

NTN Buzztime, Inc.

Investor Presentation

May 2012



Safe Harbor Statement

This presentation may include statements that may constitute “forward-looking statements,” including estimates of future business prospects or financial results and statements containing the words “believe,” “expect,” or similar expressions. Any forward-looking statements herein are made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. Please refer to a discussion of these factors and others in the Company's most recent Annual Report on Form 10-K and in its Quarterly Reports on Form 10-Q and other reports and documents subsequently filed with the Securities and Exchange Commission

Buzztime:

Entertainment and Marketing Solutions



Buzztime Is The Leading Bar and Restaurant Social Entertainment & Marketing Platform



- Over 3,900 chain and independent bars and restaurants offer Buzztime
- 2.4 million registered players
- 50 million games played each year
- Over 16 million hours of annual gameplay
- Publicly traded and in business since 1985



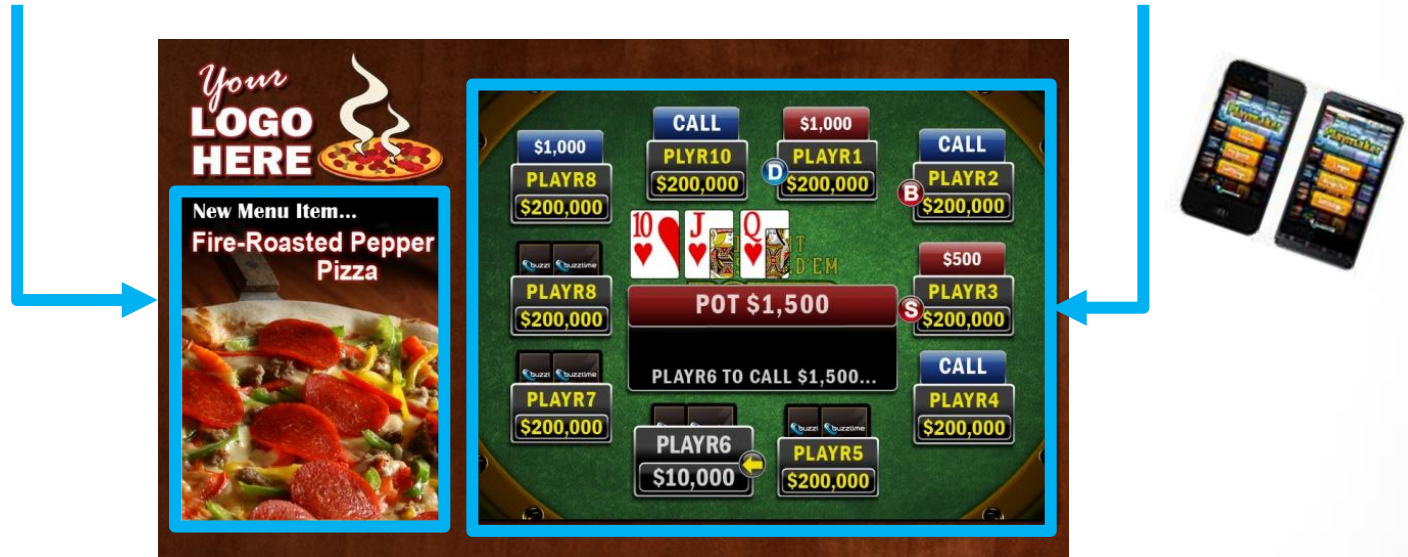
Buzztime Provides Combined Entertainment, Advertising and Marketing Solutions

Digital Advertising

- Effective, efficient promotions
- 2 places for static and animated messages
- Potential revenue source

Interactive Entertainment

- Increase frequency, dwell time, and spend
- Over 40 Trivia, Cards, Sports Games – 15 hours/day
- Live, Hosted Trivia events
- Play via traditional Playmaker, Android or iPhone



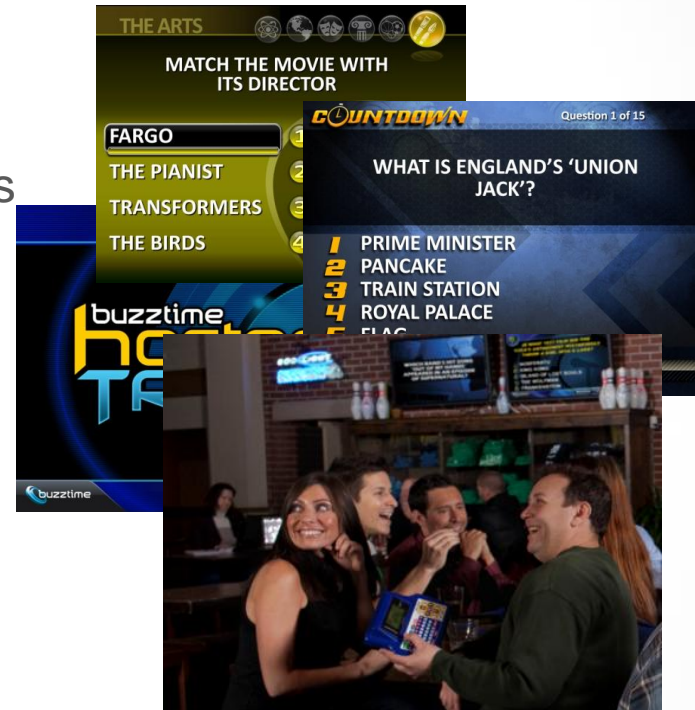
Consumer Marketing

- Keep connected to guests
- Poll players
- Social media



Buzztime Entertainment Keeps Customers Staying Longer and Spending More

- Free, competitive, interactive games displayed on TVs
- Consumers interact directly with the games
 - Buzztime-provided game device
 - iPhone or Android
- Individual and team competitions
 - Local
 - Regional
 - National
- Schedule Competitions and Live Trivia Events with Hosted Trivia



"We've had 15-20 new players in the past couple of weeks; people coming in specifically just to play Buzztime. Never had that kind of influx before."

-Brian Reich, Jilly's Ellicott City

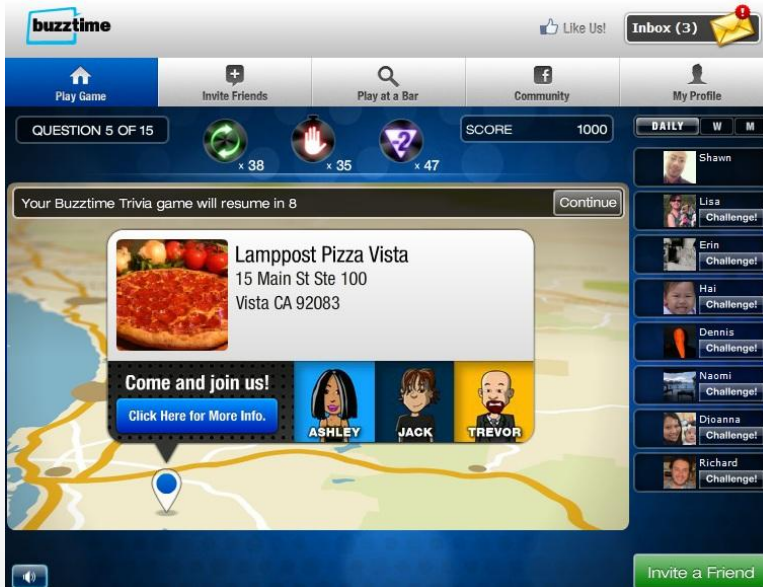
Traveling Trophy: Regional Promotion Drives Visits & Guest Frequency

- Over 1,100 bars compete in first quarterly promotion of 2012 (April)
 - 60 minute game airing Tuesdays 7 PM PT/CT and 8 PM ET/MT
 - April, June, September & December
 - 48 regional Leagues compete for trophies and prizing against other local bars
- Upgraded popular promotion: new look, compelling prizing, increased participants and more ways to win
- Added Most Participation prizing component to Traveling Trophy to drive visits and improve frequency



Facebook Game Driving Awareness, Growing Network Value

- As of 3/31/2012:
 - Nearly 300,000 people have installed our Facebook application with thousands of people actively playing monthly a year after launch
 - Nearly 30,000 “likes,” of the game
- Geo-location based advertising to Facebook users drives awareness of network bars and restaurants
- 1,600 Facebook players have converted to Buzztime network players



Advertising Space For Bars and Restaurants to Use or Resell to Local Businesses

- Quickly and easily communicate to customers
 - Reduce printing costs
 - Eliminate POP and waste
 - Increase sales of high margin items
- Space for promoting:
 - Menu items and special offers
 - Events
 - Charity / community support
- Generate additional revenue by selling ad space to local businesses
 - Some customers sell enough ads to local businesses to pay for their Buzztime service

“Using Buzztime’s Digital Signage to promote 10 other businesses generates additional revenue for Hooters every month! With this bonus amount, we can pay for Buzztime with money to spare.”

-Hooters of High Point, North Carolina



Patrons Can Be Reached with Buzztime Consumer Marketing

- Buzztime connects with consumers outside of the bars and restaurants
 - Email Players
 - Facebook and Twitter Announcements
 - Research and Polling on Buzztime game screens and online
- Increase repeat visits and deepen customer relations

facebook

Search

buzztime

TRIVIA

Buzztime Trivia Games

Games/Toys · Carlsbad, California

Wall

Share: Post Photo Link

Write something...

Wall

Info

Friend Activity

twitter

Search

Home Profile Message

buzztime

NTN Buzztime, Inc.

@Buzztime Carlsbad, CA

Play interactive Trivia, Sports & Card games at your favorite Buzztime restaurants or bars across US & Canada! Follow us for fun daily trivia right here!
<http://www.buzztime.com/>

Following

OCTOBER 28, 2010

NEWS AND UPDATES

Share

Tweets Favorites Following Followers Lists

Buzztime NTN Buzztime, Inc.
@rmoneal Post your score to Twitter for a chance to win movie passes! Have Fun!
16 hours ago

Buzztime NTN Buzztime, Inc.
The Allman Brothers lost Duane Allman and Berry Oakley to motorcycle accidents. @vamosdavid @rkr goat got it right again!
#Buzztime
16 hours ago

Buzztime NTN Buzztime, Inc.
#Top10favouritebands #Trivia: Which Georgia based Jam band lost their lead guitarist and bassist to motorcycle accidents?
#Buzztime
16 hours ago

buzztime

TrendaLicious

Food Glorious Food

Fridays in November
10pm ET/ 7pm PT

It's All About Th

Celebrate food with Tren Fridays in Nov. at 10pm could enjoy a \$500 or \$ Williams-Sonoma just

Share: f in

“We get groups of players that hear about our Trivia King and they usually bring friends in to beat him.”

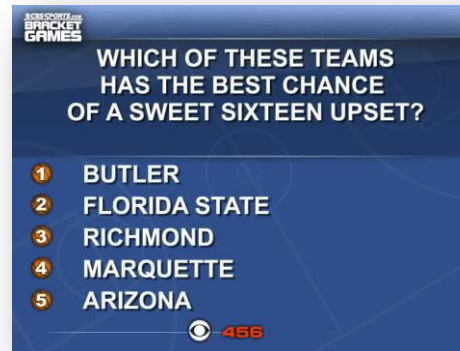
- Tara Whelan, The Shannon, New Jersey

Example: Buzztime Integrated Entertainment & Marketing Solutions

- CBSSports.com & NCAA® March Madness®

- CBSSports.com utilizes Buzztime Shorts to promote their Bracket Games

- Custom mini-trivia and -polls engage Buzztime players with relevant tournament topics & questions
- These interactive ads air daily during programming breaks

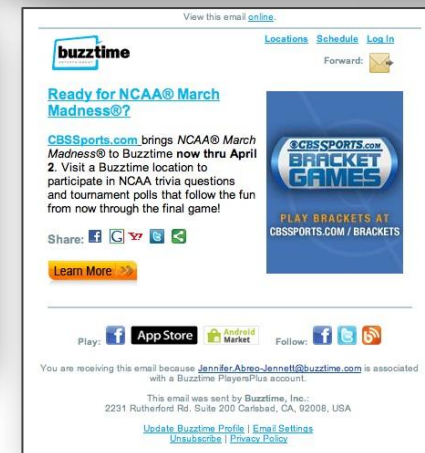


- CBSSports.com ads promote CBS coverage of NCAA® March Madness®



- Player messaging connects with players outside of Buzztime locations

- Custom messages to active sports trivia players
- Drive players to CBSSports.com's Bracket Games and into Buzztime locations

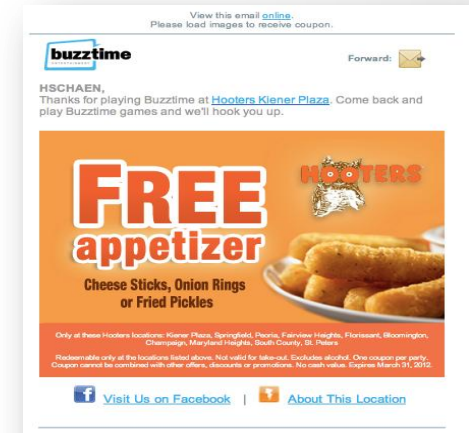


Buzztime Patron Messaging: Reaching Players on our Customers' Behalf

- Buzztime Patron Messaging provides our customers an automated way to email their guests
 - Behavior based triggered message campaigns:
 - Uses Buzztime player data to determine when to send specific messages and special offers
 - A wide variety of triggers available... including date played, location played, games played, registration date
 - End to end reporting provides key insights for our customers:

→ **Send** → **Open** → **Clicks** → **Return to venue**

A unique closed loop marketing tool that delivers proven ROI for Buzztime's customers



Stump! Trivia

A Different Type of Trivia

With nearly 300 events across 20 states and several private events each week, Stump! Trivia provides entertainment 7 nights a week and is a perfect complement to Buzztime's in venue games.

Stump! Trivia has become part of the Buzztime lineup and offers two distinct games for different types of venues and players:

Stump Trivia quiz

- Traditional trivia questions delivered by a professional Trivia Host
- Unique point wagering format

Questionnairey

- Survey questions delivered by a professional Entertainment Host
- Survey questions create a game where there are multiple correct answers and the point wagering system ensures active competition and levels the playing field

The logo for Stump! trivia quiz features the word "Stump!" in a large, bold, orange font with a white outline and a trademark symbol. Below it, the words "trivia quiz" are written in a smaller, black, sans-serif font.

"Stump! Has been incredibly profitable for us every Tuesday for the last 10 years."

-Joe F., Green Briar - Boston

Buzztime:

Research Proves the Value

Buzztime Value Proposition

86%

of restaurant visitors notice the Buzztime screens

54%

of restaurant visitors report that at least one person in the party played Buzztime during visit

46%

of restaurant visitors reported that one or more in their party played Buzztime during visit

81%

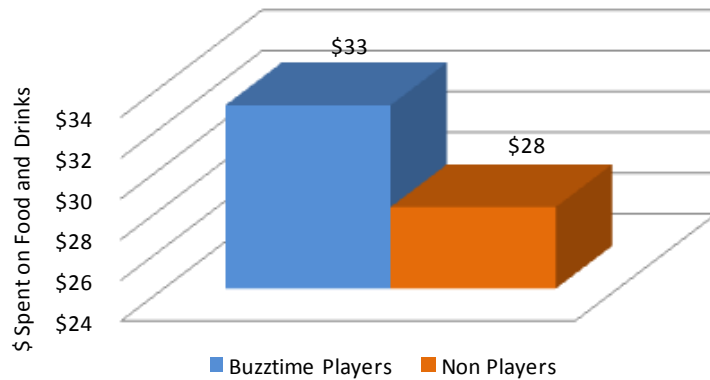
of Buzztime audience is in the highly desirable 21-49 age group demographic

64%

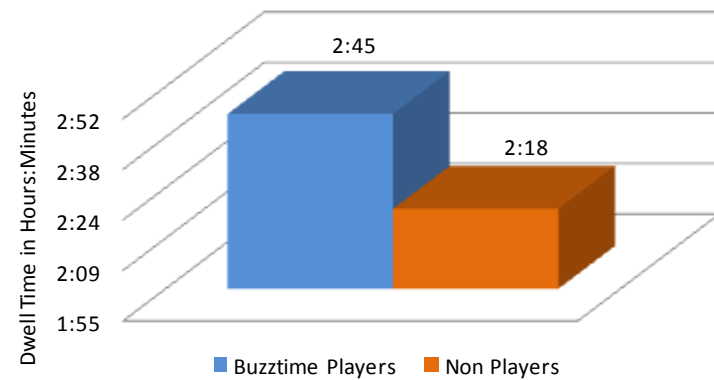
of Buzztime audience is male and 36% female, with an average annual income of more than \$68,000

Buzztime Player Research

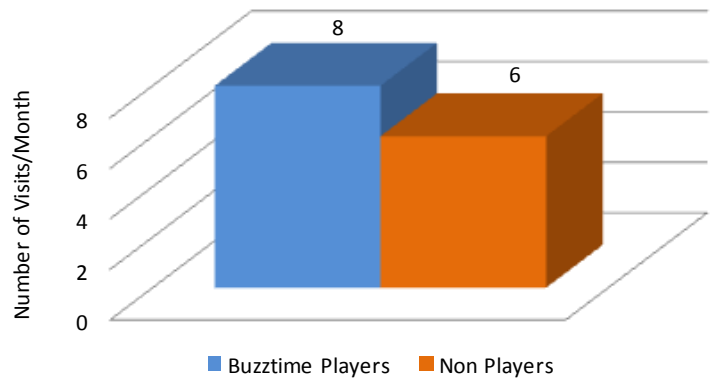
Buzztime Players Spend \$5 More/Visit, On Average



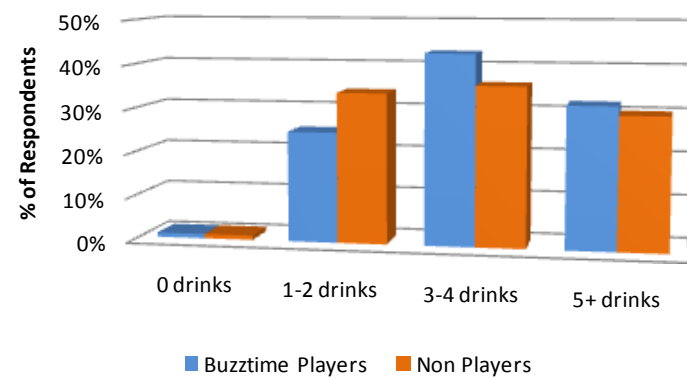
Buzztime Players Stay, On Average, 27 Minutes Longer



Buzztime Players Visit 2 Days More/Month, On Average



75% of Buzztime Players Plan to Have 3+ Drinks Per Visit



Buzztime:

Business Position and Growth Strategy

- Positive ROI, traffic-building tool for over 3,900 subscribing bars and restaurants across North America
- Strong Financial Model
 - Recurring revenue with high “lifetime value” for each site
 - High gross margin
 - Rapid payback
 - Operating leverage
- Two Primary Business Objectives
 - Create compelling, addictive and contagious game experiences for players and users
 - Translating those player experiences into real value for our subscribing locations
- Key Measures of Success
 - Player visits and play duration increase
 - Customer retention improves
 - Average revenue per unit (ARPU) increases



1. Grow the Subscriber Network

- Improve the entertainment and marketing value of our content
- Expand sales and account management teams and capabilities
- Continue to focus on national accounts
- Launch the next generation in-venue device

2. Launch a Suite of Consumer Marketing Services

- Create definitive ROI for our customers

3. Improve the In-Venue Experience

- Increase Hosted Trivia Penetration
- Leverage recently acquired Stump! Trivia

4. Grow Advertising and Sponsorship Revenues

- Expand interactive advertising with targeting, analytics and segmentation capabilities

5. Expand our Brand Reach and Player Base

- Integrate mobile and online products to create relevance for our in-venue locations



Buzztime:

Historical Financial Performance

Year-Over-Year Financial Overview

(in thousands)	FY 2011	FY 2010	FY 2009
Revenue	\$23,870	\$25,309	\$25,814
Gross Margin	18,063	19,246	19,354
Gross Margin %	76%	76%	75%
Operating expenses	21,339	19,571	20,950
Operating income loss	\$(3,276)	\$(325)	\$(1,596)
EBITDA	\$53	\$2,943	\$1,781

Quarter-Over-Quarter Financial Overview

(in thousands)	Q1 2012	Q1 2012
Revenue	\$6,066	\$6,001
Gross Margin	4,449	4,477
Gross Margin %	73%	75%
Operating expenses	5,446	4,997
Operating loss	\$(997)	\$(520)
EBITDA	\$(293)	\$281

Quarterly Financial Overview

Three Months Ended								
(in thousands)	Mar 31, 2012	Dec 31, 2011	Sept 30, 2011	June 30, 2011	Mar 31, 2011	Dec 31, 2010	Sept 30, 2010	June 30, 2010
Revenue	\$6,066	\$6,104	\$5,872	\$5,893	\$6,001	\$6,342	\$6,505	\$6,191
Gross Margin	4,449	4,541	4,560	4,485	4,477	4,868	4,983	4,664
Gross Margin %	73%	74%	78%	76%	75%	77%	77%	75%
Operating expenses	5,446	5,449	5,355	5,538	4,997	4,582	4,828	5,071
Operating (loss) income	\$(997)	\$(908)	\$(795)	\$(1,053)	\$(520)	\$286	\$155	\$(407)
EBITDA	\$(293)	\$36	\$(67)	\$(197)	\$281	\$1,142	\$970	\$377

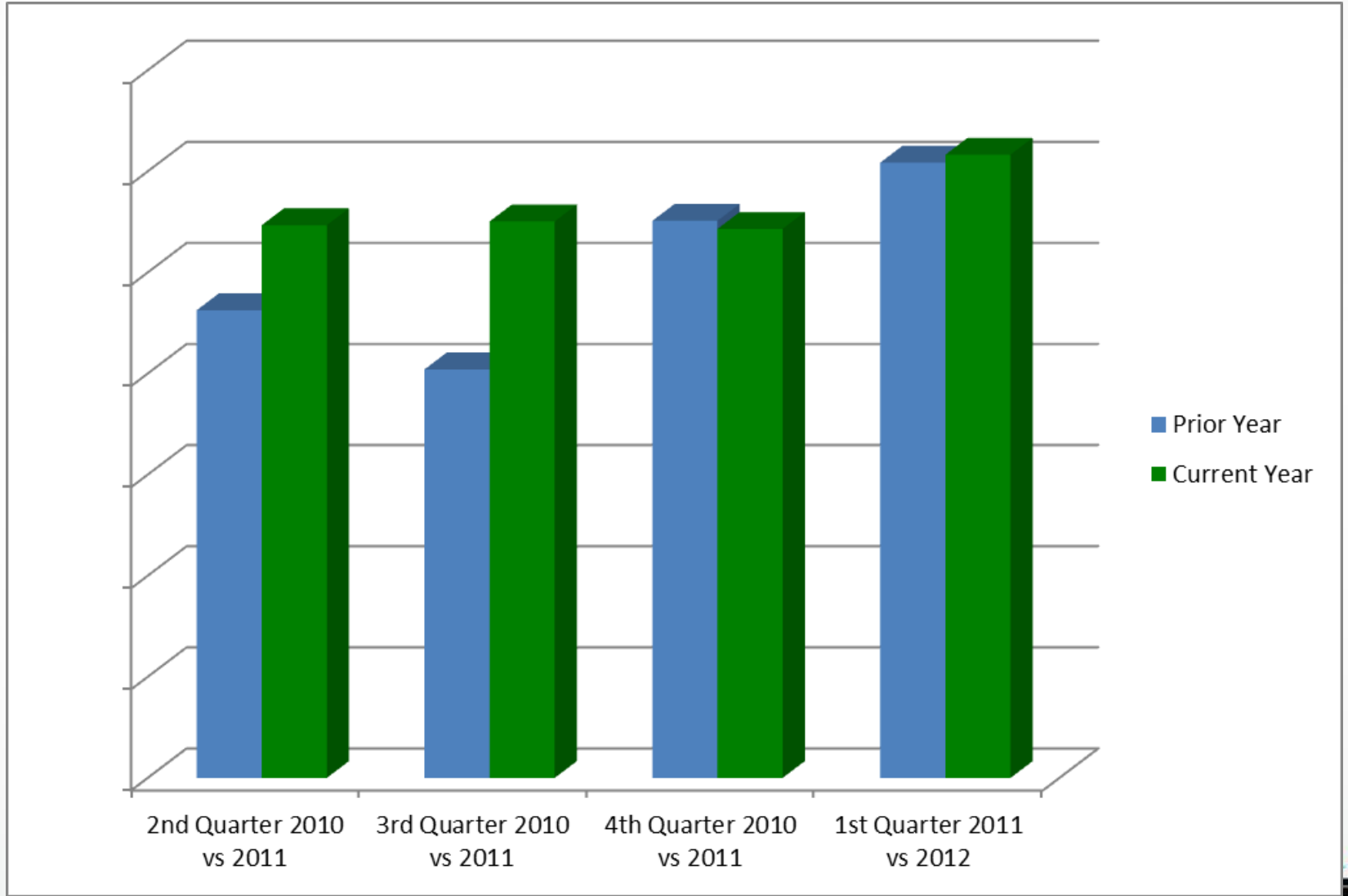
Balance Sheet

(in thousands)	March 31, 2012	December 31, 2011
Cash and equivalents	\$3,143	\$1,374
Total current assets	4,442	2,798
Total assets	13,110	11,647
Total deferred revenue	687	649
Total long term debt	89	164
Total liabilities	5,372	5,297
Stockholders' equity	\$7,738	\$6,350

Customer Site Count

Total Site Counts and Churn Percentages	Q1 2012	Q1 2011
Site Count – Beginning of Quarter	3,932	3,925
Q1 Installations	193	286
Q1 Terminations	(257)	(323)
Site Count – End of Quarter	3,868	3,888
Churn Percentage	6.6%	8.3%

Average Committed Revenue per New Customer Contract



Investment Thesis

- ✓ **LARGE** addressable market in hospitality segment
- ✓ **STRONG** competitive position
 - Industry pioneer; In business for over 25 years
 - Out-of-home interactive network serves over 3,900 venues across North America
 - Strong penetration in top 30 DMAs and national/regional chains
 - Value-added traffic building tool with ability to access players and measure activity
- ✓ **STRONG** financial model
 - Recurring revenue with high “lifetime value” for each site
 - High gross margin
 - Rapid payback
 - Operating leverage
- ✓ Opportunities for **GROWTH** in core Hospitality market vertical
- ✓ Opportunities to *accelerate* **GROWTH** in out-of-home advertising and sponsorship sales

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