



Fortuna Entertainment Group NV

Analyst Presentation Q1 2011

May 5, 2011

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Q1 2011 Financial Performance

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Financial Highlights – Q1 2011

- **Oustanding growth in all key parameters**
 - Amounts Staked – increase by 16.5% to EUR 114.2 mm
 - Gross Win – increase by 19.5% to EUR 26.5 mm
 - EBITDA – increase by 43.9% to EUR 8.4 mm
- **Growth both in on-line and off-line**
 - Gross Win in on-line – increase by 54.4%
 - Gross Win in off-line – increase by 8.5%
- **Further developing the betting shops network**
- **Acceleration of Czech lottery project due to current market development**
- **Law amendment in Poland in progress**
 - New law likely to come into force before end 2011
- **Dividned policy: High dividend pay – out**
 - 90% of the 2010 net group profit from continuing operations of EUR 0.30 per share proposed to the upcoming AGM



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Source: Calculated based on FEG consolidated unaudited financial results for Q1 2011 and Company information
FX rates used for translation: average ČNB FX rates

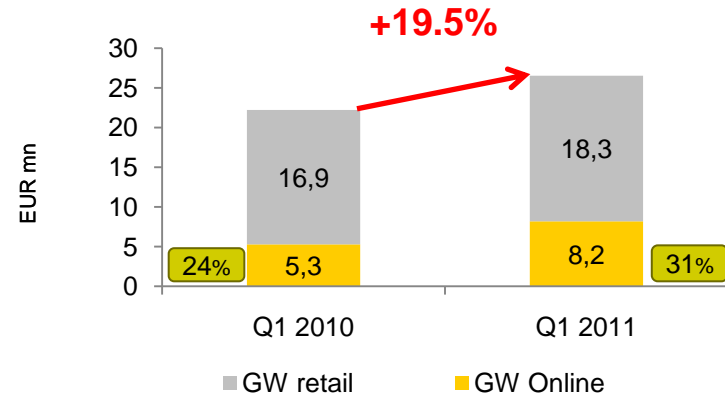


Q1 2011- The Growth Story continues

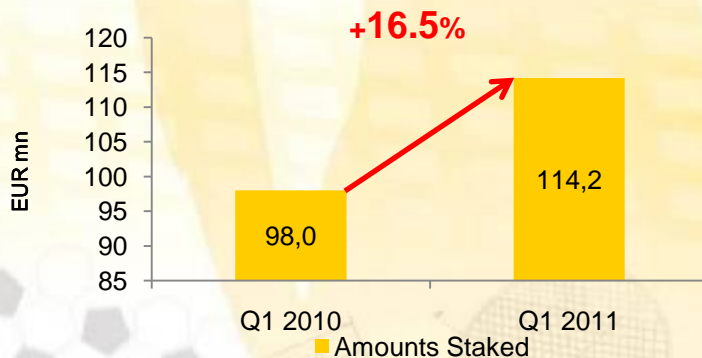
Share of online

- **Solid growth in amounts staked supported by robust growth in online**
 - Group amounts staked grew by **16.5% yoy** driven by:
 1. Strong upswing in online betting, retention of retail betting
 2. Betting results in favour of Fortuna
 3. All markets strong
- **Q1 2011 gross win at the Group level increased by 19.5% yoy**, predominantly due to **growth of online (54.4% yoy increase)**
- **High EBITDA growth by 44% yoy** due to excellent operating results and lower retail costs

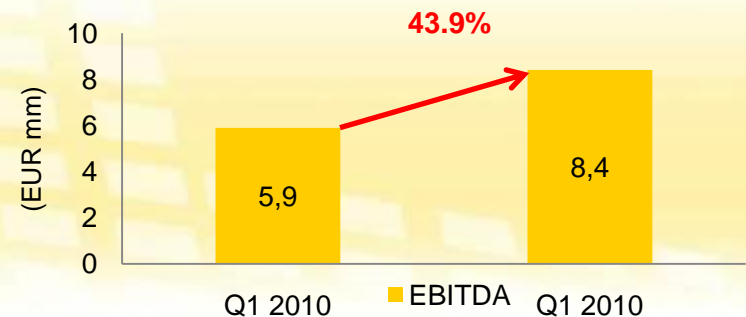
Gross win (by distribution channel)



Amounts staked



EBITDA



Source: Calculated based on FEG consolidated unaudited financial results for Q1 2011 and Company information
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Segmental Analysis

In mm EUR	Czech Republic		Slovakia		Poland		Malta	
	Q1 2011	<i>in % yoy</i>	Q1 2011	<i>in % yoy</i>	Q1 2011	<i>in % yoy</i>	Q1 2011	<i>in % yoy</i>
Amounts Staked	60.8	21.3	39.2	21.3	13.6	(12.9)	0.6	<i>na</i>
- of which: Bets	58.3	22.2	37.6	21.3	12.0	(12.9)	0.6	<i>na</i>
- of which: Commissions	2.5	4.6	1.6	22.5	1.6	(13.2)	0	<i>na</i>
Gross Win from betting	11.8	18.5	9.3	25.9	5.4	10.9	0.5	<i>na</i>
- of which: on-line	4.4	55.9	3.7	51.1	0	<i>na</i>	0.04	<i>na</i>
- of which: retail	7.4	3.7	5.6	13.1	5.4	10.9	0	<i>na</i>

- **All countries show annual increase** in gross win, revenues and gross profit
- Rapid expansion of on-line betting primarily in the Czech Republic and Slovakia, retail distribution brings majority of income in absolute terms and growing moderately
- Poland generates highest margins in betting, amounts staked impacted by high withholding tax of 12%

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 FX rates used for translation: average ČNB FX rates



Dividend Announcement

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Dividend Policy 2011

- The Management Board decided that it will propose AGM dividend pay-out of EUR 0.30 per share
- In absolute terms: EUR 15.6 million
- Proposed dividend represents approximately 90% of the 2010 net group profit from continuing operations
- Dividend distribution is subject to approval of the AGM which will take place on 25 May 2011
- Dividend payment anticipated in June 2011



Strategy and 2011 Outlook Update

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Strategy Overview

Focus on on-line betting/ Poland

- Leveraging its heritage brand and retail network to develop leading position in online
- New law amendment in Poland in progress and likely to come into force by the end of 2011



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

In progress	Next steps
Instant Games Pilot Launch <ul style="list-style-type: none">• Pilot launch of 3 instant games (scratch cards) on track – launching mid-May in up to 1,000 PoS• Overwhelmingly positive reaction from the retail universe• Expected fast sell-out; contingency plan in place	Retail Network Expansion <ul style="list-style-type: none">• Accelerated retail network expansion• Own field force to deal with independent trade• Prioritization of best locations in order to maximise planned advertising campaigns
Numerical Games Launch Plan <ul style="list-style-type: none">• Launch accelerated by 3 months to take advantage of the current market (Sazka sales down by 75%)• First game to be launched in record time in mid-July: Lotto-style weekly game with high jackpot to compete directly against Sportka• Mid-July will be soft launch with, 1000 PoS. 100 to 300 terminals to be added monthly.	Lottery Marketing and Communication <ul style="list-style-type: none">• Advertising agency selected - Kaspen (most creative agency several years in a row)• Detailed marketing plan development underway• Negotiations with TV stations to publicize lottery draws• Creation of state-of-the art PoS materials• Key themes: more relevant, more fun, more transparent, more easy, more winners
Mobile Top-Up <ul style="list-style-type: none">• Mobile phone top-up will be available for soft launch in mid-July with all three operators• Major footfall driver for PoS (25% of total Czech population)	Instant Games Post-Pilot Development <ul style="list-style-type: none">• Fortuna believes instant segments represents substantial underutilized potential in the Czech market• Two year post-pilot plan will incorporate key learnings• Leverage partnership with Scientific Games, market leader
Retail Network Development <ul style="list-style-type: none">• Intense negotiations with retailers – both organised and independent trade. Key retailers agreed.• Exclusive offer for top 1,000 PoS being communicated individually to ensure best placement of terminals	

Czech Republic: Lottery – Latest Development

- In light of market developments, Fortuna is accelerating the launch of its lottery
- Instant games will launch in May, with a non-terminal pilot rollout to not more than 1,000 PoS
- Numerical lottery games (Fortuna Lotto) will launch in July with one weekly jackpot-based Lotto game against Sportka
- Fortuna Lotto has significantly more winners than Sportka, fulfilling a quant research-determined market gap
- Fortuna Lotto will launch on 1,000 online terminals with mobile top-up. Demand for these terminals far exceeds supply
- An additional approx. 100 – 300 small and large terminals will be shipped monthly thereafter
- By YE 2011 approx. 3,000 terminals will be placed at prime PoS
- No significant changes in 2011 as capital expenditures and the majority of OPEX will be sales-driven



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Summary Q1 2011

Outstanding growth across all markets and segments

Attractive dividend payment in 2011 to be approved

Fortuna potential for 2011:

- + Lottery project in the Czech Republic - accelerated
- + On-line betting regulation in Poland – new law passed
- + Optimizing the retail business
- + Online business further upswing
- + Utilizing synergies between on-line/off-line

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Appendix: 2011 IR Calendar

Event	Date
AGM	May 25th, 2011
Half Year Report 2011	August 25th, 2011
Interim Management Statement (Q3)	November 3rd, 2011

Investor Relations Contacts	
Vladan Crha	Klára Klímová
Marketing & Communication Director	IR Consultant
e-mail: crha.vladan@ifortuna.cz	e-mail: klara.klimova@fortunaeg.nl

