



# Chartwell Technology

## **CHARTWELL ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JANUARY 31, 2011**

**Chartwell Technology Inc.**

**TSX: CWH**

**Calgary, Canada, March 17, 2011**, Chartwell Technology Inc. (“Chartwell” or the “Company”), a leading provider of games, gaming systems and platform for the regulated online casino gaming industry, announces unaudited financial results for the three months ended January 31, 2011.

### **Highlights**

In the quarter, the Company expanded its client base by completing the deployment of a flash-based casino to Centrebet Limited, and signing a license agreement to supply a suite of on-line casino games to the Rank Group. The deployment of the Centrebet casino occurred late in the quarter, and Chartwell is working closely with Centrebet to grow their casino business.

Rank Interactive, the remote gaming and betting business of the Rank Group, has some of the UK’s most successful on-line gaming sites including Blue Square, gcasino.com and Mecca Bingo. Chartwell will provide the Rank Group many of its most popular titles in a suite of games customized to each of these brands.

The Company announced a four game product release in the first quarter of 2011. These four games bring Chartwell’s total number of slot games to over 50 as the Company focuses on producing more innovative slot content. These four new slot games are already near the top of performance in terms of number of unique users playing the game, amounts wagered on the games, and number of wagers for these games.

### **Three months ended January 31, 2011**

In the three months ended January 31, 2011, total revenue decreased by 10.3% to \$2.2 million compared to \$2.4 million in the fourth quarter of 2010. License revenue declined by 10.9% in the first quarter over the fourth quarter of 2010 due the termination of one significant licensee in the fourth quarter of 2010.

Software development and support expense was comparable between the first quarter of 2011 and the same period in the prior year as the Company incurred \$2.4 million in each of these two periods. Higher royalty fees on third party software and the absence of a software development tax credit as compared to the prior period offset cost savings in salaries and hosting costs.

Sales and marketing expenses were \$653,000 for the first quarter ended January 31, 2011 in comparison to \$508,000 for the first quarter of 2010. The majority of the increase is the result of

two factors; increased sales salaries and marketing expenses related to the launch of the suite of Linked Progressive Jackpots that went live early in the first quarter.

General and administrative expenses for the three months ended January 31, 2011 decreased to \$780,000 from \$914,000 in the same period of 2010. The Company realized some cost savings in accounting professional services, reduced rent costs and realized a favourable adjustment to European VAT liability accrual.

The net loss of \$1.9 million for the three months ended January 31, 2011 increased from the net loss of \$796,000 for the three months ended January 31, 2010.

Mr. Alan Richter, CFO of Chartwell comments on the first quarter of 2011 results, "Chartwell is working aggressively to replace the decline in revenue that occurred over the last year. Winning new business with both Centebet and Rank are important steps and we believe that all the new casino content including our new relationship with Live Dealer supplier Ho Gaming will allow us to get back on track to growing revenue."

### **Continued balance sheet strength**

The Company continued to maintain a strong balance sheet. At January 31, 2011 Chartwell had \$15.3 million of cash and short term investments and positive working capital of \$16.3 million with virtually no debt.

### **About Chartwell**

Chartwell specializes in the development of leading-edge games, gaming systems, and platform for the regulated online casino gaming industry. Chartwell is certified or licensed to offer a range of services in all of the leading regulated online gaming markets. Chartwell is not a gaming operator; our clients own their brands and databases entirely and exclusively. Chartwell's team of highly trained professionals is committed to delivering the highest quality software and maintaining its market edge through continuous development and unparalleled customer support.

Chartwell invites you to preview our company and gaming applications at [www.chartwelltechnology.com](http://www.chartwelltechnology.com)

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*Our actual results could differ materially from those anticipated in these forward-looking statements as a result of factors that may include, but are not limited to: actual implementation or delays in the implementation of our products by our customers, delays in development, the impact of government regulation, licensing and laws affecting international operations, the impact of price competition, loss of business or credit risks associated with current and prospective major customers, general industry and market conditions and growth rates, currency rate fluctuations, the impact of consolidations in the online gaming industry and other risks detailed from time to time in Chartwell's Annual Information Form and Management's Discussion and Analysis, both of which may be found at [www.sedar.com](http://www.sedar.com).*

*The TSX does not accept responsibility for the adequacy or accuracy of this release.*