



Fortuna Entertainment Group NV

FY 2010 Preliminary Results Announcement

Analyst presentation

March 1, 2011



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Introduction

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Presentation team



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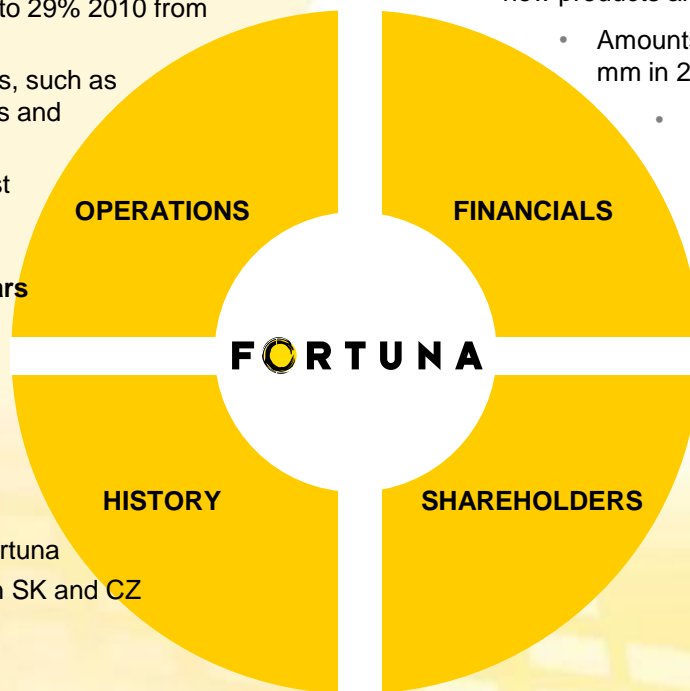
Leading sports betting company in Central Europe



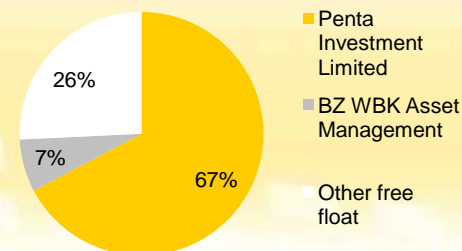
- The leading Central European bookmaker¹, with presence in the Czech Republic, Slovakia, Poland and Hungary
- No. 1 market player in Poland, no. 2 in Czech Republic and in Slovakia (market share in Poland up to 29% 2010 from 22% in 2007)
- Offers attractive and innovative products, such as sports betting, live betting, virtual games and numerical games
- Strong sports betting retailer with almost 1,400 shops, out of which 321 are partner shops
- **Distribution strategy based on 2 pillars - on-line and retail**

- 1990 – Fortuna CZ established
- 1991 – Fortuna SK established
- 1997 – Fortuna Poland established
- 2005 – CZ, SK and PL operations were acquired by Penta and rebranded to Fortuna
- Introduction of online betting services in SK and CZ in 2007 and 2009, respectively
- Continuous production innovation
- Several new projects started – Czech lottery, on-line betting in Poland, off-shore, mobile applications, stream., terminal (kiosk)
- **Oct 2010 – IPO of Fortuna, 33% stake sold by Penta**

- Strong revenue and profitability growth driven by market growth, improved risk management systems and focus on new products and distribution channels
- Amounts staked grew by 13.7% yoy to EUR 384,2 mm in 2010
- GW from betting up by 9.6 % in 2010 to EUR 92.8 mm, GW on-line jumped to EUR 22.9 mm by 35.5% yoy
- Dividend policy assuming 70%-100% payout



Shareholding Structure as of Dec 31, 2010



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Note: 1. Fortuna is the leading land-based bookmaker in terms of total amounts staked in Central Europe as at 31 December 2009

FY 2010 Financial Performance

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Financial Highlights – FY 2010

- **Solid performance - Fortuna has been growing in all key parameters**

- Amounts Staked – increase by 13.7% to EUR 384.2 mm
- Gross Win – increase by 9.6% to EUR 92.8 mm
- EBITDA – increase by 6.6% to EUR 25.1 mm
- Net Income – increase by 2.6% to EUR 17.4 mm

- **Growth both in on-line and off-line**

- Gross Win in on-line – increase by 35.5%
- Gross Win in off-line – increase by 3.1%

- **Further developing the betting shops network**

- About 100 new shops
- Increase mainly in Poland

- **Increased number of Fortuna Klub Plus loyalty program members**

- From 107,000 to more than 160,000 (up by 50%)

- **Progress in new projects – Czech lottery, on-line betting in Poland, off-shore**

- **Low debt, prudent financing, high dividend potential**



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Source: Calculated based on FEG consolidated unaudited financial results for 010 and Company information
FX rates used for translation: average ČNB FX 2010



Key Financials FY 2010

000'EUR	FY 2009	FY 2010	In %
Amounts Staked	337,876	384,172	13.7%
Gross win	84,694	92,815	9.6%
Revenue	74,624	81,195	8.8%
Governmental taxes and levies	(6,965)	(6,799)	(2.4%)
Personnel expenses	(23,499)	(25,576)	8.8%
Other operating income/ expense net	(20,624)	(23,737)	15.1%
EBITDA	23,536	25,083	6.6%
EBITDA margin	31.5%	30.9%	(0.6 pp)
Depreciation	(2,138)	(2,630)	23.0%
Operating profit	21,398	22,453	4.9%
Operating margin	28.7%	27.7%	(1.0 pp)
Finance costs net	(2,049)	(2,312)	12.8%
Income tax expense	(2,415)	(2,769)	14.7%
Net profit from cont. operations	16,934	17,372	2.6%
000'EUR	Dec 31st 2009	Dec 31st 2010	In %
Net Debt	17.7	3.8	(78.7%)
No. of Employees	2 693	2 644	(1,8%)

- Strong performance in volume of amounts staked drives increase in revenues
- Personnel cost increase – live betting bookmakers, enlarged group mng, launch of Maltese operations, acquisition of Fortuna SW
- Other opex increase (15.1%) – launch of Maltese operations, FIFA World Cup marketing, IPO related costs
- Finance costs increase resulting from debt refinancing (EUR 396 ths)
- Higher income tax expense due to higher taxable income in SK and PL
- Net debt equalled to EUR 3.8 mil. as of Dec 31, 2010
- No. of employees decreased moderately by 1.8% yoy

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Source: Calculated based on FEG consolidated unaudited financial results for 2010 and Company information
 FX rates used for translation: average ČNB FX 2010

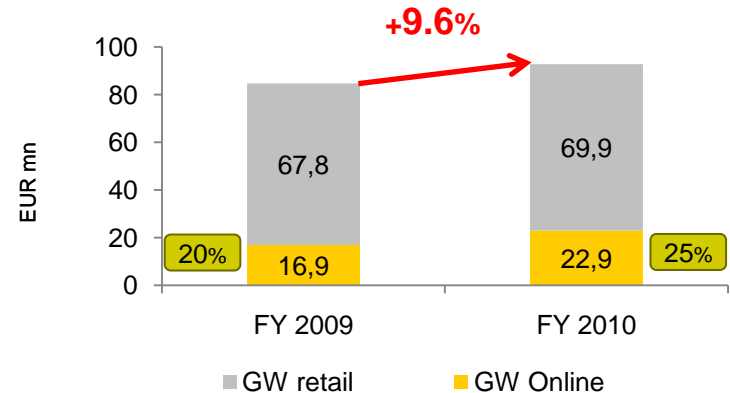


FY 2010 - Growing the market

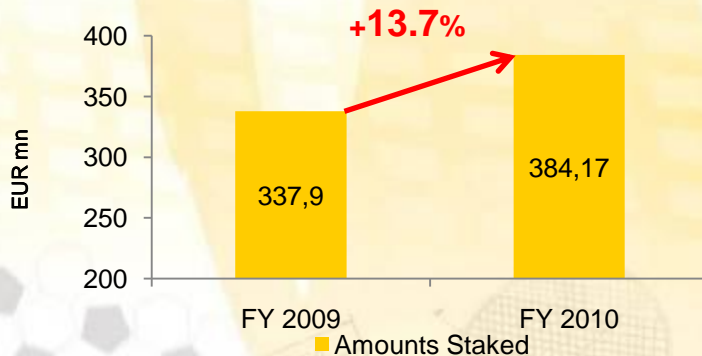
Share of online

- **Solid growth in amounts staked supported by robust growth in online**
 - Group amounts staked grew by **13.7% yoy** driven by:
 1. Strong upswing in online betting
 2. Extended product offer and range of bets
 3. Number of important sport events in 2010, such as the World Cup
- **2010 gross win at the Group level increased by 9.6% yoy**, predominantly due to **growth of online (35.5% yoy increase)**

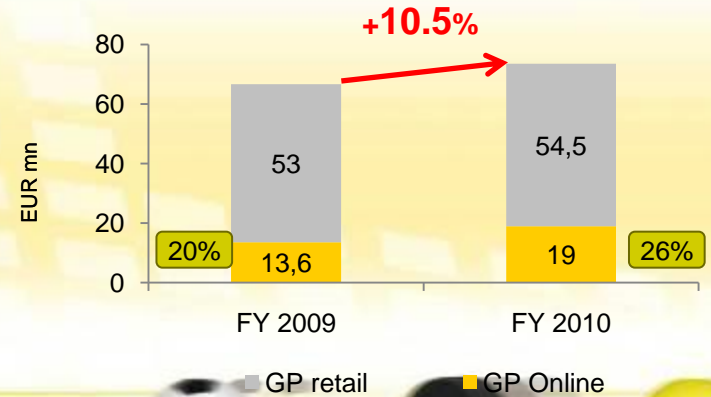
Gross win (by distribution channel)



Amounts staked



Gross profit (by distribution channel)



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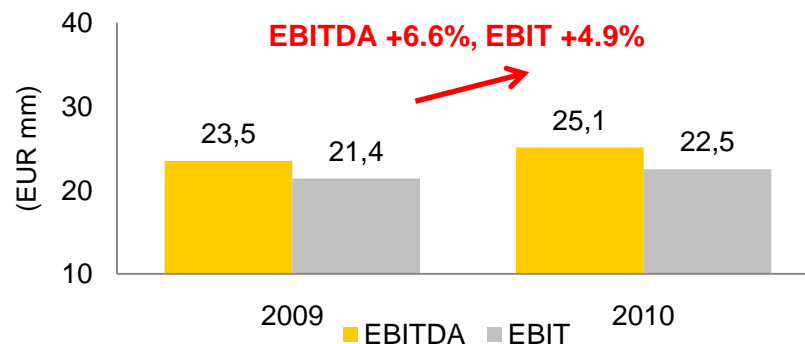
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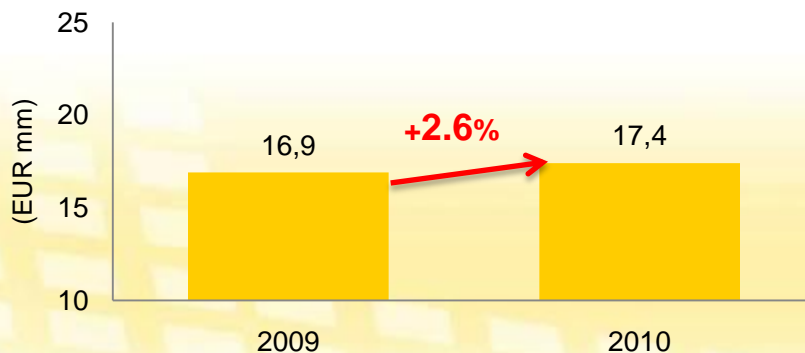
Profits and cash generation in 2010

- Solid top line profitability growth at the back of strong revenue generation and despite higher operating costs in 2010
- 2010 EBITDA up 6.6% yoy, 2010 EBIT up 4.9%. Higher depreciation costs due to reconstruction of the branch network and investments into on-line channel
- 2010 Net income up 2.6%, higher finance costs related to refinancing
- All results are presented excluding Croatian subsidiary sold back in March 2010 as management believes such exclusion gives true and fair picture of the Company as of now

EBITDA & EBIT



Net income



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Source: Calculated based on FEG consolidated unaudited financial results for 2010 and Company information
FX rates used for translation: average ČNB FX 2010



Fortuna`s Markets Overview

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Segmental Analysis

000' EUR	Czech Republic		Slovakia		Poland		Malta		Total	
	2010	in % yoy	2010	in % yoy	2010	in % yoy	2010	in % yoy	2010	in % yoy
Amounts Staked	205,293	22.2%	122,266	8.9%	55,348	(3.9%)	1,265	na	384,172	13.7%
- of which: Betts	196,189	23.7%	117,151	9.3%	48,705	(5.9%)	1,265	na	363,310	14.4%
- of which: Commissions	9,104	(4.0%)	5,115	0.9%	6,643	14.1%	0	na	20,862	2.4%
Gross Win from betting	42,840	4.6%	30,244	13.2%	19,667	15.5%	64	na	92,815	9.6%
- of which: on-line	12,555	53.4%	10,307	18.0%	0	na	64	na	22,926	35.5%
- of which: retail	30,285	(7.6%)	19,937	10.9%	19,667	15.5%	0	na	69,889	3.1%
Revenue	43,175	4.2%	24,568	15.1%	13,388	13.2%	64	na	81,195	8.8%
Gross profit from betting	36,041	6.0%	24,389	14.2%	13,024	16.2%	64	na	73,518	10.5%
- of which: on-line	10,831	65.0%	8,054	14.9%	0	na	64	na	18,949	39.6%
- of which: retail	25,210	(8.1%)	16,335	13.9%	13,024	16.2%	0	na	54,569	3.0%
<i>Gross profit margin in %</i>	<i>17.6%</i>	<i>(2.7 pp)</i>	<i>19.9%</i>	<i>0.9 pp</i>	<i>23.5%</i>	<i>4.1 pp</i>	<i>5.1%</i>	na	<i>19.1%</i>	<i>(0.6 pp)</i>

- **All countries show annual increase** in gross win, revenues and gross profit
- Rapid expansion of on-line betting primarily in the Czech Republic, retail distribution brings majority of income in absolute terms
- Slovak business growing proportionally across all distribution channel
- Poland generates highest margins in betting

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Source: based on Fortuna's audited IFRS financial statements for 2009, consolidated unaudited financial results for 2010 and Company data



Czech Republic – 2010 Development

- **Attractive growth market due to on-line betting**
 - Online betting liberalization fuelled further growth
 - 2 largest players – Fortuna and Tipsport and number of small players with single digit market share
- **Fortuna holds strong # 2 position with improving market share**
 - Continues to gain market share from the largest competitor
 - Fortuna generates better operating EBITDA margin and growing revenues than its competitors
- **Stable regulatory environment with upside from online**
 - Regulation of online betting brings a significant opportunity
 - New gambling law expected to be adopted in 2013
- **Anticipated development**
 - Focus on on-line betting
 - Czech lottery project to be launched in 2011
 - Development of small outlets network - „Fortunky“

Overview of key revenue lines

'000 EUR	2009	2010	in %
Total amounts staked:	168,050	205,293	22.2%
- of which: Bets	158,569	196,189	23.7%
- of which: Commissions	9,480	9,104	(4.0%)
Paid out prizes	(127,090)	(162,453)	27.8%
Gross win from betting	40,960	42,840	4.6%
- of which: online betting	8,183	12,555	53.4%
- of which: retail betting	32,777	30,285	(7.6%)
Withholding tax paid	0	0	na
Other revenues	489	335	(31.5%)
Revenue	41,449	43,175	4.2%
Taxation of earnings from betting	(6,965)	(6,799)	(2.4%)
Gross profit from betting	33,995	36,041	6.0%
- of which: online betting	6,564	10,831	65.0%
- of which: retail betting	27,431	25,210	(8.1%)
<i>Gross profit margin – betting</i>	<i>20.2%</i>	<i>17.6%</i>	<i>(2.7 pp)</i>

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Source: based on Fortuna's audited IFRS financial statements for 2009, consolidated unaudited financial results for 2010 and Company data

Slovakia – 2010 Development

- **Already consolidated market with attractive growth**
 - 2010 y-o-y growth in sales of 8.9%
 - Market consolidation largely completed
- **Strong no. 2 position with further growth potential**
 - Growing in line with the market
 - Further growth in market share through the continued focus on online distribution
- **Stable regulatory environment**
 - Most transparent one of the three Fortuna´s markets
- **Anticipated development**
 - Expansion of on-line betting
 - Development of small outlets network - „Fortunky“
 - Stepping into e-games

Overview of key revenue lines

EUR '000	2009	2010	in %
Total amounts staked:	112,234	122,266	8.9%
- of which: Bets	107,163	117,151	9.3%
- of which: Commissions	5,071	5,115	0.9%
Paid out prizes	(85,525)	(92,022)	7.6%
Gross win from betting	26,709	30,244	13.2%
- of which: online betting	8,733	10,307	18.0%
- of which: retail betting	17,976	19,937	10.9%
Withholding tax paid	(5,359)	(5,855)	9.3%
Other revenues	0	179	na
Revenue	21,350	24,568	15.1%
Taxation of earnings from betting	0	0	na
Gross profit from betting	21,350	24,389	14.2%
- of which: online betting	7,012	8,054	14.9%
- of which: retail betting	14,338	16,335	13.9%
Gross profit margin – betting	19%	19.9%	0.9 pp



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Source: based on Fortuna's audited IFRS financial statements for 2009, consolidated unaudited financial results for 2010 and Company data

Poland – 2010 Development

- **Strong position with perspective for further growth**
 - 6 players with betting licenses, 3 of material scale
 - Fortuna sees growth opportunity in opening new shops – partner format
- **No. 1 market position achieved in 2010**
 - Two major international competitors (Totolotek, partially owned by Intralot, and STS, partially owned by Stanleybet)
- **Regulatory environment**
 - Betting legislation is very strict; advertising on betting is not allowed, sponsorship is possible
 - New taxation implemented in 2010 impacted the recorded amounts staked in 2010
- **Anticipated Development**
 - Launch of on-line betting in 2011
 - Development of small outlets network - „Fortunky“

Overview of key revenue lines

(EUR '000)	2009	2010	in %
Total amounts staked:	57,592	55,348	(3.9%)
- of which: Bets	51,770	48,705	(5.9%)
- of which: Commissions	5,822	6,643	14.1%
Paid out prizes	(40,567)	(35,681)	(12.0%)
Gross win from betting	17,025	19,667	15.5%
- of which: online betting	0	0	na
- of which: retail betting	17,025	19,667	15.5%
Withholding tax paid	(5,821)	(6,643)	14.1%
Other revenues	621	364	(41.4%)
Revenue	11,825	13,388	13.2%
Taxation of earnings from betting	0	0	na
Gross profit from betting	11,204	13,024	16.2%
- of which: online betting	0	0	na
- of which: retail betting	11,204	13,024	16.2%
Gross profit margin – betting	19.5%	23.5%	4.1 pp

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Source: based on Fortuna's audited IFRS financial statements for 2009, consolidated unaudited financial results for 2010 and Company data

Distribution channels

Shops – stability and support

- 1,393 betting POS (as of Dec 31st 2010) – incl. partner shops
- Strategy – to grow & optimize number of shops by focusing on efficiency (both own and partner shops)
- in each country there is a defined revenue level above which is more profitable to have own shop
- Vision – to have a backbone network of own shops in bigger cities accompanied by Partner shops (or kiosks)
- Poland – 8 Fortunka´s by end 2010

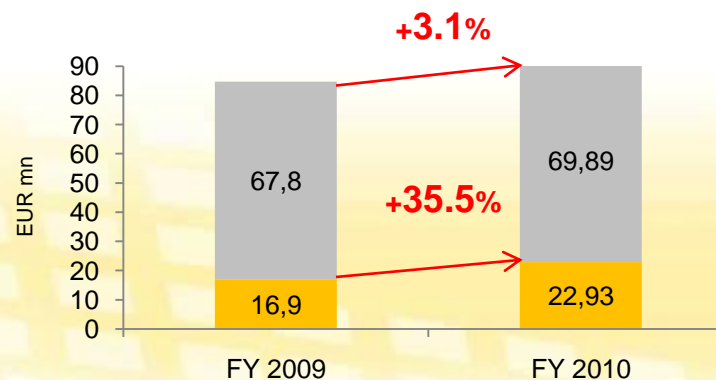
Online – fast growth

- **Driver of the current growth of Fortuna**
- Fortuna operates betting sites in Slovakia, Czech Republic and Malta
- Growth of number of registered Fortuna Klub Plus members by 50% to more than 160 000 at the end of 2010
- Online expansion provides further significant growth given expected changes in the Polish legislation

No. of Shops - 2010

Country	Total no. of shops	Own	Partner
Czech Republic	607	419	188
Slovakia	392	259	133
Poland	394	394	0

Gross Win Off-line & On-Line



Dividend Policy

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Dividend Policy 2011

Dividend Policy

- Fortuna announced dividend policy of 70% - 100% of net profit achieved in 2010
- In absolute terms: EUR 12.2 – 17.4 million or EUR 0.23 – 0.34 per share

Next Steps

- Management of Fortuna will propose a dividend pay-out to the Management Board and the Supervisory Board at the end of March 2011
- Dividend distribution is subject to approval of the AGM which will take place in May 2011
- Dividend payment anticipated in June/ July 2011



Strategy and 2011 Outlook

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Strategy Overview

Focus on on-line betting/ Poland

- Leveraging its heritage brand and retail network to develop leading position online
- Poland
- FortunaWin targeting new geographies from Malta
- Strategic partnerships with local operators



Lottery business project in the Czech Republic

- Own lottery project in progress
- Aim to grow the market
- Management team in place
- Market deregulated from state monopoly



Organic growth to grow market share

- Continuous improvement of retail network
- CRM
- Partnerships



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Czech Republic: Lottery – update

Achieved	Next steps
Lottery License <ul style="list-style-type: none">• Since 7/2010, the only player in the market except incumbent Sazka• Permit proceedings initiated for individual game types	Project launch expected in H1 2011 <ul style="list-style-type: none">• Phase 1 – pilot project focused on instant games (supplier Scientific Games): H1/2011• Phase 2 – H2/2011 launch of numerical lottery products
Strong Partnerships <ul style="list-style-type: none">• Intralot (leading lottery software and hardware provider with broad experience and know-how from 50 markets) - contract signed in September• Additional highly experienced suppliers onboard (Scientific Games – global leader in instant products)	Retail Network to be developed <ul style="list-style-type: none">• Fortuna betting shops: ca. 600 in Czech R.• Traditional lottery retail outlets: tobacconists, convenience stores, food & mix, petrol stations• Non-traditional lottery retail outlets: HoReCa, direct sales, alternative distribution channels
Funding and support of stakeholders <ul style="list-style-type: none">• IPO funding• Full commitment of stakeholders	Energize the Market <ul style="list-style-type: none">• Capitalize on our know how and our partners' expertise• Start growth especially in underdeveloped segments• Widen the appeal of lottery products to new consumers (potentials)
Management team <ul style="list-style-type: none">• Strong management team; New CEO, COO, Marketing Director, Head of Research and Insights• Heavy recruitment in place	Communication Approach <ul style="list-style-type: none">• Selection of creative and media agencies• Finalize the communication approach

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Czech Republic: Lottery – 2011 Milestones

- + 1 Half 2011: Introduction of the scratch tickets to the market
- + 2 Half 2011: Launch of the numerical lottery to the Czech market



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On-line betting in Poland –Update

Key Assumptions:

- 38 million of population - 3.5 x the size of the Czech market
- Average betting spend per capita EUR 20-30 per month
- Key competitors in online are all offshore = Bwin, Sportingbet, Expekt, Bet 365

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 annum

Competitive advantage/ disadvantage of Fortuna:

- + Recognized brand of Fortuna – communicate market leadership
- + Local license >> legal marketing (sponsorship)
- + Retail business (50% of online deposits come from retail network in CZ and SK) - registration of players in shops required
- + Online business experience vs. other local peers
- Taxation: current 12% taxation limits the growth

Latest Developments

- Amendment to the law queging in the Polish parliament

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Summary

Solid growth in all parameters in 2010

Attractive dividend payment in 2011

Fortuna potential for 2011:

- + Lottery project in the Czech Republic
- + On-line betting regulation in Poland – more profits in Poland
- + Optimizing the retail business
- + Online business further upswing
- + Utilizing synergies between on-line/off-line
- + FortunaWin development

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Q & A



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Appendix: 2011 IR Calendar

Event	Date
Annual Report 2010 (full consolidated audited financial statements)	April 12th, 2011
Interim Management Statement (Q1)	May 5th, 2011
Half Year Report 2011	August 25th, 2011
Interim Management Statement (Q3)	November 3rd, 2011

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