



# Fortuna Entertainment Group NV

## 2011 Preliminary Financial Results

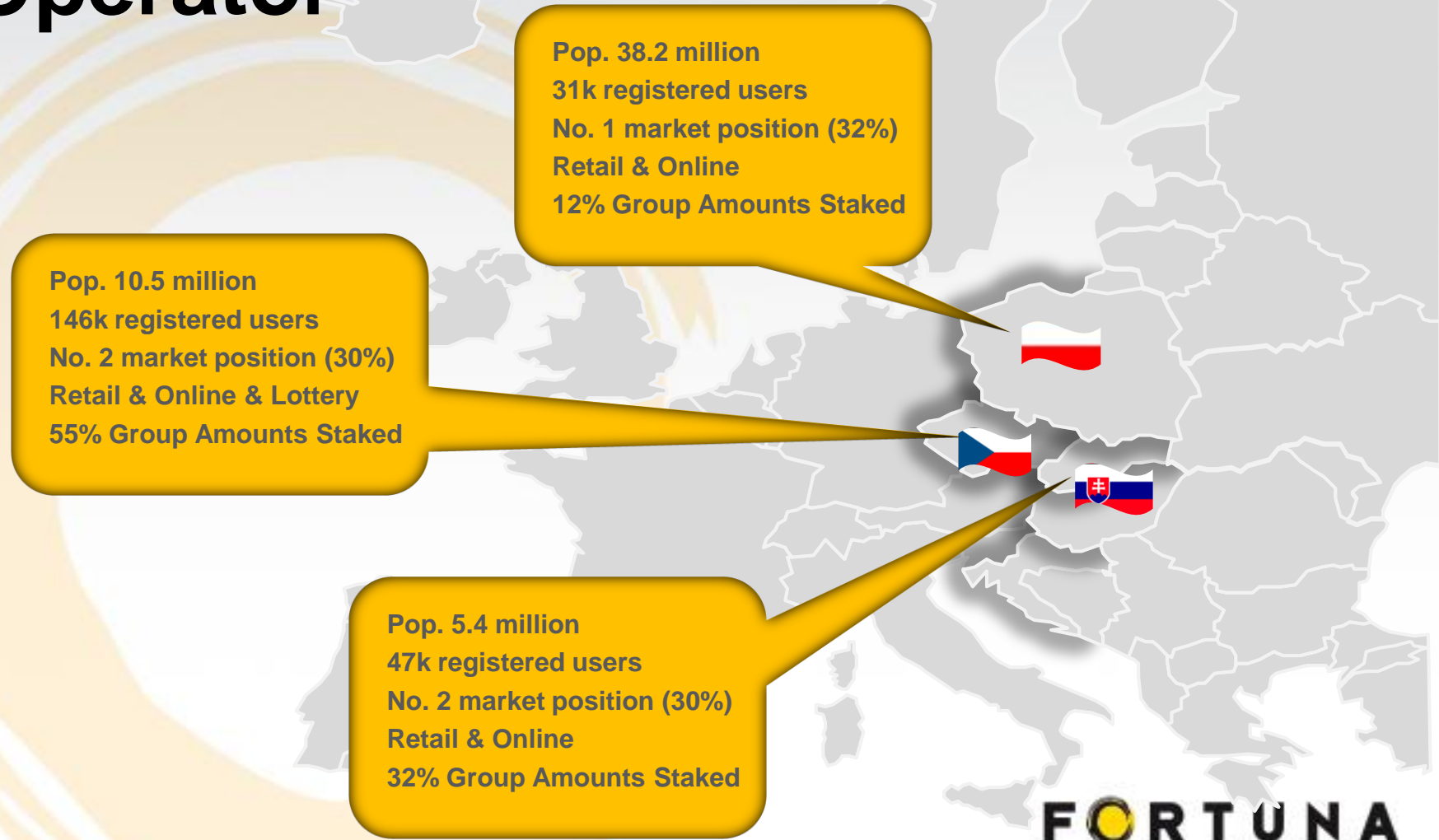
March 1, 2012



# Agenda

- **Introduction**  
**Vladan Crha**
- **2011 Financial Performance**  
**Michal Vepřek, CFO**
- **2012 – Driving Multi-Channel Market Leadership**  
**Wilf Walsh, Vice Chairman of the Board and Interim CEO**
- **Q&A**

# Fortuna - Leading CEE Betting Operator



# Group Management Structure

**Wilf Walsh**  
Vice Chairman of Management Board and Interim CEO

**Radim Haluza**  
COO Sports Betting

**Jiří Hosnedl**  
COO Loterie  
Fortuna

**Martin Todt**  
Country  
Manager CZ

**Milan Alakša**  
Country  
Manager SK

**Jan Štefanek**  
Country  
Manager PL

**Antonín Laš**  
Country  
Manager  
FortunaWin

**Michal Hanák**  
Head of  
Bookmaking

**Michal Vepřek**  
CFO

**Vladan Crha**  
IR Director

**Zdeněk Lang**  
Marketing  
Director

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# 2011 Financial Performance



# Financial Highlights 2011

## Sports Betting

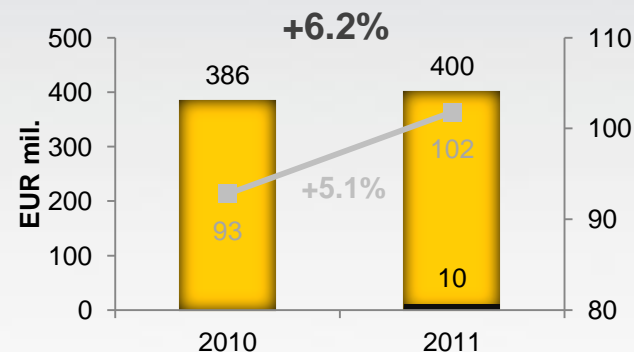
- ▶ Amounts Staked growth to EUR 399.5 million (+3.6%)
- ▶ Gross Win EUR 96.7 million (+4.2%)
- ▶ Gross Win from on-line EUR 29.5 million (+28.8%)
- ▶ EBITDA EUR 26.7 million (+6.3%)

## Lottery

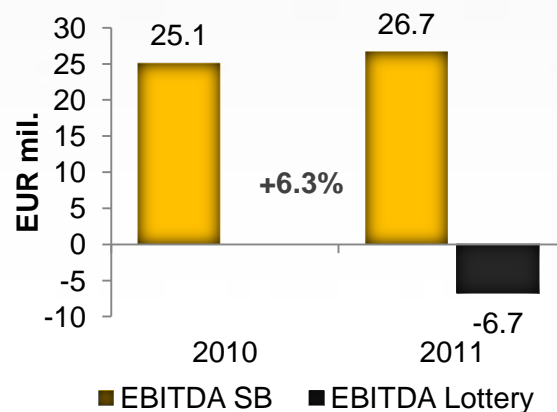
- ▶ Lottery total Amounts Staked EUR 9.9 million
- ▶ Gross Win EUR 5.1 million
- ▶ EBITDA EUR -6.7 million

## Total

- ▶ EBITDA EUR 20.0 million
- ▶ Net Profit EUR 13.3 million



AS Sports Betting AS Lottery  
Gross Win



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# Strong Top line Performance

In EUR million	FY 2011 unaudited	FY 2010 audited	%
Amounts Staked	409.3	385.5	6.2%
Gross Win	101.8	92.8	9.7%
Costs	69.9	56.1	24.5%
EBITDA	20.0	25.1	(20.4%)
Net income	13.3	17.4	(23.3%)

# Lottery approaching maturity

In EUR million	FY 2011 unaudited	FY 2010 audited	%
Amounts Staked Lottery	9.9	0	n/a
Gross Win Lottery	5.1	0	n/a
Costs Lottery	11.8	0	n/a
EBITDA Lottery	(6.7)	0	n/a
Net Income Lottery	(7.0)	0	n/a

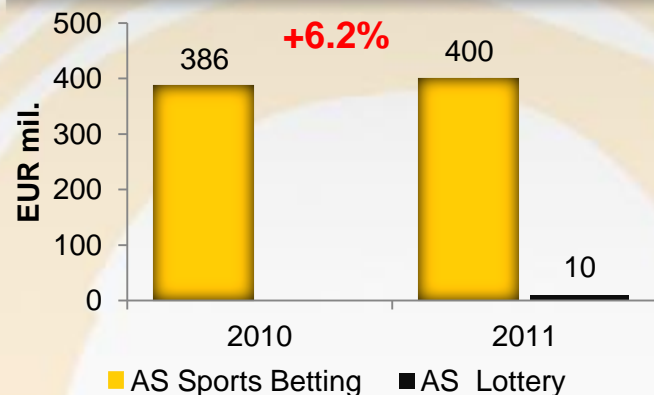


# Record-breaking Results in Sports Betting

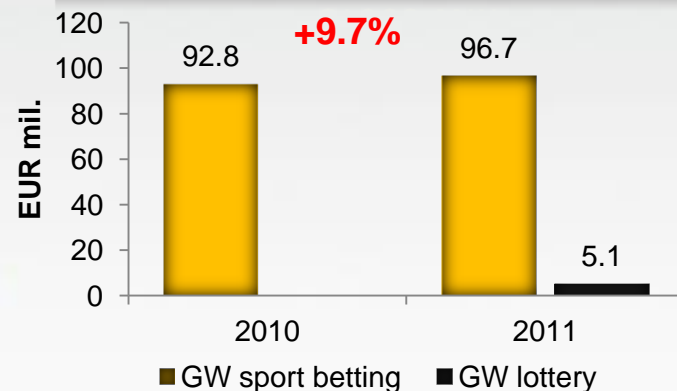
In EUR million	FY 2011 unaudited	FY 2010 audited	%
<b>Amounts Staked SB</b>	<b>399.5</b>	385.5	3.6%
<b>Gross Win SB</b>	<b>96.7</b>	92.8	4.2%
<b>Costs SB</b>	<b>58.1</b>	<b>56.1</b>	3.5%
<b>EBITDA SB</b>	<b>26.7</b>	<b>25.1</b>	6.3%
<b>Net Income SB</b>	<b>20.3</b>	17.4	17.0%

# Increased Profit and Margin Retention

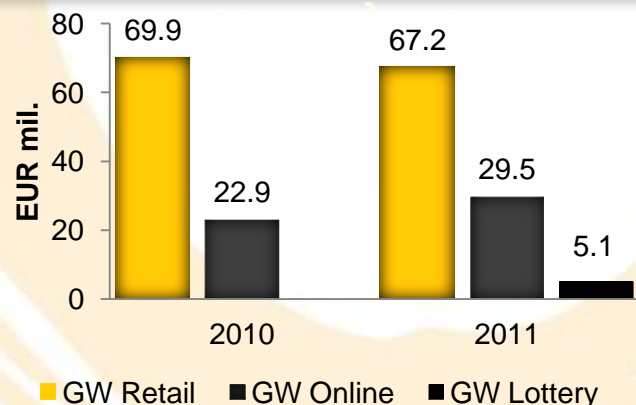
## Amounts Staked



## Gross Win



## Gross Win by Channel

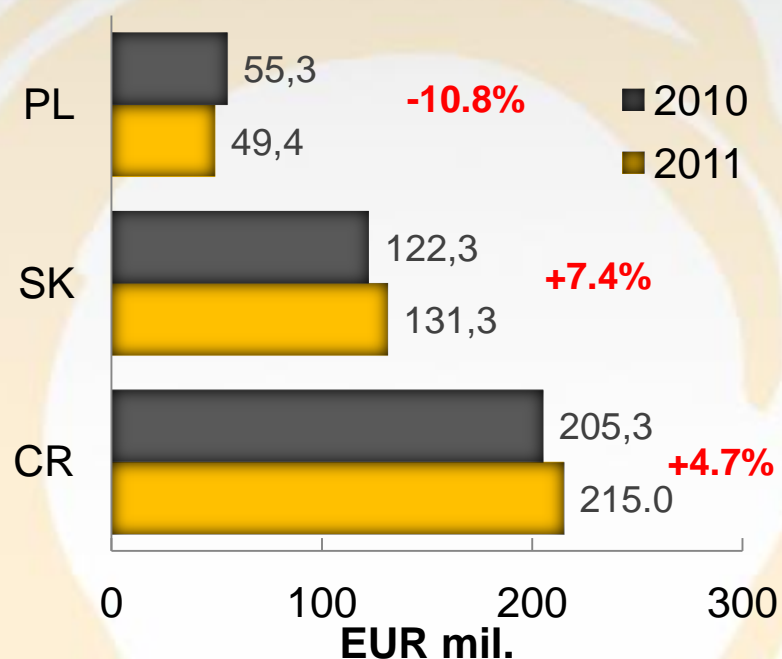


## Profits as a % to Amounts Staked

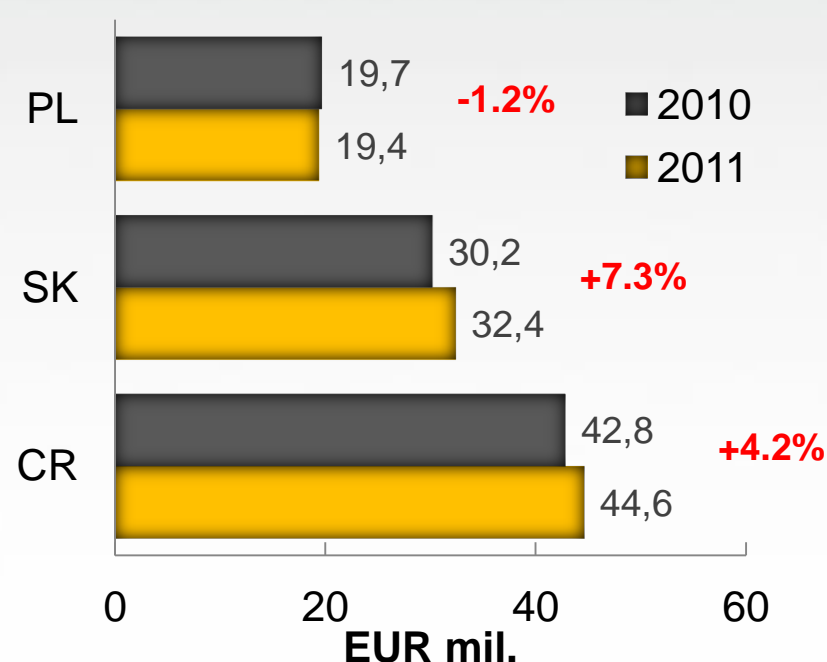
	2010	2011
Gross Win Margin (SB)	24.1%	<b>24.2%</b>
Gross Profit Margin (SB)	19.1%	<b>19.1%</b>

# Sport Betting by Territory

## Amounts Staked



## Gross Win



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# Multichannel Strategy

No. of PoS	CZ		SK		PL	
	2011	2010	2011	2010	2011	2010
Fortuna Retail	369	419	255	259	369	386
Partner Retail	266	188	157	133	10*	8
TOTAL	635	607	412	392	379	396

*\*Number of partner shops in Poland does not include 80 outlets from former Tipsport PL*

**Total Gross Win Growth +9.7% (inc. Lottery)**

**Gross Win Sports Betting Growth +4.2%**

**Gross Win Online Growth +28.8%**

**Gross Win Retail Decline (3.9%)**

**Czech Republic  
+33.7%**

**Slovakia +21.6%**

**Poland n/a**

**Czech Republic  
(8.0%)**

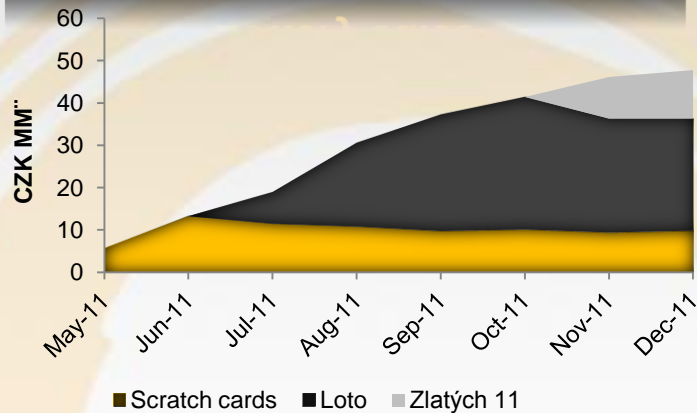
**Slovakia (0.2%)**

**Poland (1.2%)**

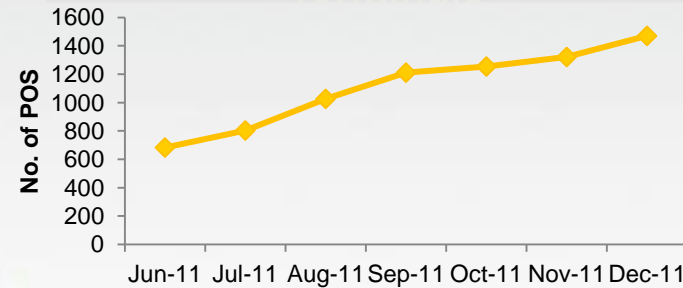
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# Lottery Trading Performance 2011

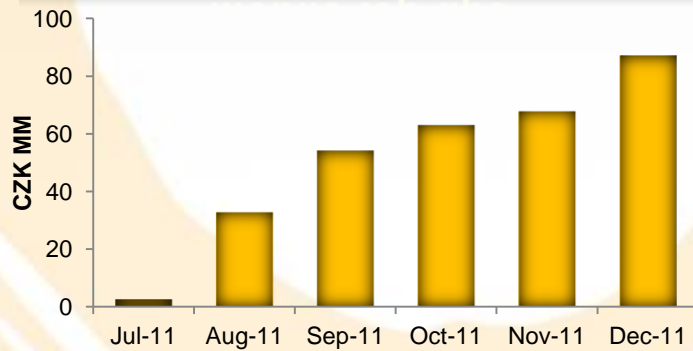
## Lottery sales



## Terminals



## Mobile top ups

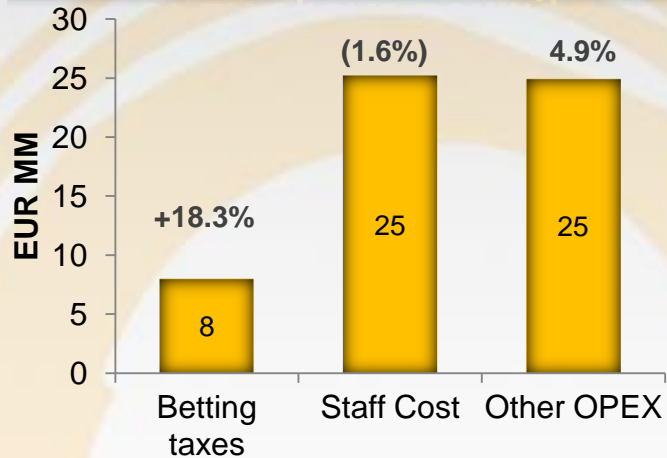


- ▶ No. of terminals doubled since July
- ▶ Mobile top ups CAGR 78% since July
- ▶ Lottery sales supported by introduction of Zlatých 11

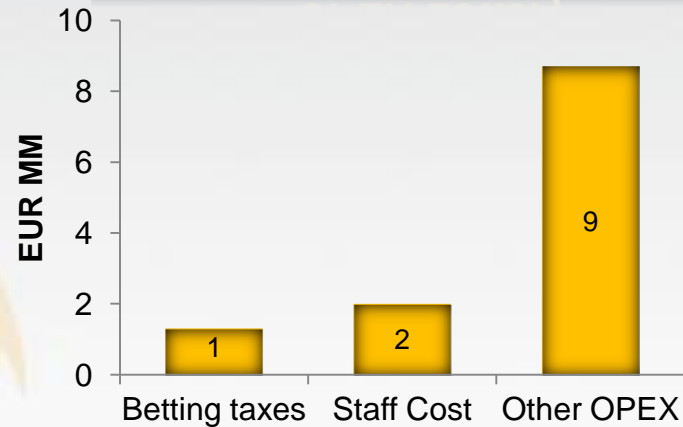
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# Operating Cost & Net Debt

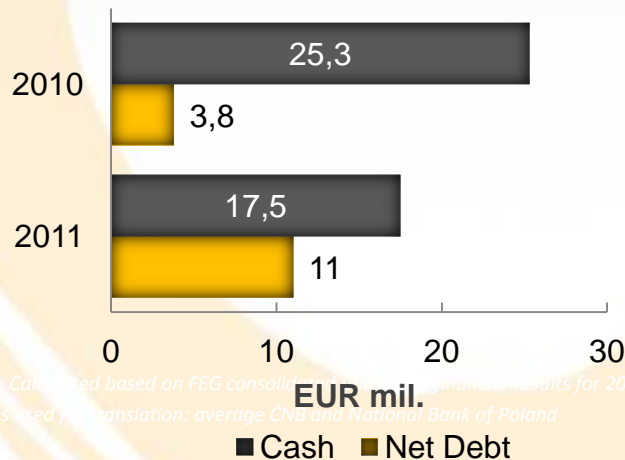
## OPEX Sports Betting



## OPEX Lottery



## Net Debt/ Net Cash



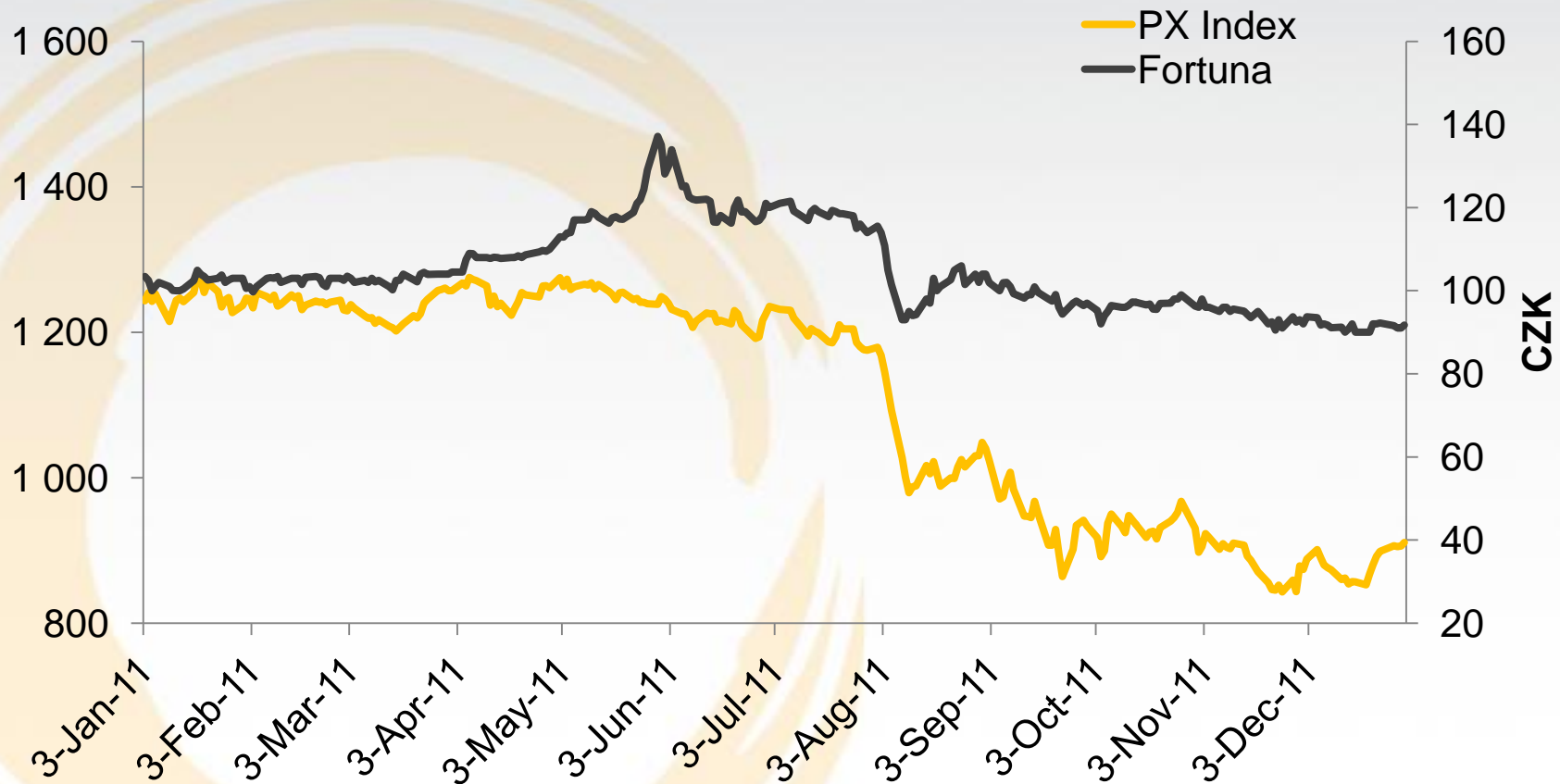
- ▶ Sports betting cost control
- ▶ High cash level generation to support investments and dividend pay out

Source: Calculated based on FEG consolidated financial results for 2011 and Company information. Conversion rates used for translation: average CNB and National Bank of Poland

■ Cash ■ Net Debt

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# Fortuna Share Price Development



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# Dividend Information

**Fortuna confirms general dividend policy to pay out 70 – 100% of the consolidated net profit**

- ▶ It represents EUR 0.18 – 0.26 per share in terms of 2011 consolidated net profit and 4.5 – 6.5% dividend yield (based on share price CZK 100)
- ▶ The management will propose a dividend to the Management Board and Supervisory Board in April 2012
- ▶ Final terms will be subject to the approval of the AGM in May 2012

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# 2012 – Driving Multi-Channel Market Leadership



# No. 1 player in on-line across CEE

## Focus on innovation driving recruitment, retention and reactivation

- ▶ Improved content, “look and feel“, functionality and navigation
- ▶ In-play betting and live streaming of sport events
- ▶ Mobile and tablet applications in progress
- ▶ Innovative marketing and affiliate program
- ▶ New CRM system
- ▶ Radio Fortuna and other extensive „added value“ customer benefits
- ▶ State of art trading liability management



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# Transforming access – wherever and whenever customers want to bet

## Retail

CZ 635  
SK 412  
PL 379

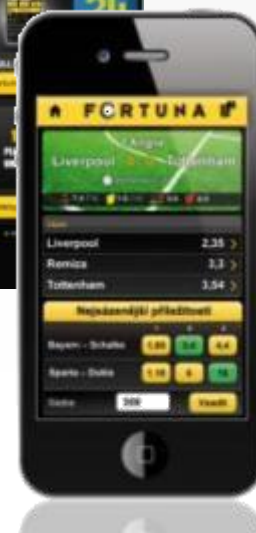


## On-line

ifortuna.cz (2009), ifortuna.sk  
(2007), efortuna.pl (2012)

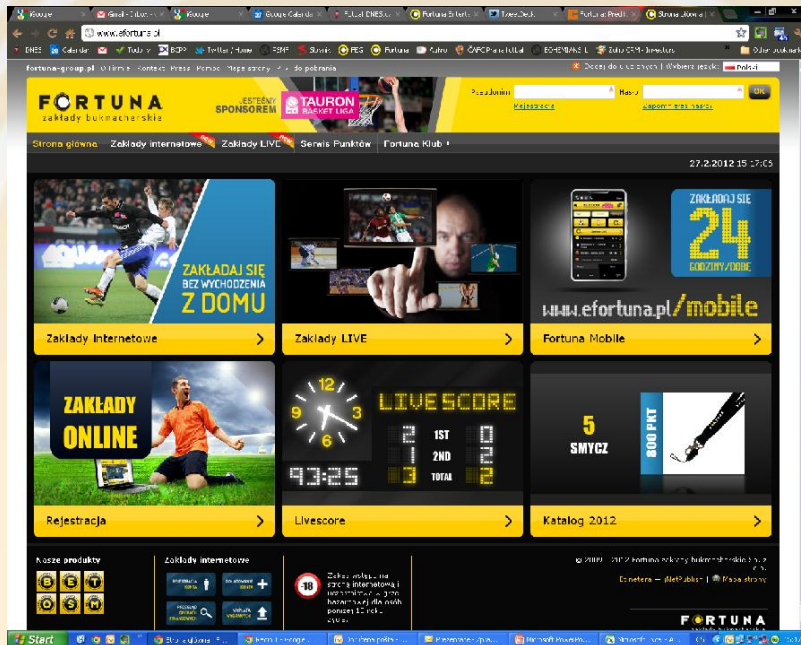


## On the Move



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# On-line is becoming the key profit driver spearheaded by in play “live” betting



- ▶ Interactive “in-play” betting will become the dominant on-line segment going forward
- ▶ Fortuna offers more live games through streaming and more betting opportunities per game
- ▶ Increased betting churn, driving volumes and customer loyalty
- ▶ Improving trading liability/ profit protection and proprietary algorithms for odds making
- ▶ Deals with Perform/Sportsman - leading edge content providers

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# Building on our retail strength

## Optimizing retail network

- ▶ Multichannel approach: retail network essential demand for online customers in CZ and PL
- ▶ Testing new higher spec retail units to improve customer service, increase footfall, dwell time and customer spend
- ▶ Proactive estate management
- ▶ Increased number of low cost partner outlets (sports bars)
- ▶ Tipsport PL – 80 new partner shops integrated
- ▶ Loterie Fortuna is delivering additional footfall/cross selling opportunities



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# Fortuna driving brand recognition through high profile sponsorship

## Main sponsorships

- ▶ Sparta Praha
- ▶ Slovak national football team
- ▶ Polish basketball
- ▶ FC Slovan Liberec



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# Reinforcing our No. 2 position in Czech lottery market

- ▶ Extending the distribution network to 2,800 by end 2012
- ▶ New marketing and PR strategy for 2012
- ▶ Fixed cost addapting to results
- ▶ Third lottery game in 1H 2012
- ▶ “Quick” game in 2H 2012
- ▶ Innovative scratch ticket product with on-line verification
- ▶ Break-even 1H 2013
- ▶ 20% market share in 1H 2014
- ▶ Sazka revival has grown the market back to its original size





# UEFA EURO 2012

## Unique market showcase opportunity

- ▶ Acquisition of new customers to on-line betting across the region
- ▶ Leverage “first to market” position in Polish on-line
- ▶ Capitalize on established Fortuna CEE internet expertise
- ▶ Football is the lead volume product for on-line customers across the region



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# Polish on-line – transforming market potential



- ▶ First licensed betting operator to launch on-line product in Poland
- ▶ Leveraging our experience in SK (2008) and CZ (2009) where we took market share rapidly
- ▶ 20,000 pre-registered Fortuna on-line users ahead of launch in January
- ▶ Trading volumes well ahead of target
- ▶ Opportunity to mitigate off-shore illegal operators, 12% tax and ban on advertising

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# 2011 Results Summary – Lottery on Plan

Loterie Fortuna gained app. 10 % market share in just six months from the launch.

- ▶ Total Amounts Staked EUR 9.9 million
- ▶ Total Gross Win EUR 5.1 million
- ▶ EBITDA EUR -6,7 million
- ▶ No. of Lottery terminals (end of 2011) 1,470

# Lottery in 2012 - Outlook

Developing from the start-up phase towards maturity:

- ▶ Expanding the distribution network by more than 1 000 new PoS
- ▶ New products launch in 1H 2012 supported by effective and innovative marketing strategies
- ▶ Deliver our market share targets for Loterie Fortuna



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# 2011 Results Summary – Robust Performance in Sports Betting

Sports Betting continued to growth despite the lack of major sport events in 2011.

- ▶ Amounts Staked EUR 399.5 million (YoY growth +3.6%)
- ▶ Total Gross Win from on-line EUR 29.5 million (+28.8%)
- ▶ EBITDA Sports Betting EUR 26.7 million (+6.3%)
- ▶ Net Profit Sports Betting EUR 20.3 milion (+17.0%)



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# Sports Betting in 2012 - Outlook

Building on record breaking 2011 performance:

- ▶ Transforming, investing and innovating the on-line offer
- ▶ Exploiting our established, trusted retail network
- ▶ Targeted marketing/ sponsorship investment to increase brand profile
- ▶ Ensure No. 1 market position for efortuna.pl
- ▶ Operating with social responsibility in regulated markets with political acceptance of sports betting as a social/leisure activity

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# IR Calendar & Contacts

Event	Date
FY 2011 Preliminary Results Annoucement	March 1, 2012
Annual Report 2011	April 12, 2012
Q1 2012 Interim Report	May 10, 2012
Half Year 2012 Report	August 29, 2012
Q3 2012 Interim Report	November 8, 2012

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