



Fortuna Entertainment Group NV

**H1 2011 Financial Results
Analysts & Investors Presentation**

August 25, 2011



Agenda

1. Introduction
2. H1 2011 Financial Performance
3. Outlook & Strategy 2011/ 2012
 - i. Lottery in the Czech Republic
 - ii. On-line in Poland
 - iii. Tipsport deal
4. Summary

Presentation Team



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CFO



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Marketing & IR
Director



Financial Performance

in the First Half of 2011



Financial Highlights – H1 2011

Financial Highlights

Strong growth in all parameters

- Amounts Staked – up by 9.1% yoy to EUR 209 MM
- Gross Win – up by 5.5% yoy to EUR 47.9 MM
- EBITDA – up by 2.4% yoy to EUR 11.9 MM (EBITDA from sports betting up by 10.7%)
- **Net Income up 19% yoy to EUR 8.6 MM**
- **Net income from sports betting up by 32.9% to EUR 9.6 MM**

On-line dynamics key driver

- Total Gross Win – up by 5.5% yoy to EUR 47.9 MM
- Gross Win online – up by 39.6% yoy to EUR 14.6 MM

Prudent cost management

- Staff costs up by 1.1% yoy despite new hires for the lottery
- Finance costs down by 84.6% yoy – favourable refinancing and repayment of debts

Operational Highlights

Lottery business in the Czech Republic launched

- Successful sale of scratch tickets – estimated 50% market share, 100 thous. instant tickets sold weekly
- Fortuna Loto gained 13% market share since its launch on July 18

Further development of Polish on-line

- Application for a local licence submitted to the Ministry of Finance
- **Ready to launch on-line immediately**

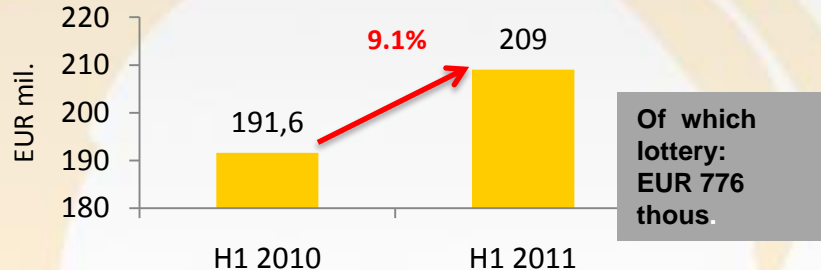
FortunaWin expanded to Croatia

- Since May 2011 FortunaWin expanded to Croatia (2,100 registered customers)
- Option to acquire back Fortuna HR not exercised due to a different strategic focus

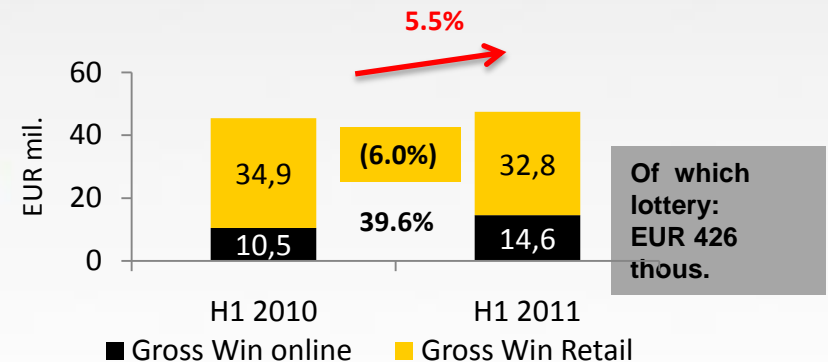
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H1 2011 – Growing the market

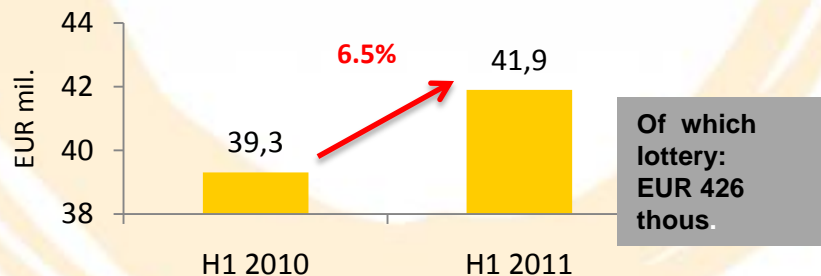
Amounts Staked



Gross Win



Revenues

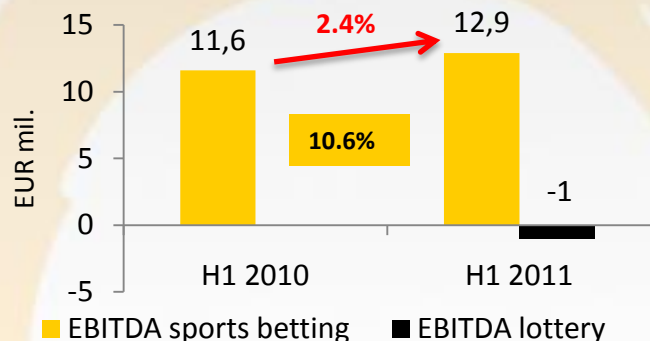


On-line betting remains a key driver of growth

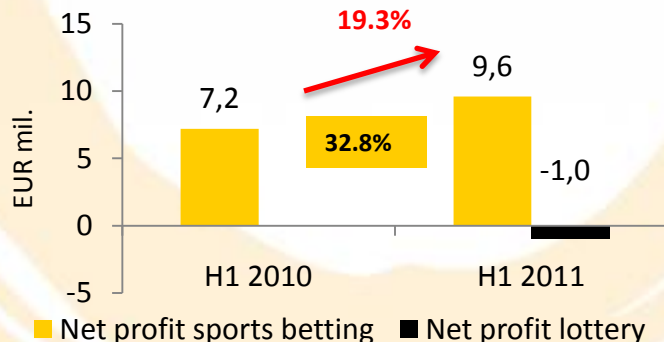
- Increase of on-line betting despite a lack of attractive sports events in H1 2011
- Online betting substitutes the retail betting, FEG keeps its margins stable
- First lottery revenues from the sale of scratch tickets

H1 2011 – Increasing Profits

EBITDA



Net Profit

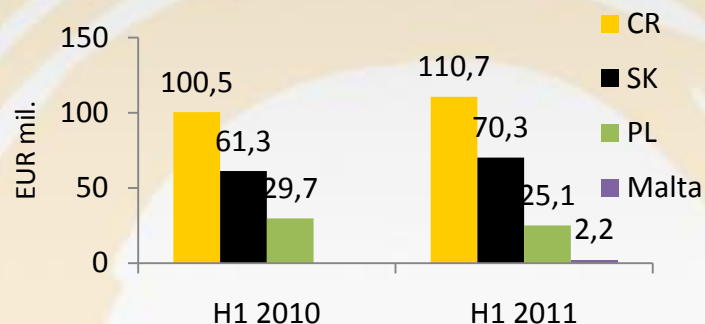


Rising profitability due to a focus on cost management while new projects are invested in

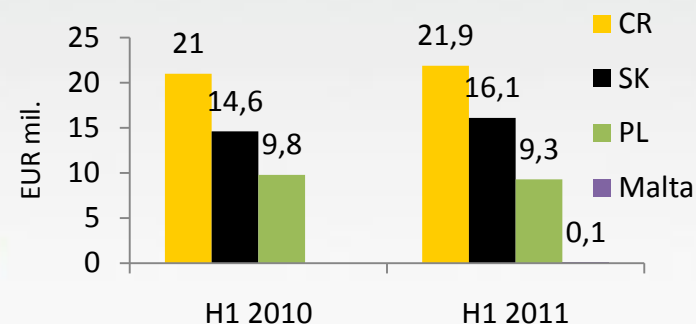
- EBITDA from sports betting up 10.7% yoy to EUR 12.9 million
- EBITDA lottery negative 962 thous. in line with plan
- Staff costs up by 1.1% despite new hires for the lottery and CZK appreciation against EUR
- Total EBITDA influence by start-up lottery costs and investments into new on-line products and services (live streaming)
- Start-up lottery costs below plan
- Finance costs down 84.6% as a result of last year refinancing and repayment of debt
- Net profit (from cont. operations) up 19.3% to EUR 8.6 mil.

Sport Betting by Countries

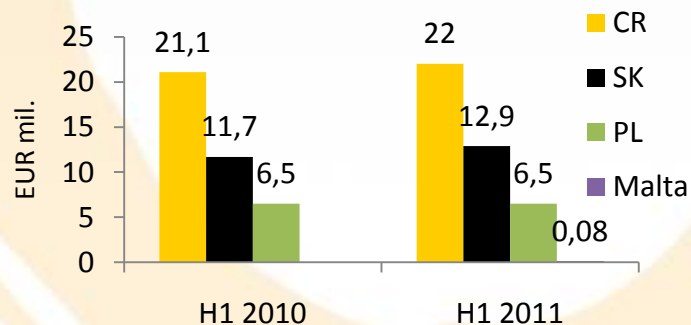
Amounts Staked



Gross Win



Revenues



- In terms of Amounts Staked, CR and SK remain fastest growing markets due to a rapid on-line development
- Czech Republic lottery business generated Gross Win of EUR 426 thous. from the sale of the scratch tickets – attractive segment with 45.5% margin
- Polish market generates the highest gross profit margin of 25% due to riskier behaviour of Polish betters

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Outlook & Strategy 2011/ 2012



Strategy Overview

Lottery business in the Czech Republic

- Lottery business launched
- Gained 13% market share
- Aim to have 30% market share in 3 years
- Scratch tickets extremely successful

Focus on on-line betting/ Poland

- Leveraging its heritage brand and retail network to develop leading position in online
- New law amendment in Poland approved and application for local licence submitted to MinFin

Tipsport PL potential acquisition

- Intention to acquire Tipsport in Poland
- Subject to due diligence
- Potential to increase market share in Poland to approximately 1/3

Organic growth to grow market share

- Continuous improvement of retail network
- CRM
- Partnerships



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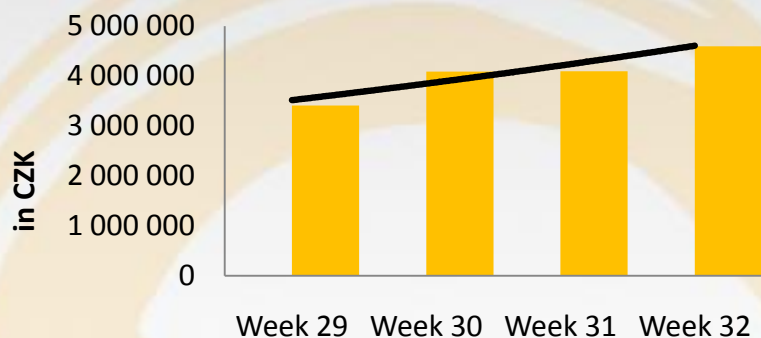
Lottery Update



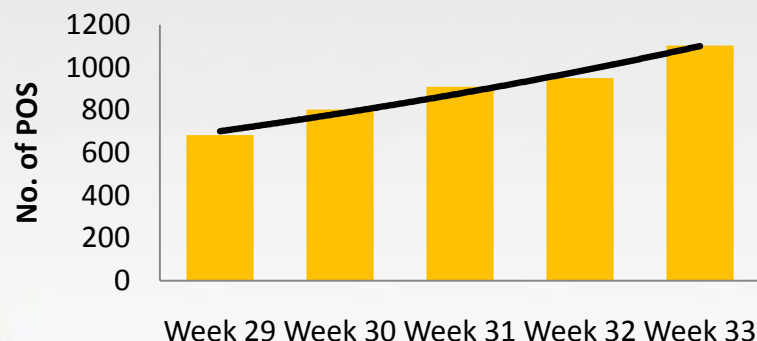
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Lottery Update

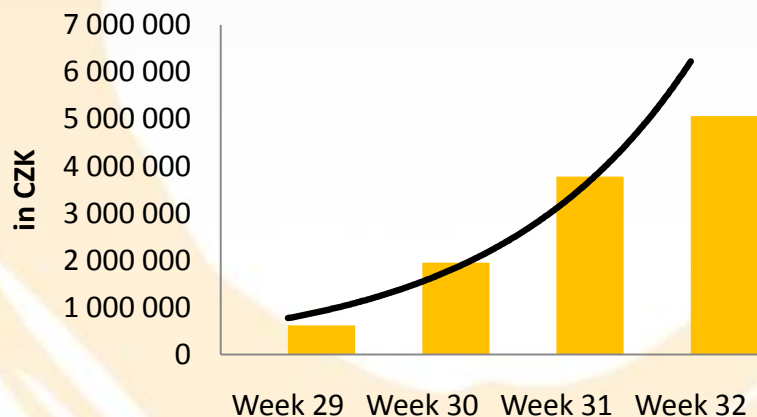
Lottery Sales - 18.7. - 21.8. 2011



No. of POS - 18.7. - 21.8. 2011



Mobile Top Ups - 18.7. - 14.8. 2011



Lottery performance beats estimates, costs strictly below budget

- Sales instant scratch tickets per POS are 4.5 times higher than those of SAZKA
- Scratch tickets sales app. 100 thousand pieces a week
- Mobile top up available with all three mobile operators in the Czech Republic

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On-line betting in Poland

Latest Developments

- Amendment to the law approved and it should be implemented before the year end 2011
- Application for the local licence submitted to the Ministry of Finance
- Fortuna is ready to launch the on-line betting immediately once the permission is received

The screenshot shows the 'Dokończenie rejestracji' (Complete registration) page of the Fortuna website. The page is in Polish and features a yellow header with the Fortuna logo and navigation links. The main content area is divided into two columns. The left column contains a sidebar with a 'ZALÓŻYŚ SIĘ' (Bet) button and a customer support icon. The right column contains the registration form, which is divided into three steps: 1. Rejestracja (Registration), 2. Weryfikacja (Verification), and 3. Umowa (Agreement). The form includes fields for 'Dane rejestracyjne' (Registration data) such as pseudonym, email, password, and confirmation of password. It also includes 'Dane personalne' (Personal data) such as name, surname, address, city, date of birth, and phone number. At the bottom, there are checkboxes for terms and conditions and a 'Zakończ' (Finish) button.

FORTUNA zakłady bukmacherskie SPONSOR BIEGU CIESZYŃSKI FORTUNA BIEG

Strona główna Sport Zakłady LIVE Serwis Punktów Fortuna Klub + Szczegółowe Liczby

Dokończenie rejestracji

1. Rejestracja 2. Weryfikacja 3. Umowa

Dane rejestracyjne

Pseudonim

Adres email

Format:姓@.pl

Hasło

Potwierdź hasło

***** siła hasła: słaba**

Hasło musi o długości większej niż 8 znaków.
Użyj minimum jedną wielką literę.
Użyj minimum jedną cyfrę.

Dane personalne

Imię

Nazwisko

Ulica

Województwo

Miasto

Kod pocztowy

Format: 00-000

Data urodzenia

Telefon komórkowy

+48

Obywatelstwo

PESEL

Numer dowodu tożsamości

☐ Oświadczam niniejszym, że jestem osobą pełnoletnią.

☐ Oświadczam, że dane podane w niniejszym formularzu są zgodne ze stanem faktycznym.

☐ Wyrażam zgodę na przetwarzanie przez FORTUNA zakłady bukmacherskie Sp. z o.o. z siedzibą w Cieszynie dobowolnie podanych w formularzu przystąpienia do programu Fortuna Klub Plus moich danych osobowych w celach marketingowych. Przyjmuję do wiadomości, że administratorem danych jest FORTUNA zakłady bukmacherskie Sp. z o.o. z siedzibą w Cieszynie. Mój zapewniam ochronę przetwarzanych danych osobowych przewidzianą w ustawie z dnia 29 sierpnia 1997 r. o ochronie danych osobowych (Dz. U. z 2002 r. Nr 144, poz. 1264 z późn. zm.).

Zakończ

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On-line betting in Poland

Fortuna potential

- Fortuna market potential in the range of 50,000 to 100,000 active customers (similar to Czech & Slovak achieved figures)
- Estimated targeted Gross Win in on-line channel ranges from EUR 12 to 25 million per year

Competitive advantage/ disadvantage of Fortuna

- + Recognized brand, market leadership
- + Local license >> legal marketing (sponsorship)
- + Retail business (50% of online deposits come from retail network in the Czech Republic and Slovakia) - registration of players in shops required
- + Substantial online business experience vs. other local peers

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Potential Tipsport PL takeover

Fortuna in negotiations with Tipsport about acquiring its Polish branch

Current Status:

- On-going discussions, due diligence started this week
- Request for the Approval of the Polish Ministry of Finance (regulated industry) submitted, a decision of the Ministry anticipated within app. 3 months
- Transaction to be completed in Q4 2011



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Potential Tipsport PL takeover

Potential Benefits for Fortuna

- **Primarily driven by retail network expansion**
- It will increase Fortuna's market share in Poland in sports betting to app. 33% and strengthen its leading position in the Polish market
- A substantial jump in no. of POS (but not all POS would be taken)
- **Stronger base for the roll-out of on-line betting in Poland**

Tipsport in Poland

- Estimated approximately 4% market share
- Tipsport operates app. 190 partner shops in Poland – limited fixed costs in case of a takeover
- Fortuna could leverage its strong brand, product portfolio and customer care

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Summary



Summary

- **H1 2011 Net profit grew 19% annually**
- **Numerical lottery launched on July 18 gaining 13% of the Czech lottery market by now**
- **Successful start of instant scratch tickets sale (estimated 50% market share)**
- **All of this achieved at costs lower than planned**

2011/2012 Outlook:

- + Lottery in the Czech Republic on track
- + Licence for on-line betting in Poland awarded
- + High dynamics of on-line betting continues
- + Utilizing synergies between retail and on-line
- + Acquisition of Tipsport in Poland

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IR Calendar

Event	Date
Interim Report for 2H 2011	3 November 2011

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