existing customer base
 - Organic growth
 - New games and functions
 - Accessing larger portion of player base
- New customers
 - Replacement sales
 - New entrants
 - New markets
- New products

Market drivers

- Migration offline to online
- Internet penetration
- Changing demographics
- Regulation

Financial highlights

- Revenues
 - Up 44.0% YoY to 75.8 MSEK
 - Up 8.2% QoQ
- EBIT
 - Up 35.2% YoY to 30.0 MSEK
 - Up 18.6% QoQ
- EBIT margin 39.5%

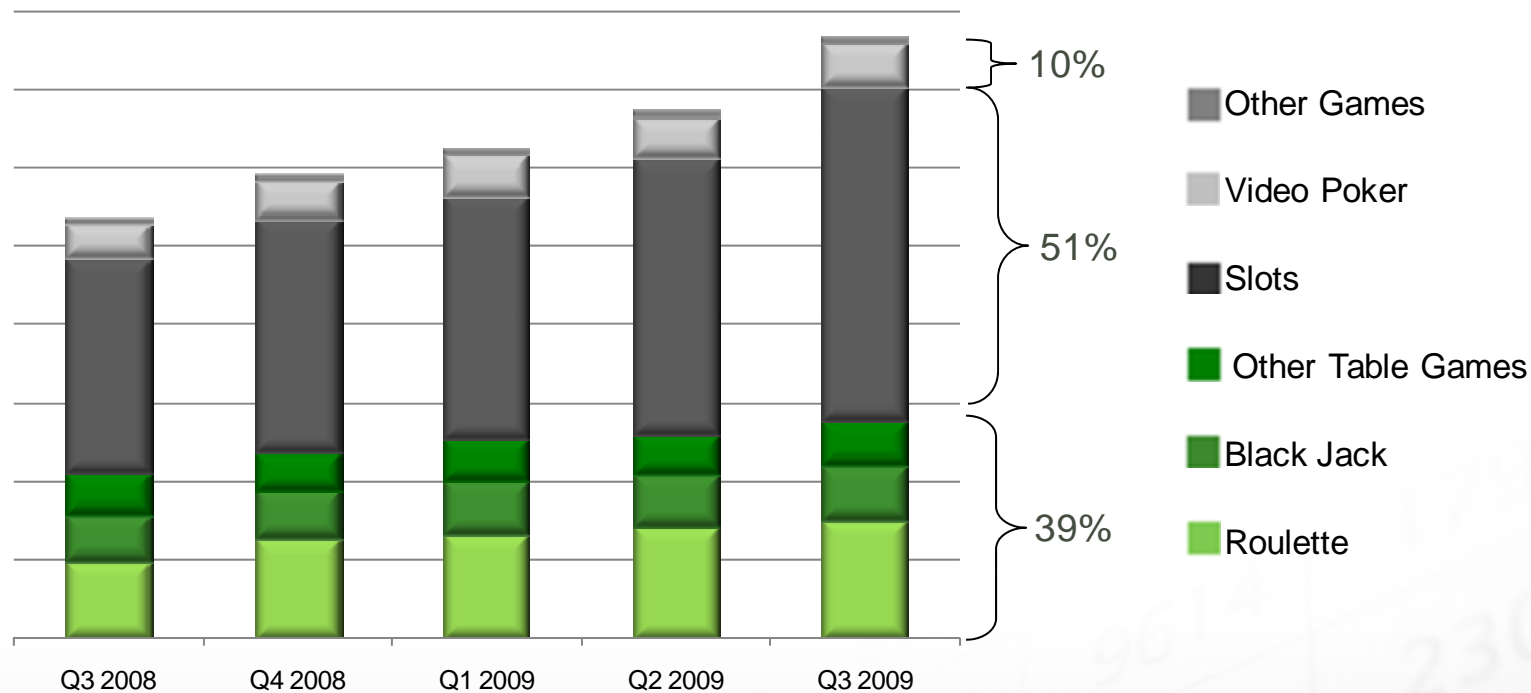


Operational highlights

- Two new license agreements, including Expekt.com
- Four new casino launches, including Paf and Sportingbet
- Five new games released
- New office in Stockholm
- Over 1 billion game rounds

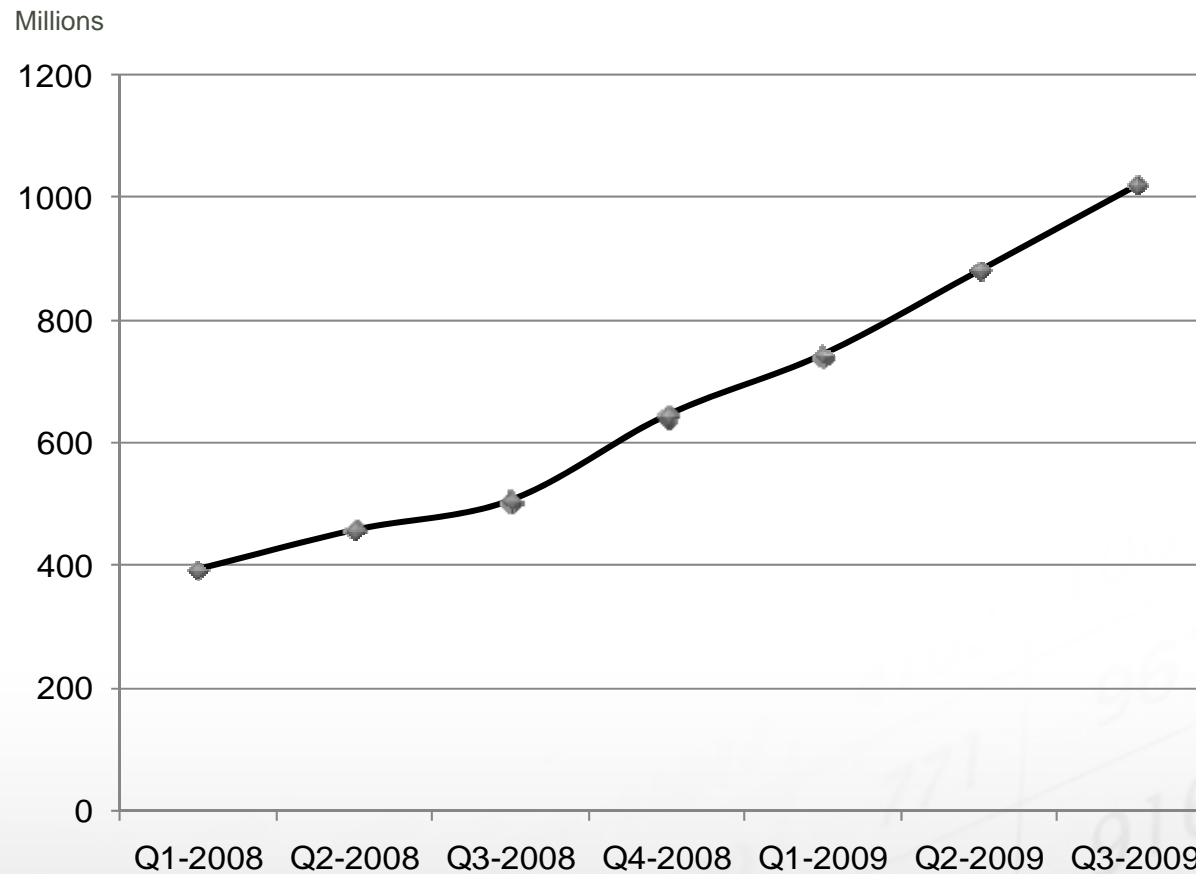


Gross gaming yield split



- Significant increase in total GGY (in Euros)
- Slots single largest game category
- Increase within all game segments

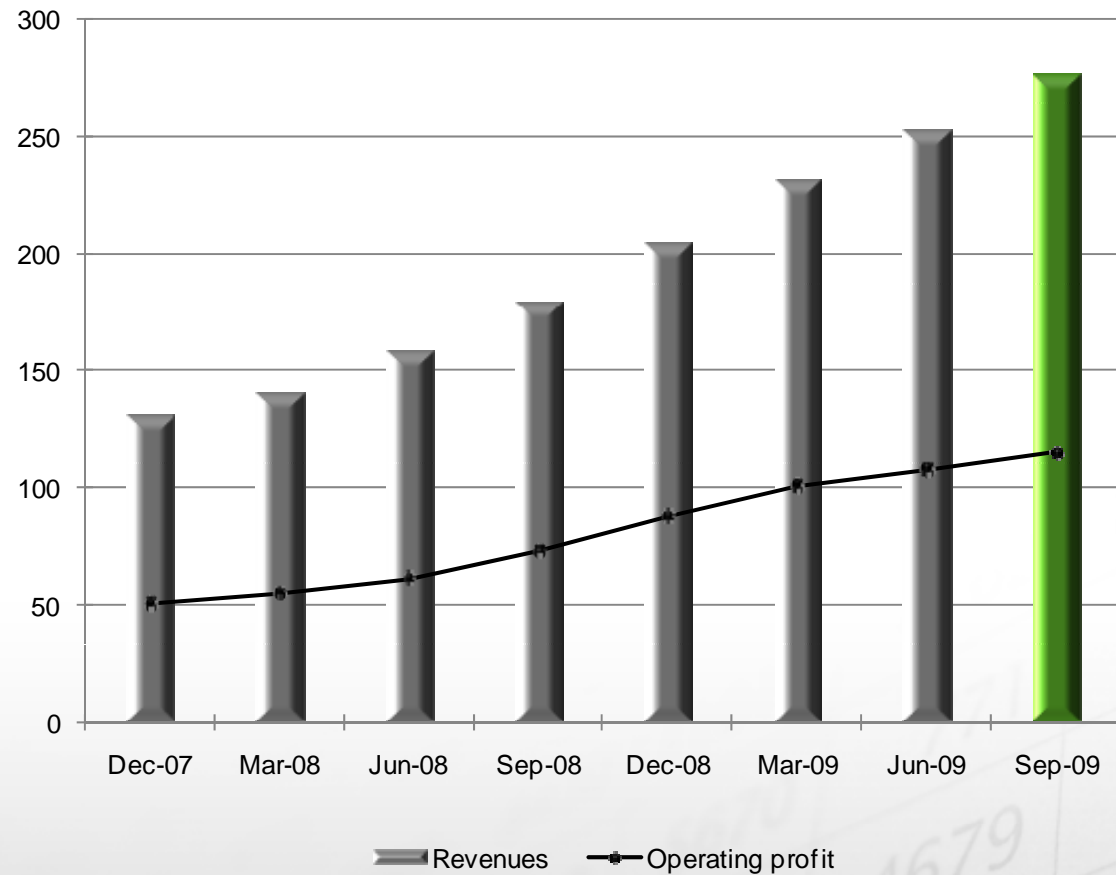
Gaming activity (rounds)



- Over 1 billion rounds
- 130 rounds per second

Last Twelve Months

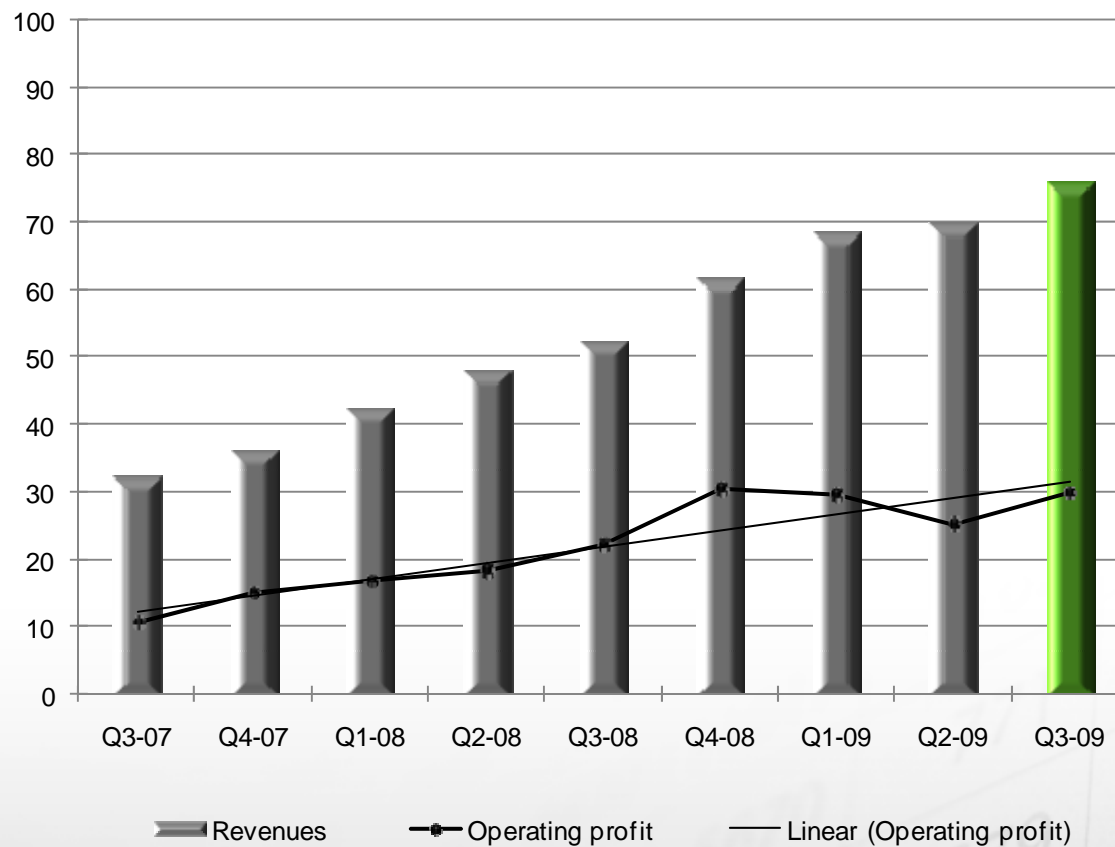
SEK million



- Continued positive revenue and EBIT development
- Average EBIT margin of 41%
- Volume key revenue growth driver YoY
- Positive currency effect until Q2/09

Quarter on Quarter

SEK million



- Volume key revenue growth driver QoQ
- Negative currency effect beginning Q2/09
- Seasonal effects
- IT-projects completed
- Financial net significantly affected by currency development

Income Statements

	Jul-Sep 2009	Jul-Sep 2008	Jan-Dec 2008
Revenues	75 844	52 653	205 573
Personnel expenses	-17 916	-11 960	-52 630
Depreciation & amortization	-5 279	-3 261	-15 513
Other operating expense	-22 693	-15 282	-49 627
Operating profit	29 956	22 150	87 803
Operating margin	39.5%	42.1%	42.7%
Financial items	-8 866	-117	-1 850
Profit before tax	21 090	22 033	85 953
Tax	-301	-2 124	-5 986
Profit for the period	20 789	19 909	79 967
Earnings per share, SEK	0.53	0.50	2.02

Cash flow statements

	Jan-Sep 2009	Jan-Sep 2008
Operating profit	84 810	57 352
<i>Adjustments for items not included in cash flows</i>		
Depreciation & amortization	15 361	10 353
Other	-2 124	209
Interest received/paid	212	1 363
Tax received/paid	7 132	-24 925
Changes in working capital	15 290	18 613
Cash flows from operating activities	120 681	62 965
Capitalized intangible assets	-23 315	-11 498
Net investment in tangible assets	-17 390	-1 454
Divestment of other financial assets	-	13
Cash flows from investing activities	-40 705	-12 939
Transfer to shareholders	-49 442	-29 665
Received premium for share option rights	4 162	-
Cash flows from financing activities	-45 280	-29 665
Cash flow for the period	34 696	20 361
Opening cash and cash equivalents	65 132	25 915
Exchange rate differences in cash and cash equivalents	-3 153	411
Closing cash and cash equivalents*	96 675	46 687
 *Cash and cash equivalents held on behalf of licensees	 40 111	 4 868

Outlook ahead

- Seamless Wallet and Multi Currency implementation prioritized by our larger customers
- Discussions regarding branded content progressing well
- Healthy sales pipeline
- Continued focus on “telco grade” products and services
- Next generation games
 - Even richer graphics and animations
 - More intricate bonus games
 - Higher entertainment value

Games



€1 MIN
€40 MAX

DoubleXposure

BLACK JACK PROFESSIONAL SERIES™

BLACK JACK PAYS 1 TO 1
DEALER WINS ALL TIES EXCEPT TIED BLACK JACK
DEALER MUST STAND ON 17
AND DRAW TO 16



Deal



14:38

POWERED BY NET ENTERTAINMENT™

Cash: €5000.00 Bet: €0.00 Win: €0.00



Contacts

- Johan Öhman, CEO Net Entertainment; Phone +46 8 57 85 45 20
johan.ohman@netent.com
- Bertil Jungmar, CFO Net Entertainment; Phone +46 8 57 85 45 25
bertil.jungmar@netent.com
- William Heigard, Investor Relations; Phone +46 8 57 85 45 27
william.heigard@netent.com

