



Earnings report 2012

Quarterly report October – December 2012

Agenda

NETENT

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

BETTER GAMES



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**

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- All time high revenues in Q4 of 144.7 MSEK
- Gaming transactions increased 38% to 3.6 billion
- Mega Fortune jackpot world record – Impact on revenues
- Five new agreements signed in Q4, including Paddy Power
 - Paddy Power Games & Boylesports were launched
- Swedish tax agency announced decision on additional tax of 92.1 MSEK – Appeal in progress
- Proposed distribution to shareholders 2.25 (2.00) SEK/share

Strategic deliverables



Live Casino launched with two beta customers – 11 customers signed so far



UK entry progressing well – Four Tier-1 operators signed to date



Certification work complete to meet requirements in Denmark



Certification work complete to meet requirements in Italy



Mobile average monthly growth of 37% in 2012

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Financials

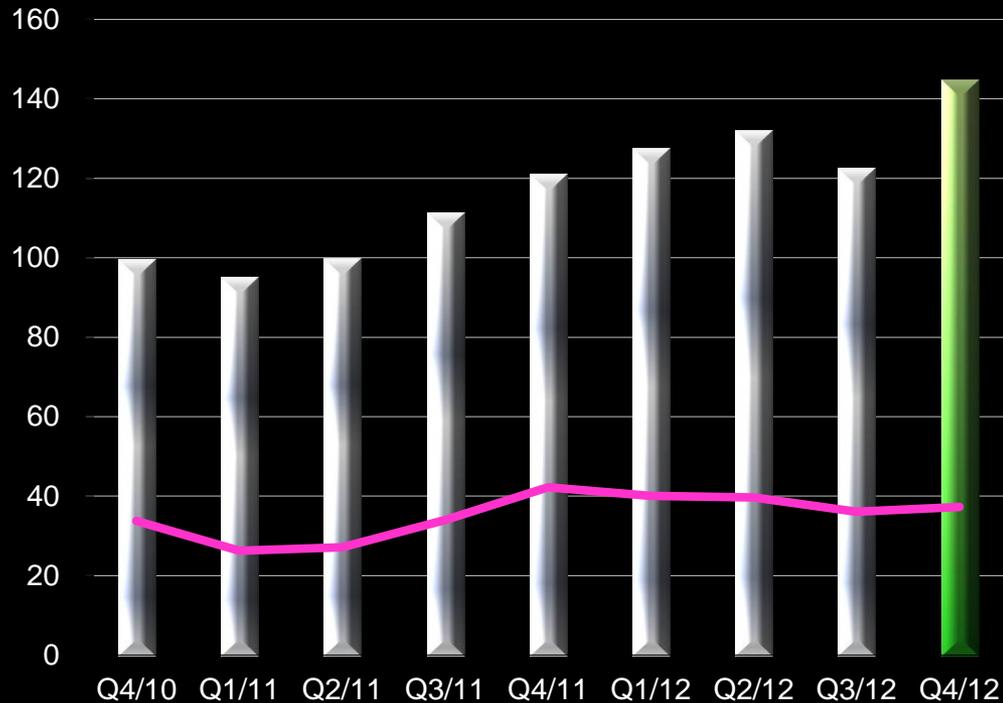
Financials



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Revenues & operating profit by quarter

SEK million

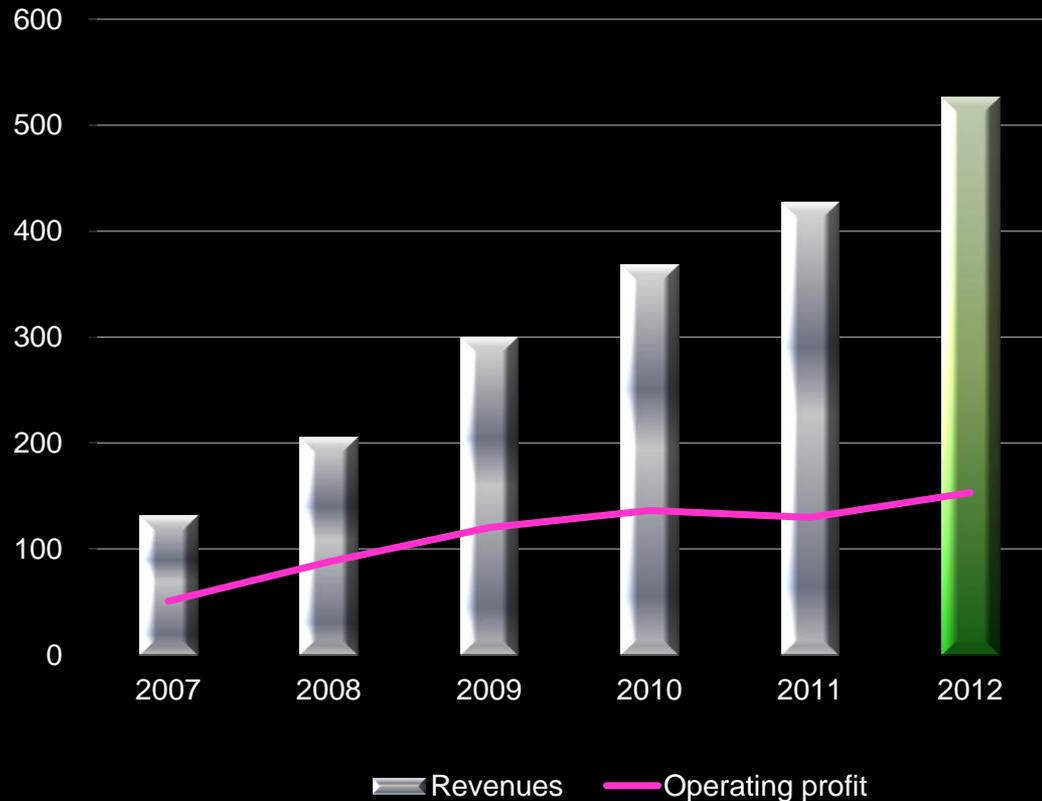


Revenues Operating profit

- Revenues up 19.5% to 144.7 (121.1) MSEK
 - 25.9% in euro
- EBIT amounted to 37.2 (42.2) MSEK
- Operating margin of 25.7% (34.9%)

Revenues & operating profit 2007-2012

SEK million

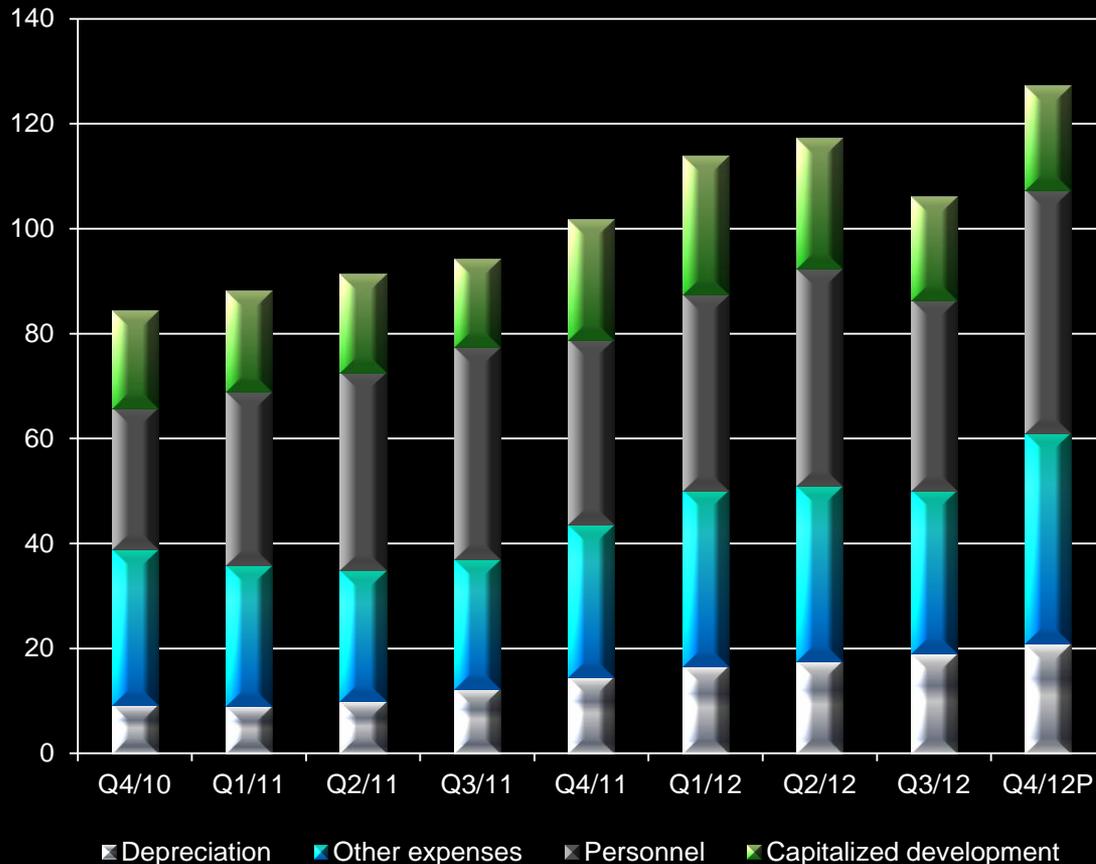


- Revenues up 23.2% to 526.7 (427.6) MSEK
➤ 28.0 % in euro
- EBIT amounted to 153.1 (129.7) MSEK
- Operating margin of 29.1% (30.3%)

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Cost Base By Quarter

SEK million



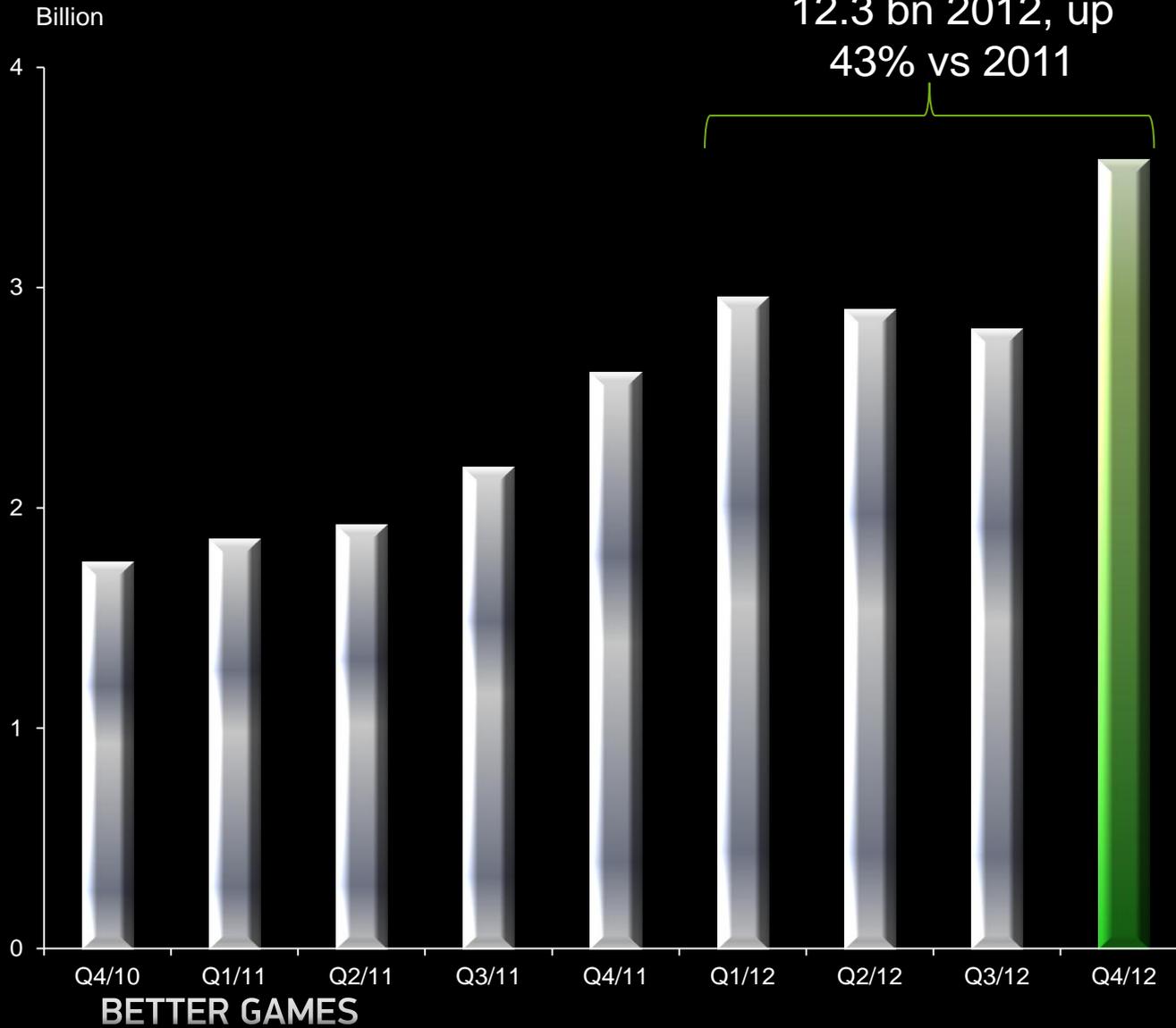
- Capitalized development decreased:
 - Fewer projects being capitalized
- Personnel cost increased:
 - Less vacation vs Q3
 - Increased no. of personnel
 - Lower capitalization
- Other expenses increased
 - ERP system pre-study
 - EIG exhibition
 - Lower capitalization of consultants
- Depreciation
 - Platinum game Elements launched
 - Slots in Italy
 - UK entry
 - Several mobile games launched

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Product Update



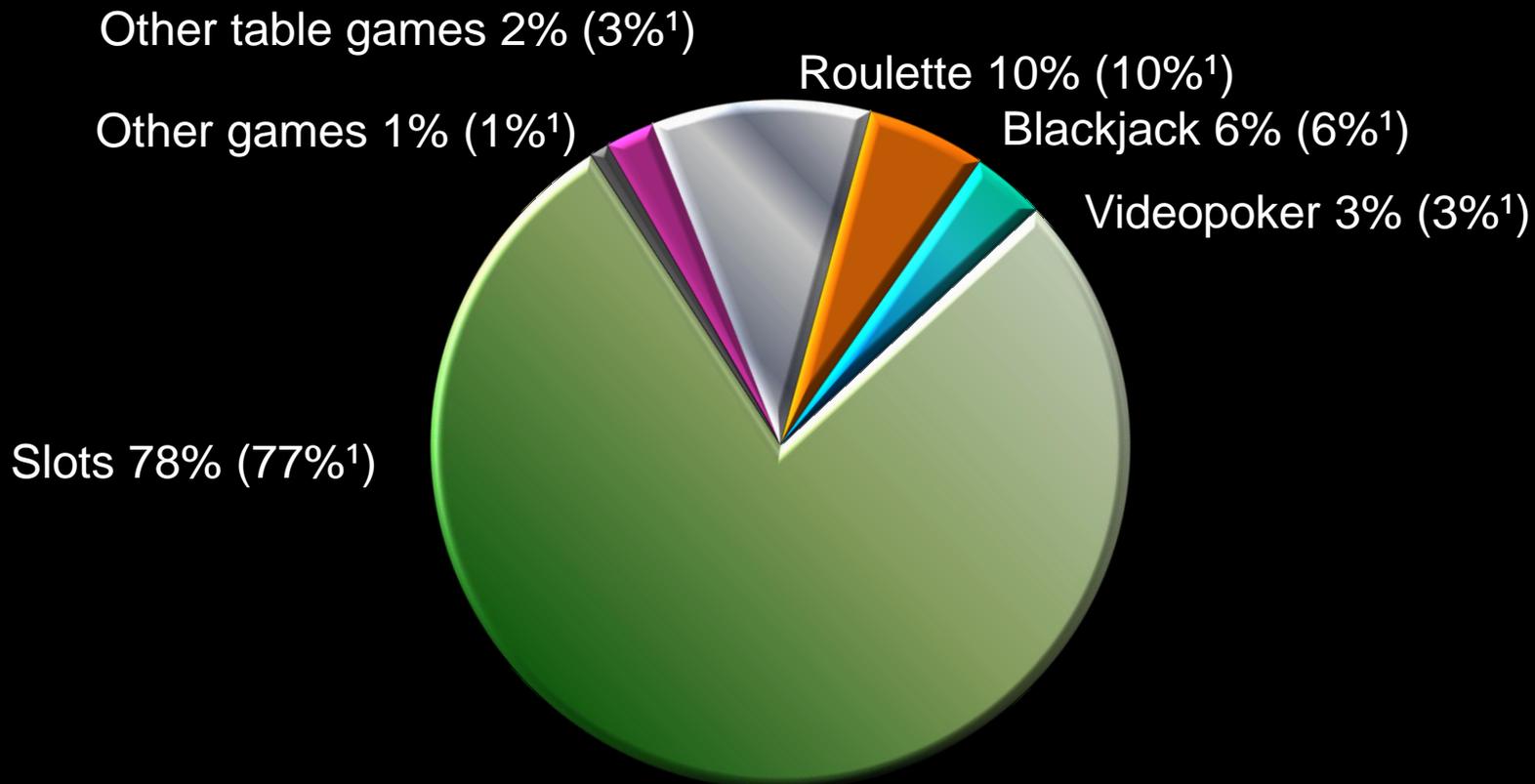
Game transactions by quarter



Q4 2012

- 3.6 billion transactions
- 38% growth vs Q4 2011
- 29% growth vs Q3 2012
 - Typically strong quarter in Q4
 - Mega Fortune slot contributed positively

GGY game split Q4 2012



Game update

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MEGA FORTUNE PAYS OUT A WORLD RECORD BREAKING €17.8 MILLION!

Net Entertainment congratulates the lucky 40-year old finn who has won the life changing jackpot of 17,8 Million Euros.

[Click here to play Mega Fortune™](#)

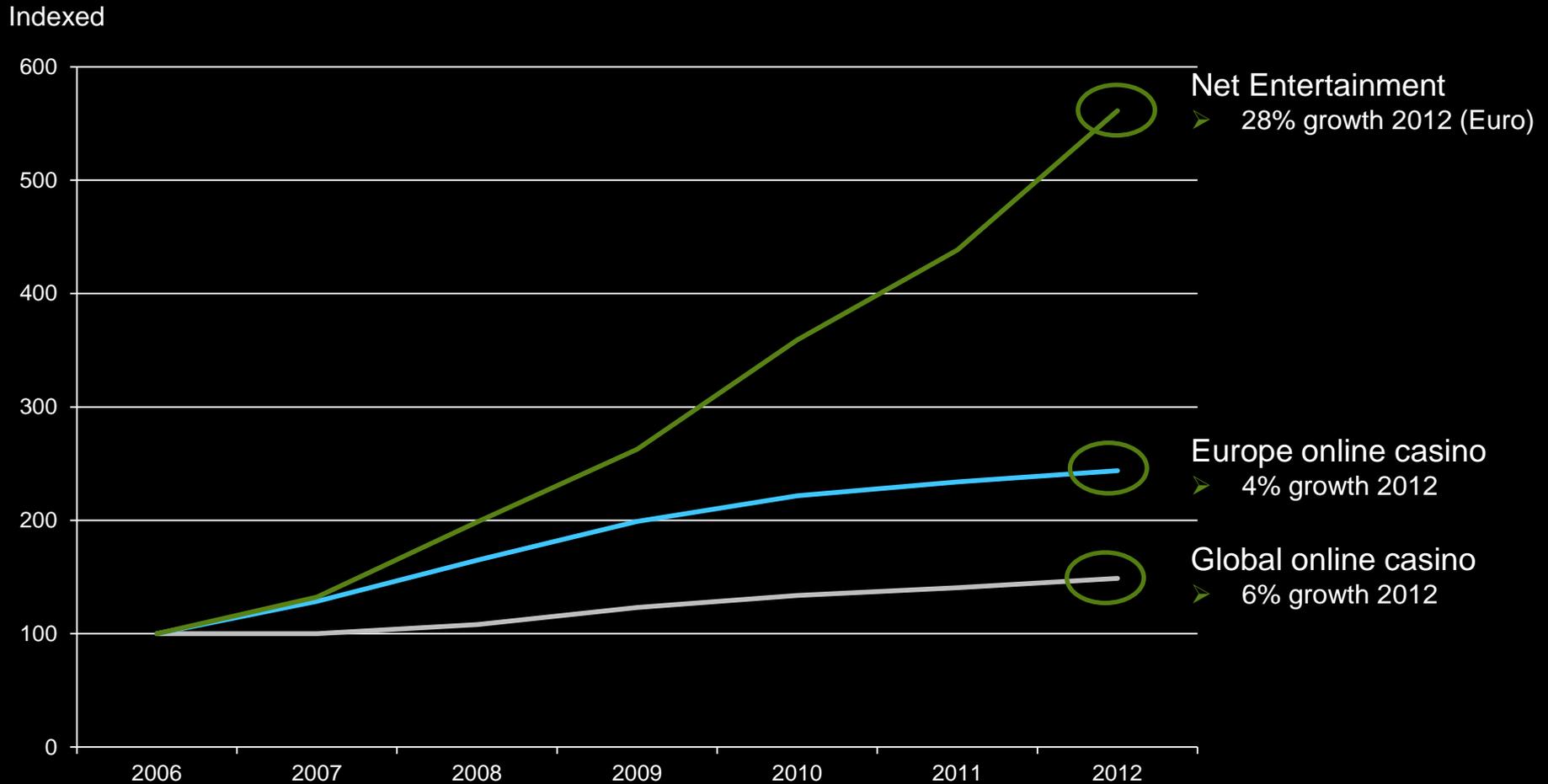
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Market Update

market update

Net Entertainment's growth vs online casino market



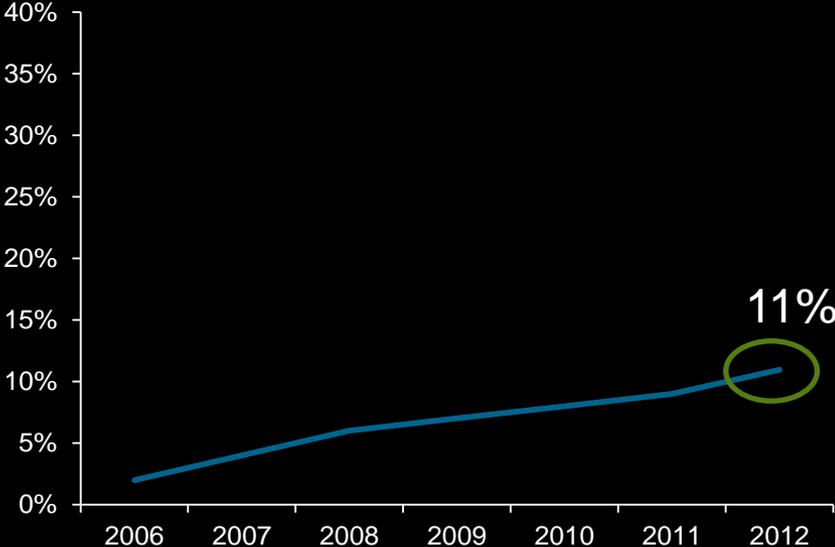
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Source: H2GC, December 2012

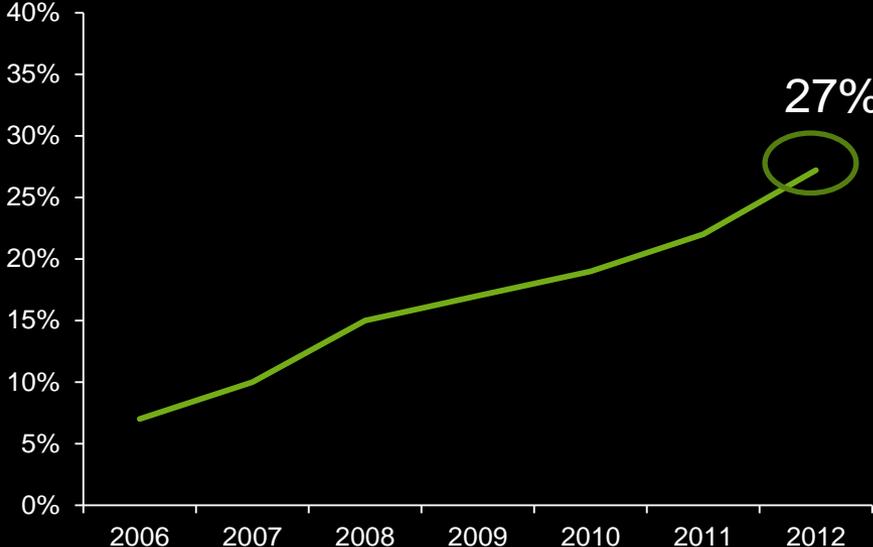
Market share development



Global online casino share



European online casino share

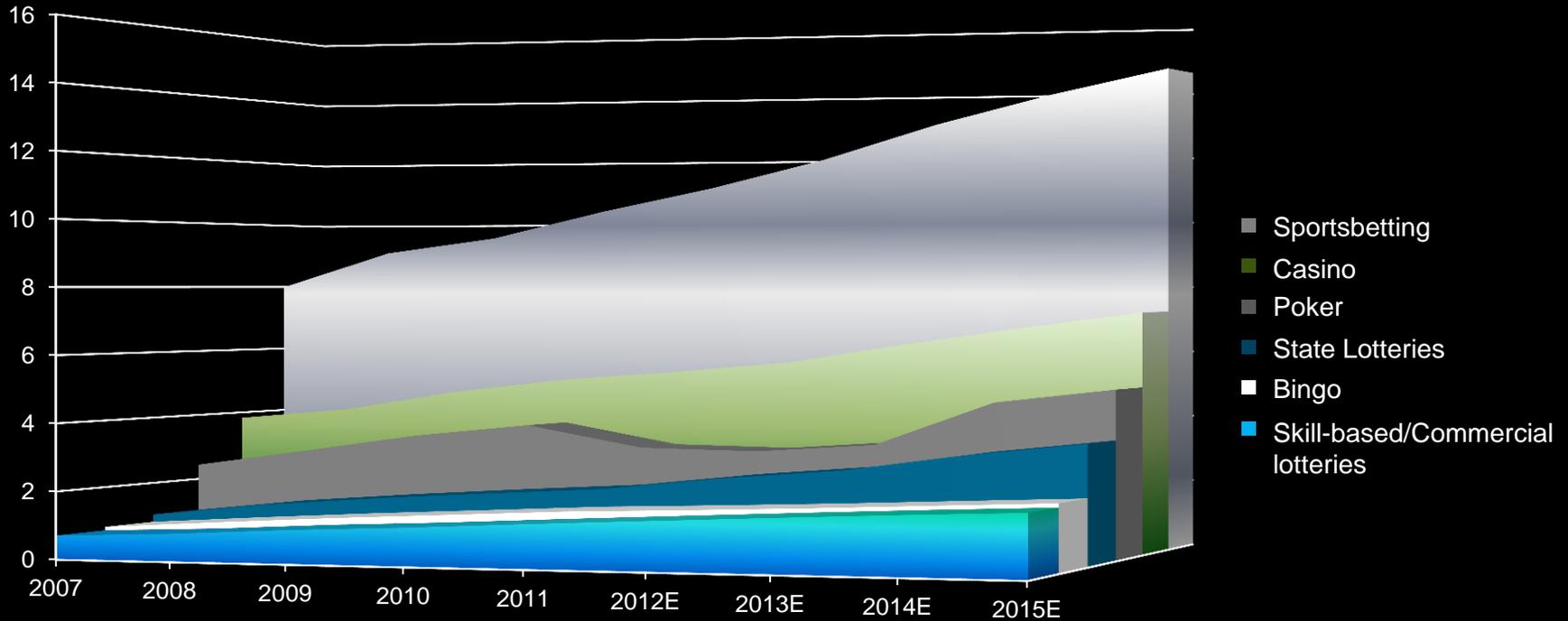


Note: Market share is based on the gross gaming yield of Net Entertainment's customers in relation to H2GCs market estimates per December 2012

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Global Online Gaming Growth 2007-2015

€ billions



- Global online casino market growth app. 9% 2012-2013

Future Outlook

Future Outlook

- Several new products and customer deals expected to generate significant revenues, however not until they reach full capacity
- Regulated markets, increased customer base and Live Casino lead to increased expenses
- Margin improvement expected to be visible towards Q4 2013, until then, the operating margin will remain around Q4 2012 levels
- Eight new customers yet to go live, including BskyB
 - Agreements signed in 2013 with 888 and Bonza Gaming for Facebook
- Larger development projects during 2013 include Live Casino blackjack, platform enhancements and adjustments for certain operators in the UK
- Net Entertainment holds a strong position going forward



Q&A



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