



NET ENT

## **NET ENTERTAINMENT**

Earnings report 2010

Quarterly report October – December 2010

# Agenda

- Overview
- Financials
- Product update
- Market update
- Future outlook

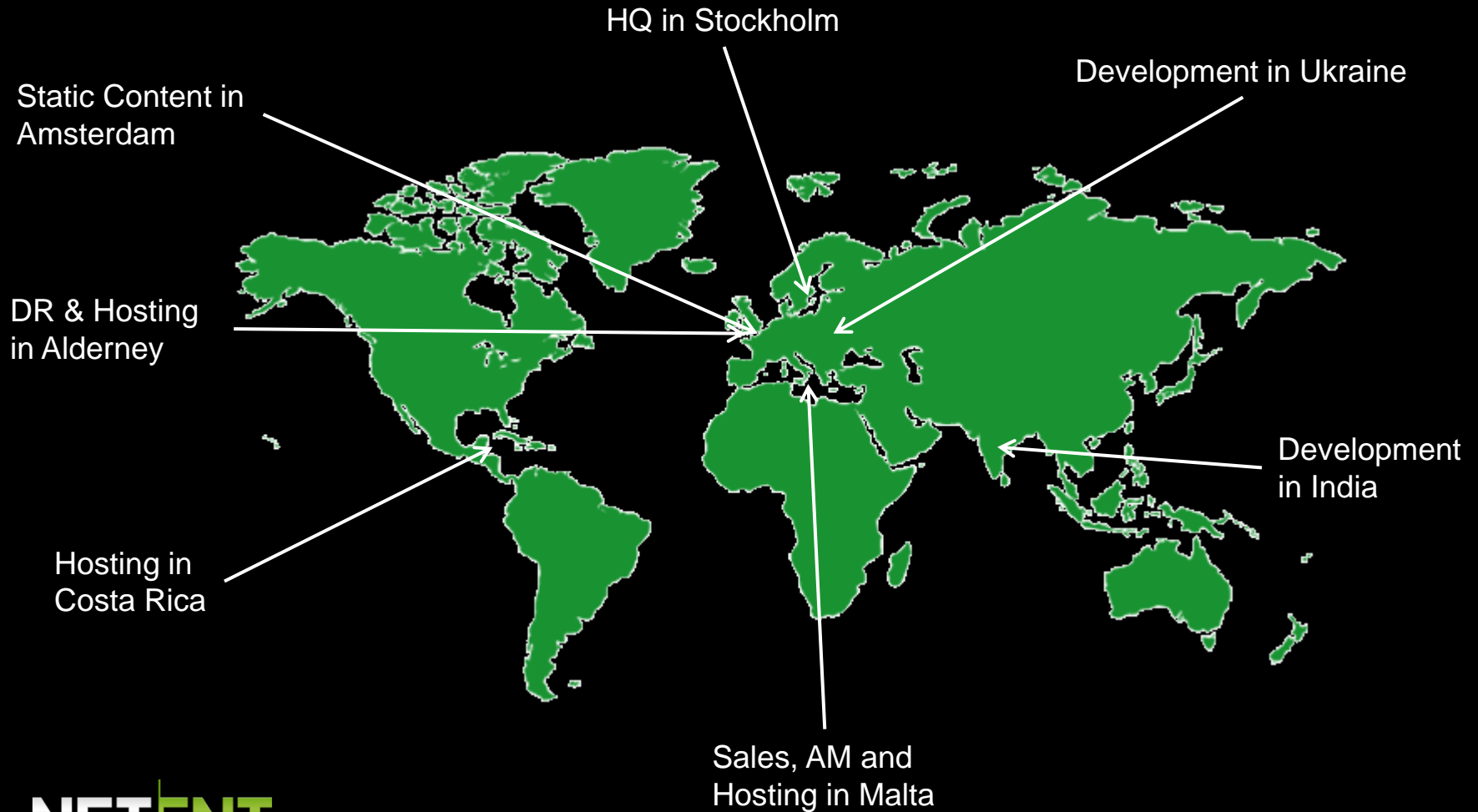


# Net Entertainment

- B2B software development company
- Casino
- Workforce of 285 at end of quarter
- Listed at Nasdaq OMX Stockholm (NET-B)
- Market cap of € 300 000 000



# Global operations



# 2010 highlights

- Continued strong development
- Established significant market share in Italy
- 11 new license deals incl. Stan James in UK
- Released new generation slots
- Gaming activity increased 55% to 6,1 bn game transactions



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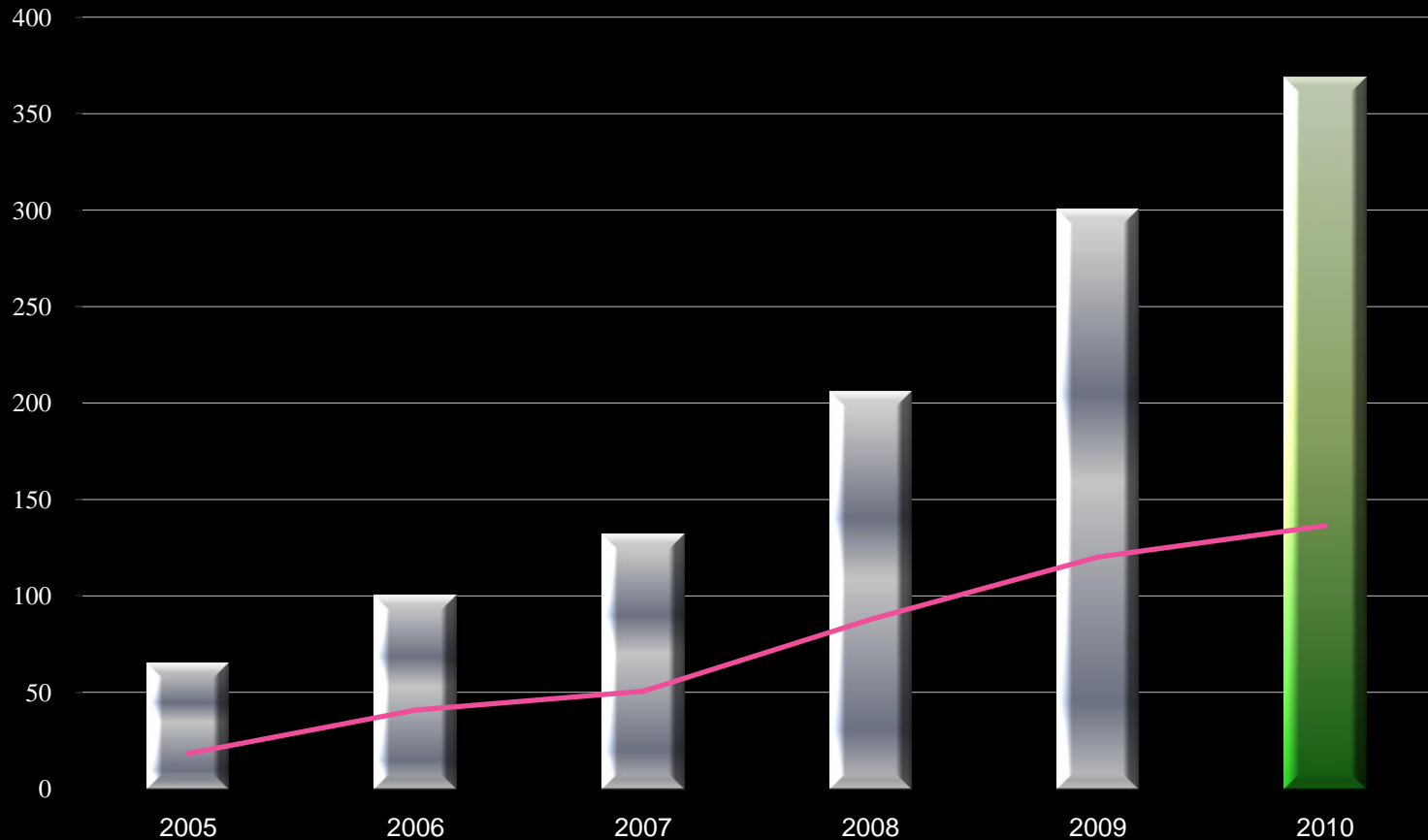


# Financials 2010

- Revenues +23% to 368.3 (300.1) MSEK  
+37% in Euro
- EBIT +13% to 136.4 (120.2) MSEK
- Operating margin 37.0% (40.1%)
- Proposed distribution to shareholders 2.0 SEK/share

# Financial performance 2005-2010

SEK million



Revenues Operating profit

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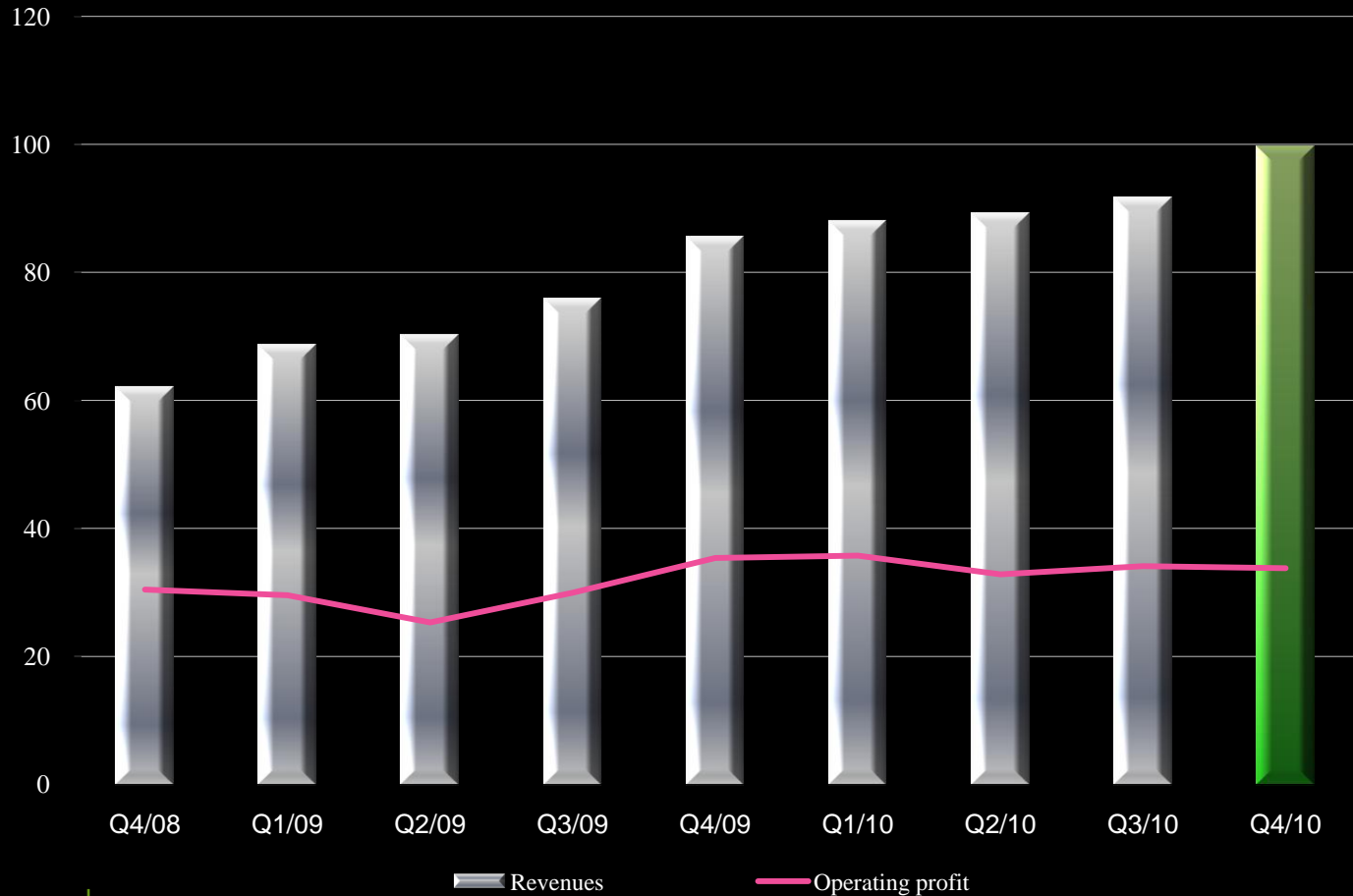


## Q4 overview

- Revenues +17% to 99,6 (85,4) MSEK  
+32% in Euro
- EBIT 33,8 (35,4) MSEK
- Operating margin 33,9% (41,4%)
- Three new customers signed
- Extended agreements for Italy

# Financial performance in Q4

SEK million

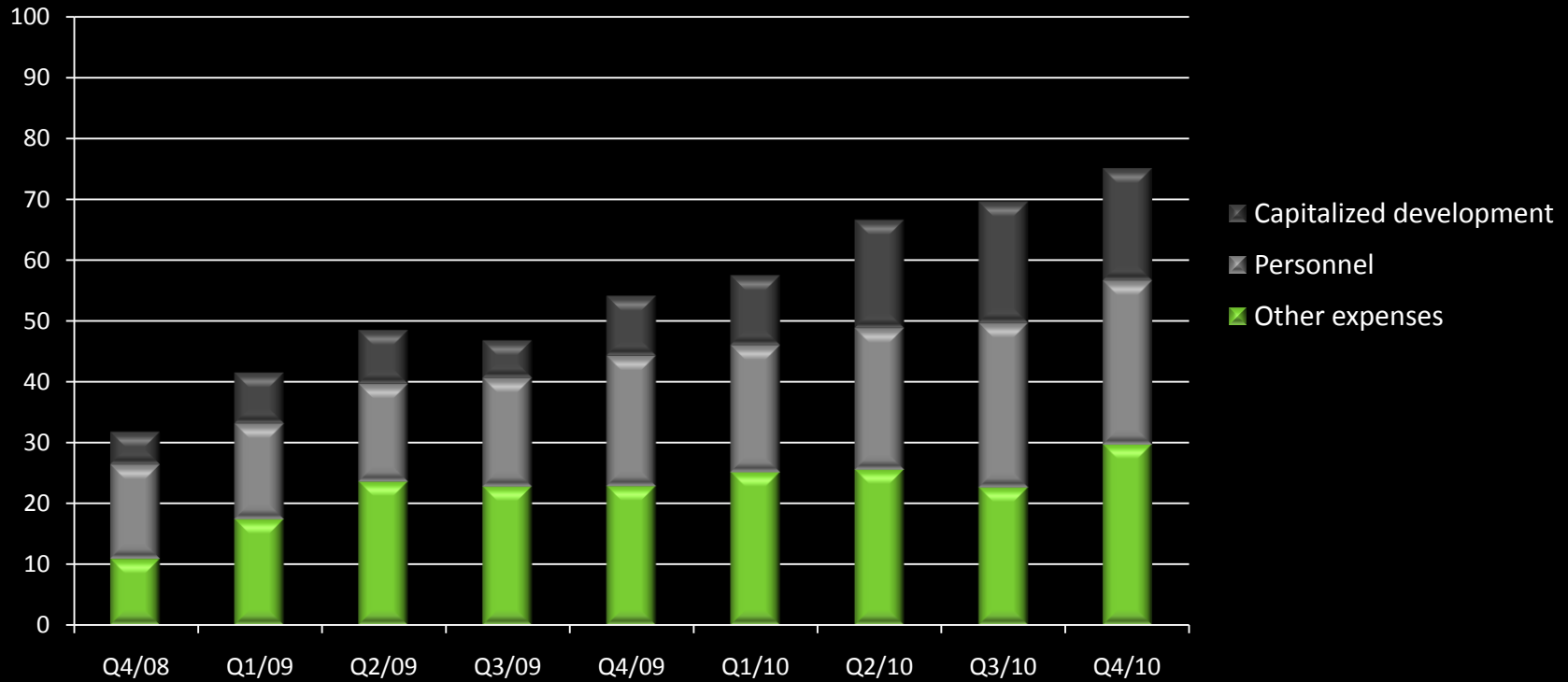


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14 quarters of consecutive growth!

# Cost base split

SEK million



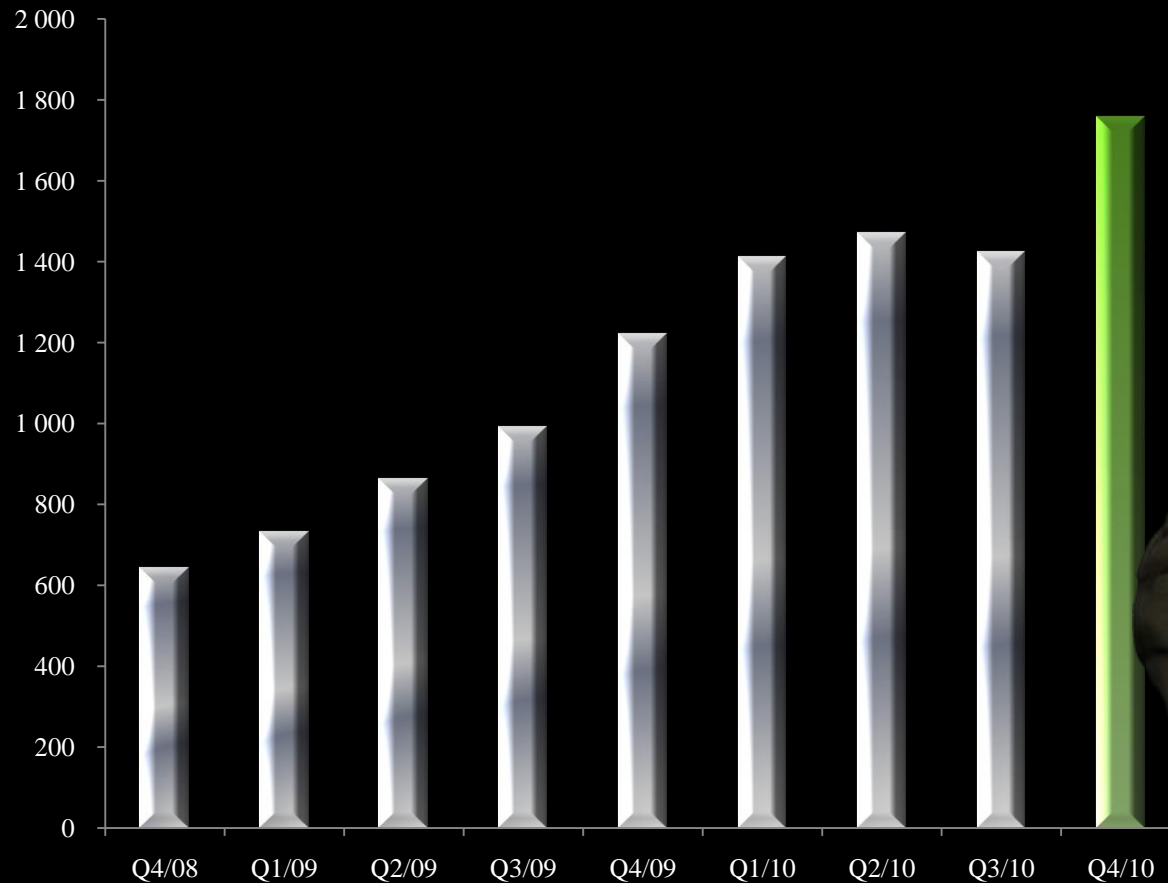
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# Game transactions

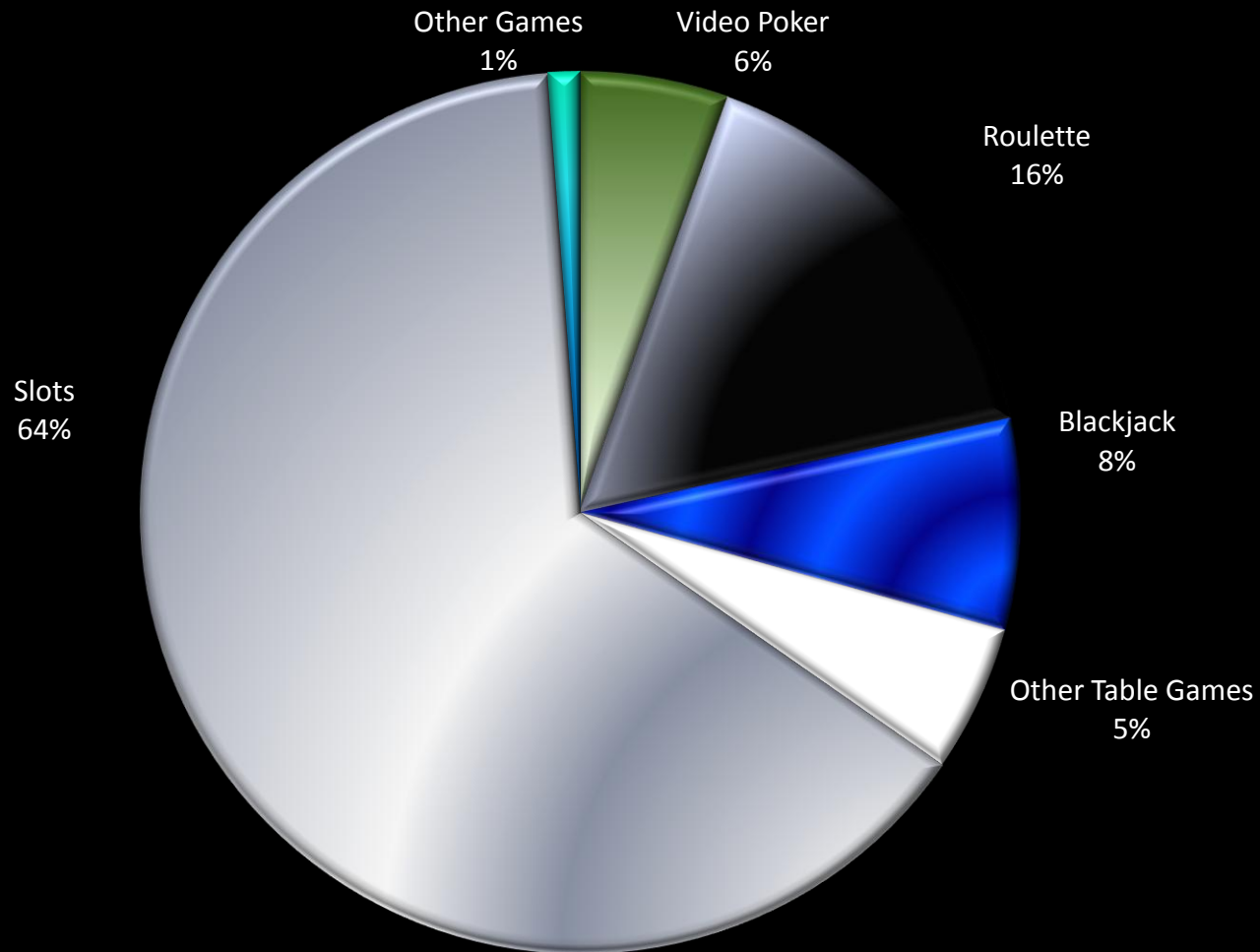
Millions



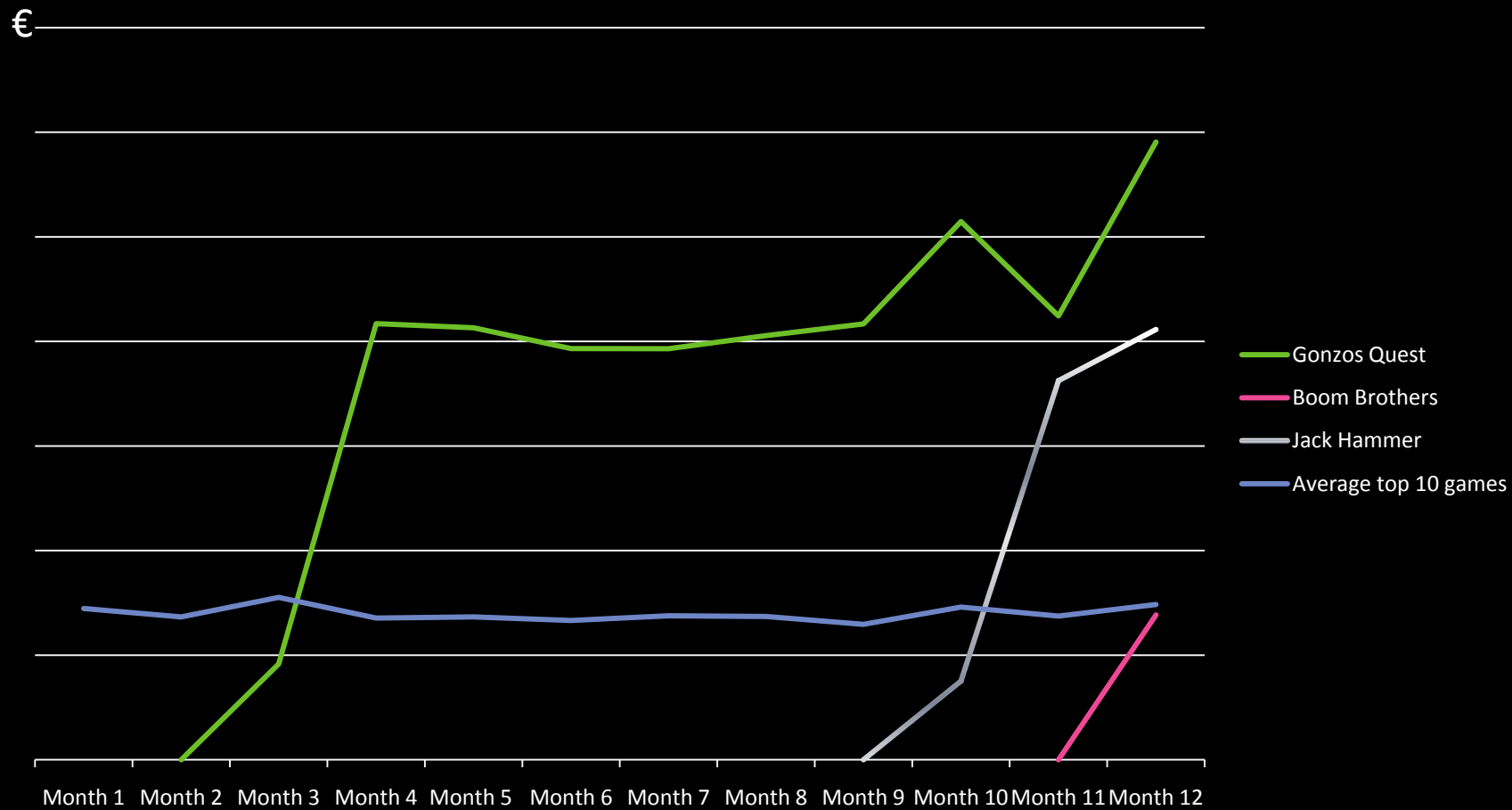
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1,8 BILLION GAME TRANSACTIONS!

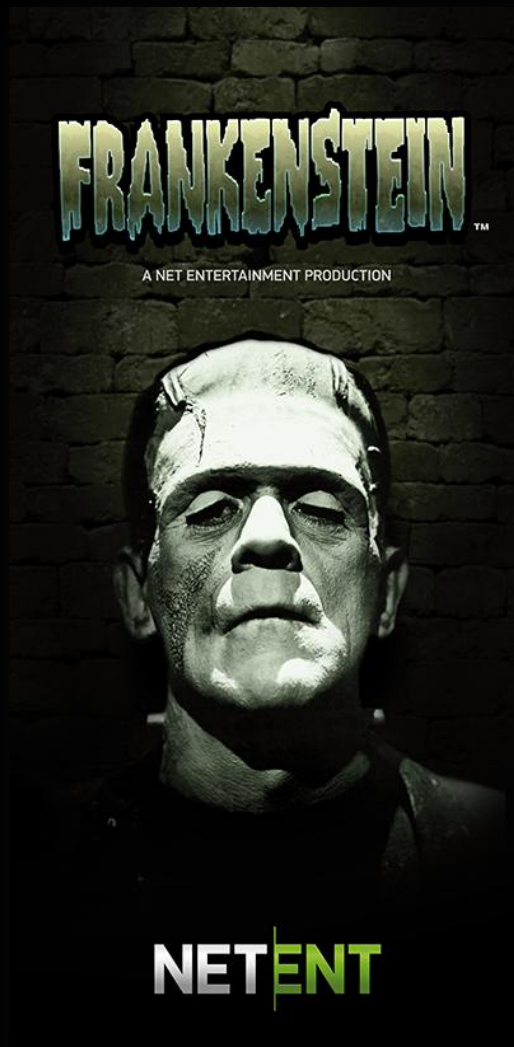
# GGY split Q4 2010



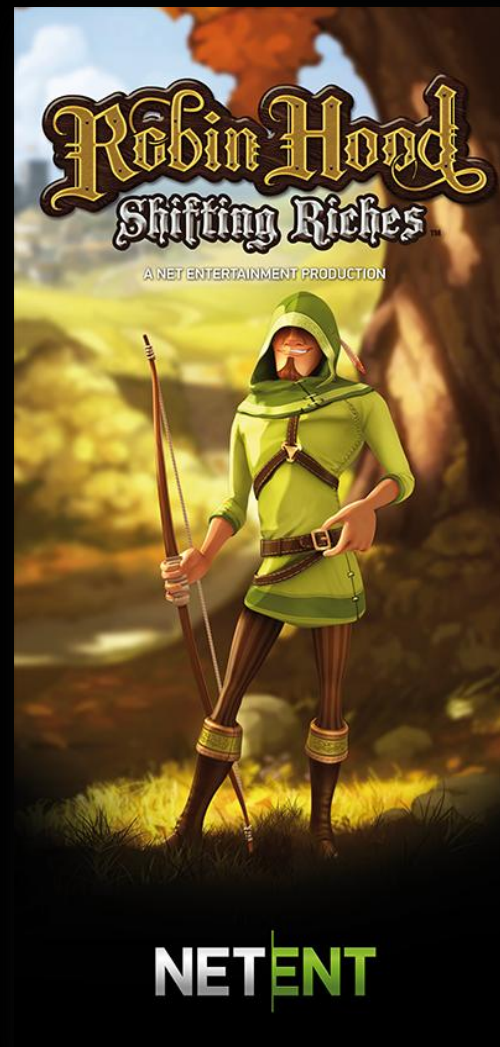
# New generation slots



# Coming slots 2011



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# Strategic initiatives

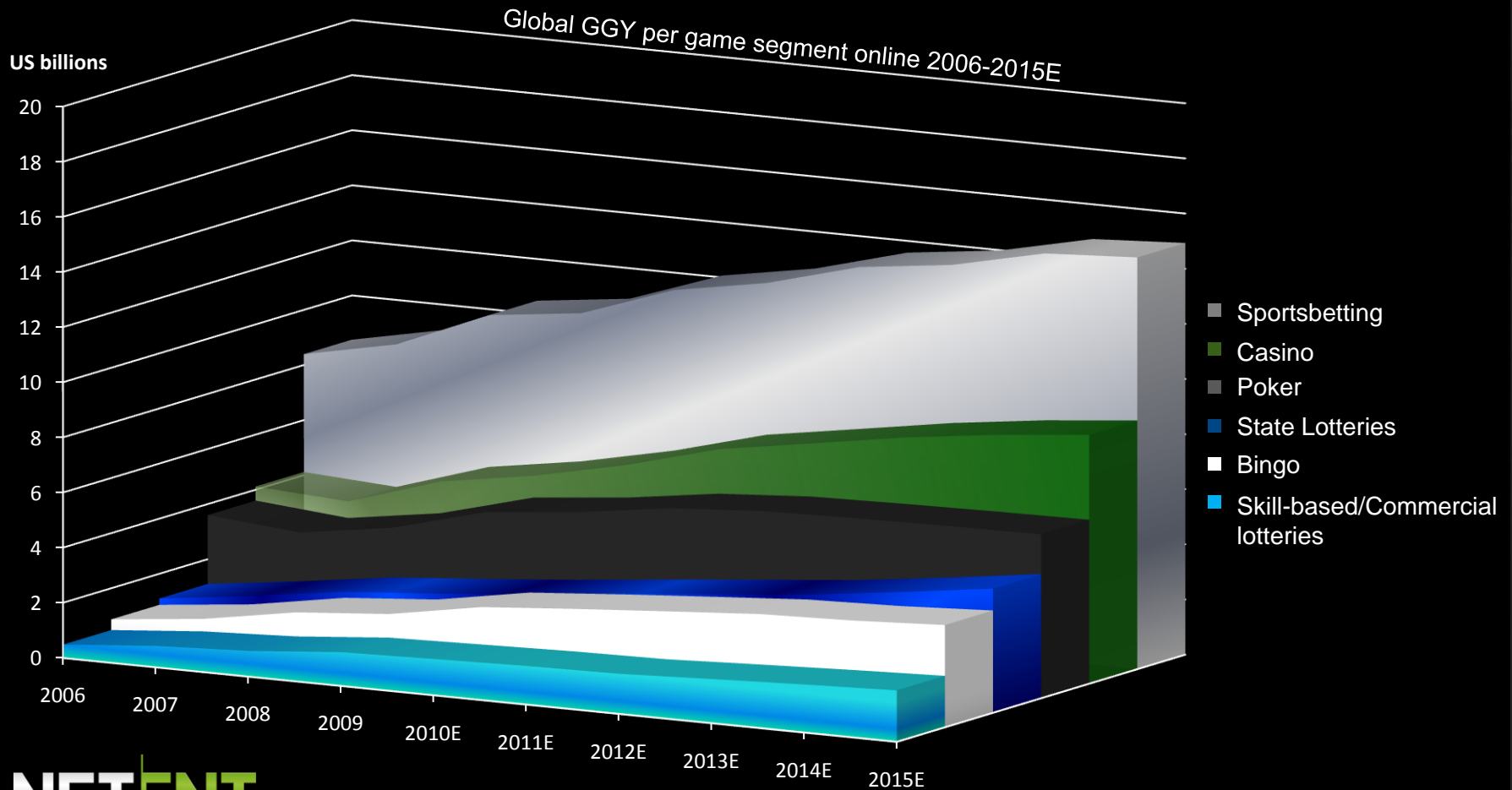
- Regulatory adaptations
- Next generation platform
- Mobile solution

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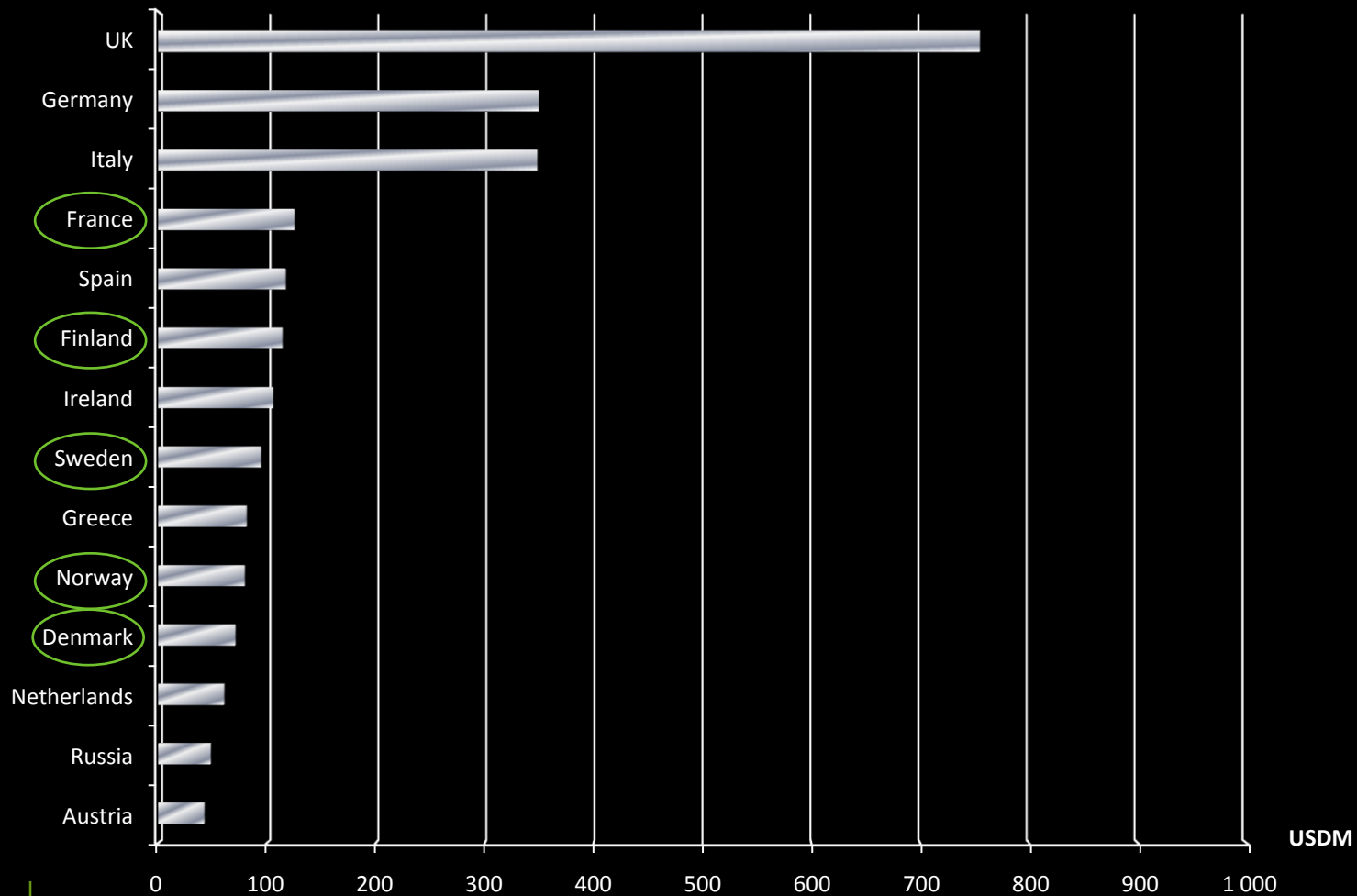


# Casino fastest growing segment

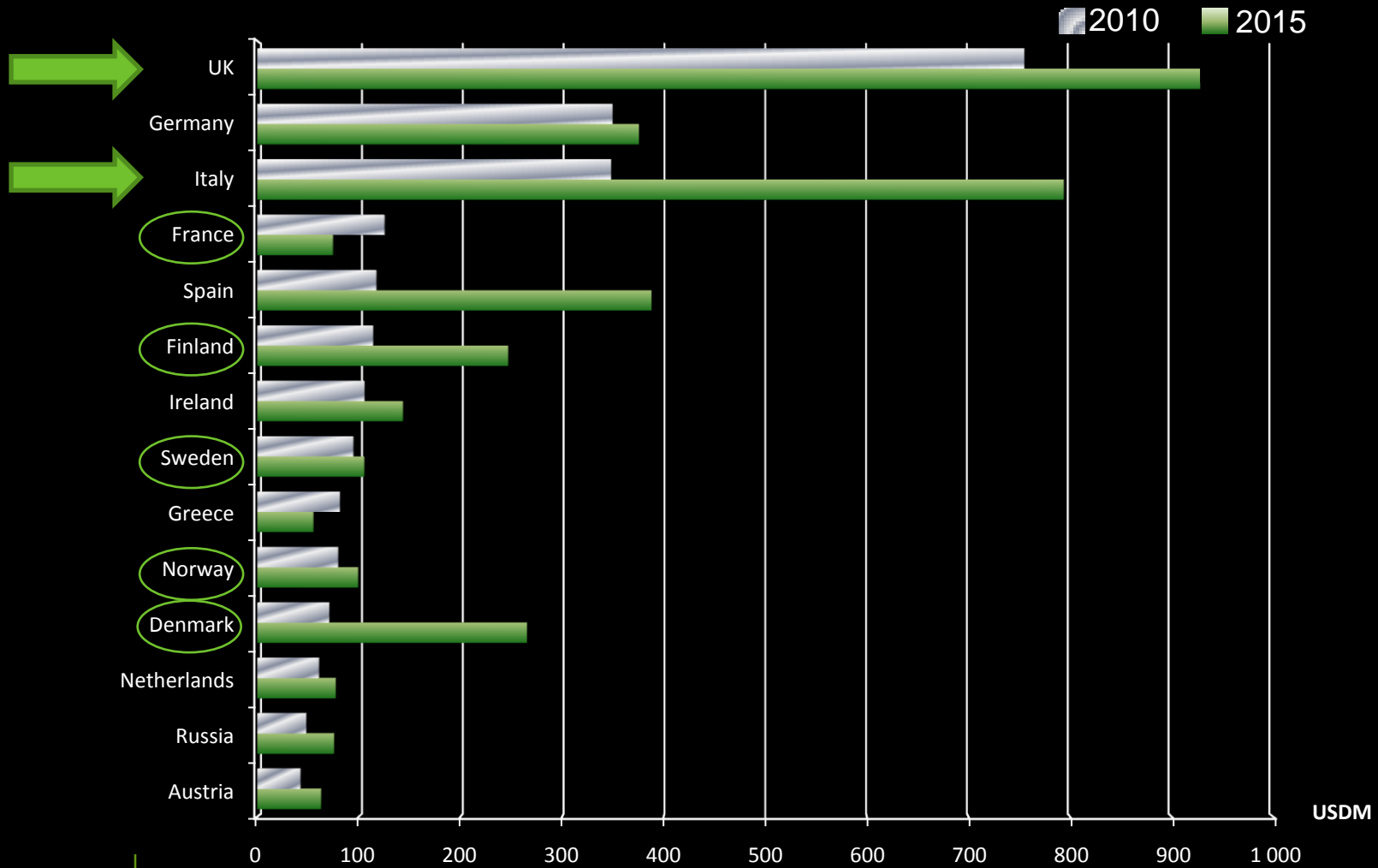


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# Online Casino 2010



# Online Casino 2010 and 2015



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# Italy status

- Final decree released
- Go live expected mid year
- Online casino \$800 million in 2015\*
- Net Entertainment holds significant customer base
- Technical work nearing completion



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# Outlook ahead

- New markets hold great potential
- Strategic investments create opportunities
  - Regulatory adaptations
  - Next generation platform
  - Mobile solution
- High potential sales opportunities
- Overall strong position going forward





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A NET ENTERTAINMENT PRODUCTION