



Unibet Group plc
Year end report January - December 2006

- Gross Winnings Revenue amounted to GBP 19.7 (16.3) million for the fourth quarter of 2006 and GBP 74.8 (43.5) million for the full year 2006.
- Adjusted profit from operations, excluding one-off reorganisation costs, increased to GBP 7.7 (7.5) million for the quarter and for the full year increased to GBP 29.0 (19.9) million. After charging reorganisation costs of GBP 0.6 (Nil) million, profit from operations was GBP 7.1 (7.5) million for the fourth quarter of 2006 and GBP 28.4 (19.9) million for the full year.
- Profit after tax for the fourth quarter of 2006 increased to GBP 23.1 (5.0) million. Profit after tax for the full year 2006 increased to GBP 37.9 (13.7) million. Included within this is the release of certain deferred tax provisions no longer required.
- Earnings per share were GBP 0.818 (0.179) for the fourth quarter of 2006 and GBP 1.345 (0.523) for the full year 2006.
- The short-term impact of the change in the poker platform influenced the quarter's results, but the change provides a better basis for sustained growth in 2007 and beyond.
- Continued strong operating cash flow.
- Number of active customers at the end of the quarter was 218,770 (171,918).
- The Board proposes a dividend of SEK 5.50 (2.25) per ordinary Share/SDRs.
- AGM to be held on 25 April, 2007, in Stockholm.

'Solid foundation laid for future growth'

"2006 was the year in which Unibet became fully established as one of Europe's leading online gaming companies. In order to ensure continued success and growth during 2007, we chose, last Autumn, to consolidate our poker platform and upgrade other important functions within the company. We believe this will give us a competitive advantage over our pan-European competitors in the coming year."

"The European online gaming market is expected to grow by about 20-30 per cent during the coming year and our ambition is to grow at least at the same pace," says Petter Nylander, CEO of Unibet.

Today, Wednesday 14 February 2007, Unibet's CEO Petter Nylander will host a presentation in English at FinancialHearings, Operaterrassen in Stockholm at 8.30 CET.
Please go to www.financialhearings.com to sign in.

Table moved to next page.

SUMMARY TABLE Q4 AND FULL YEAR**This report is unaudited**

GBP	Q4		Full year		Rolling 12 months GBPm
	2006 GBPm	2005 GBPm	2006 GBPm	2005 GBPm	
Gross winnings Revenue	19.7	16.3	74.8	43.5	74.8
Adjusted EBITDA ¹	8.6	8.3	32.1	21.6	32.1
Profit before tax	7.4	7.7	28.5	20.1	28.5
Profit after tax	23.1	5.0	37.9	13.7	37.9
Net cash ²			12.9	-4.8	
	GBP	GBP	GBP	GBP	GBP
Adj. EBITDA ¹ per share	0.303	0.295	1.138	0.824	1.138
Earnings per share	0.818	0.179	1.345	0.523	1.345
Net cash ² per share			0.458	-0.182	

SEK	Q4		Full year		Rolling 12 months SEKm
	2006 SEKm	2005 SEKm	2006 SEKm	2005 SEKm	
Gross winnings Revenue	267.3	222.9	1,014.9	594.7	1,014.9
Adjusted EBITDA ¹	116.1	113.6	435.5	295.6	435.5
Profit before tax	100.4	105.3	387.2	274.8	387.2
Profit after tax	313.5	68.4	514.2	187.3	514.2
Net cash ²			175.6	-65.4	
	SEK	SEK	SEK	SEK	SEK
Adj. EBITDA ¹ per share	4.11	4.04	15.44	11.27	15.44
Earnings per share	11.10	2.45	18.25	7.15	18.25
Net cash ² per share			6.22	-2.49	

	No.	No.	No.	No.	No.
Active customers	218,770	171,918			
Registered customers			1,580,000	919,000	

Currency rate 1 GBP = 13.568 SEK (2005: 13.672 SEK)

¹ Adjusted EBITDA = Profit from operations before reorganisation costs, depreciation and amortisation

² Net cash = Total cash at period end less customer balances and bank loans

Unibet Group plc**Significant events during the fourth quarter of 2006**

On 10 October 2006, Unibet was awarded the prestigious "European Sportsbook of the year 2006" by the international magazine Egaming Review. This award rewards "the European operator who has won the battle for customers in the highly competitive European sport betting market."

On 17 October 2006, a Court Meeting and an EGM were held to approve a "Scheme of Arrangement" and the new Company structure, and the Scheme was formally sanctioned by the UK courts on 25 October 2006. The Scheme became effective on 1 November 2006 and SDRs in the new Malta-based Unibet Group plc were listed on Stockholmsbörsen's Nordic List.

At an EGM on 11 December 2006, shareholders approved the resolutions relating to reduction and transfer from share premium account following the "Scheme of Arrangement". The shareholders also approved a share/SDR buy back authority for Board of Directors.

On 15 December 2006, the International Cycling Union, UCI, provided the Unibet Cycling team with a Pro Tour-licence for four years and the assurance to participate in all the major races.

Significant events after the period end

On 8 January 2007, the qualification for spring season programmes of Swedish TV format Pokermiljonen started on www.unibet.com. More information about Pokermiljonen can be found on www.unibet.com/pokermiljonen.

On 6 February 2007, Unibet Cycling team won d'Ouverture de Marseillaise in France which is the opening of the European cycling season 2007.

Legal

In October 2006, the European Commission opened new formal infringement proceedings against 3 Member States, once more underlining the fundamental freedom to provide and promote gaming and betting services throughout the European Union. Certain Member States, including Sweden, Italy and Belgium, have adopted a more non-discriminatory attitude towards private operators. Following a recent increase in legal actions by the French monopoly, Unibet, being the market leader in France, cannot rule out being part of a police investigation in relation to its licensed activities. Unibet believes, however, that actions taken by the French authorities contravene European law, as already interpreted by the European Court of Justice, and will challenge such actions.

Market

Unibet is a market-leader in Moneytainment, operating in 20 different languages in more than 100 countries.

Gambling can be divided into games of skill (Sports betting, Horse racing, Poker, etc.) and games of chance (Roulette, Black Jack, Slot machines, Lotto, etc.) The gambling market can also be divided into online (Internet) and offline (betting shops, casinos) gambling. Online gambling is now regarded as one of the most important Internet businesses. Besides sports betting, which has enjoyed first mover advantage in the online arena and been the driver of online gambling, other areas such as casino games, poker and lotteries have grown rapidly in recent years.

Current products

Sports betting

Unibet's sports betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base 24 hours a day, 7 days a week. Bets are placed via Unibet's site or via mobile phone.

The live betting offer has substantially increased during the year. During the fourth quarter over 900 events were offered. Besides ice hockey and handball, volleyball, rugby and the Swedish TV programme *Idol* caused a lot of interest.

The majority of Unibet's business is largely determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments as well as ice hockey leagues in the Nordic countries and North America. The seasonality of these events results in fluctuations in the Group's quarterly performance, especially in terms of Gross Turnover. However, quarterly results can also vary widely, due to the volatility of gross winnings margins in sports betting. Please refer to page 4.

Non-sports betting

Unibet's non-sports betting consists of casino products, games, bingo and poker.

Unibet Casino consists of more than 40 games such as Roulette, Black Jack, Caribbean Stud, Video Slots and Video Poker. Unibet Casino successfully launched two popular Video Slots, 'Spellcast' and 'Vikings Treasure', in November. This, combined with a wide variety of regular promotions and tournaments meant that the Casino had its best quarter to date in terms of profit, unique users and turnover.

Unibet Games consist of sport-orientated and entertainment flash games. The games are a softer version of the casino and are derived from the popularity of lottery- and keno-based games, virtual sports and high/low games. The sport games include Virtual Horse Racing, Paddock, HiLo Goal,

Goalkeeper Champion and Boxing Champion; the entertainment games include Triple Chance HiLo, Aces High, HiLo Extreme, Spin Win, Squares, Roll'em, Poker Dice, Risk It and Keno. Unibet currently has 14 online games. Unibet Games had its best quarter to date in terms of profit and unique users.

Unibet Bingo offers the 75-ball type multiplayer Bingo together with a range of casino games attached to it.

During the fourth quarter 2006, Unibet had over 84,000 (62,000) active poker customers. In September 2006, Unibet launched a redesigned poker lobby and a new poker client with one of the best poker tournament offerings in the world. There was significant activity around the migration to help poker players to create a poker alias and get used to the new poker software.

The new season of Pokermiljonen started to run in early October. In total over 1.4 million viewers (17 per cent of the Swedish population) watched the fourth season of Pokermiljonen.

Financial review

The financial information has been presented in accordance with International Financial Reporting Standards as adopted by the European Union, and the accounting policies remain unchanged from the last published results for the year ended 31 December 2005.

With effect from 19 August 2005, MrBookmaker Group (Global Leisure Partners Ltd and its subsidiaries) is consolidated in Unibet's results.

During the fourth quarter, as describe on page 2, the Scheme of Arrangement and reorganisation of the Group structure was completed, resulting in the creation of an Other reserve.

Gross Winnings Revenue

Gross winnings revenue on sports betting represents the net receipt of bets and payouts within the consolidated entity for the financial period. Gross winnings revenue for sports betting amounted to GBP 6.9 (6.0) million for the fourth quarter of 2006. For the full year 2006, gross winnings revenue for sports betting amounted to GBP 25.9 (17.4) million.

Non-sports betting saw strong gross winnings revenue amounting to GBP 12.8 (10.3) million for the fourth quarter of 2006. For the full year 2006, gross winnings revenue for non-sports betting amounted to GBP 48.9 (26.1) million. Of the non-sports betting gross winnings in the fourth quarter, poker represents 33 per cent and casino 59 per cent.

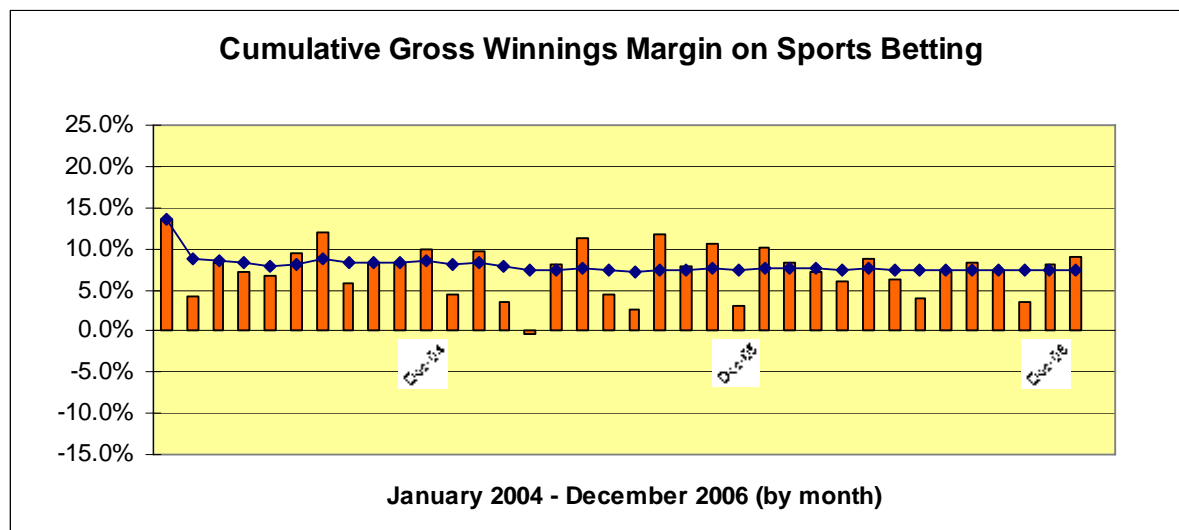
Gross Winnings Revenue by market and business segment
(based on country of residence of customer)
GBP thousand

	Q4 2006			Full year 2006			Q4 2005			Full year 2005		
	Sports Betting	Non-Sports Betting	Total	Sports Betting	Non-Sports Betting	Total	Sports Betting	Non-Sports Betting	Total	Sports Betting	Non-Sports Betting	Total
Sweden	2,549	4,544	7,093	9,348	20,328	29,676	2,014	5,106	7,120	7,156	14,702	21,858
Rest of Nordic	1,221	3,026	4,247	4,030	11,575	15,605	1,205	2,099	3,304	4,112	6,096	10,208
Southern Europe	2,496	3,041	5,537	8,753	10,441	19,194	1,573	1,900	3,473	3,361	3,470	6,831
Other	671	2,161	2,832	3,740	6,584	10,324	1,233	1,146	2,379	2,793	1,825	4,618
Total	6,937	12,772	19,709	25,871	48,928	74,799	6,025	10,251	16,276	17,422	26,093	43,515

Gross winnings margin on sports betting

The gross winnings margin for sports betting for the fourth quarter 2006 was 6.7(7.4) per cent. Gross winnings margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events, i.e. not always as predicted. However, over time these margins will even out and

calculated from January 2004 to December 2006 demonstrates an average of 7.3 per cent. This can be seen in the table below. The bars show gross winnings margin by month.



Customers

At 31 December 2006 the number of active customers amounted to 218,770 (171,918) compared with 214,042 at 30 September 2006. An active customer is defined as one placing a bet in the last three months.

The total number of registered customers has continued to increase during the quarter and exceeded 1,580,000 (919,000) at 31 December 2006, whilst at 30 September 2006, over 1,447,000 customers were registered.

Gross profit

Gross profit for the fourth quarter 2006 increased to GBP 19.6 (16.1) million. Gross profit for the full year 2006 increased to GBP 74.4 (42.9) million.

Administrative expenses

Administrative expenses include all costs of running the business (with the exception of betting duty) and are a combination of activity-related costs and fixed costs, including marketing, salaries etc. During the fourth quarter of 2006, administrative expenses were GBP 12.5 (8.5) million and during the full year 2006 GBP 46.0 (23.0) million. Of the administrative expenses in the fourth quarter, GBP 0.6 (Nil) million were costs of the group reorganisation, GBP 5.4 (3.5) million were marketing costs and GBP 3.2 (2.0) million were salaries. In the full year 2006, marketing expenses were GBP 24.2 (10.2) million, and salaries were GBP 9.8 (5.9) million.

Profit from operations

Adjusted profit from operations was GBP 7.7 (7.5) million for the fourth quarter of 2006 and increased to GBP 29.0 (19.9) million for the full year, which excludes reorganisation costs of GBP 0.6 (Nil) million which were all incurred in the fourth quarter. After charging the above reorganisation costs of GBP 0.6 million, profit from operations was GBP 7.1 million for the fourth quarter of 2006 and GBP 28.4 (19.9) million for the full year.

Capitalised development expenditure

These results have been prepared under International Financial Reporting Standards, which require the capitalisation of certain development costs. In the fourth quarter of 2006, expenditure of GBP 1.0 (0.3) million has been capitalised, before amortisation, bringing the full year 2006 total to GBP 2.8 (1.0) million.

Tax

As a result of the Group re-organisation during 2006, certain deferred tax provisions are no longer required, and GBP 15.8 million for the fourth quarter and GBP 10.5 million for the full year have been released to the Income statement giving rise to an overall tax credit.

Profit after tax

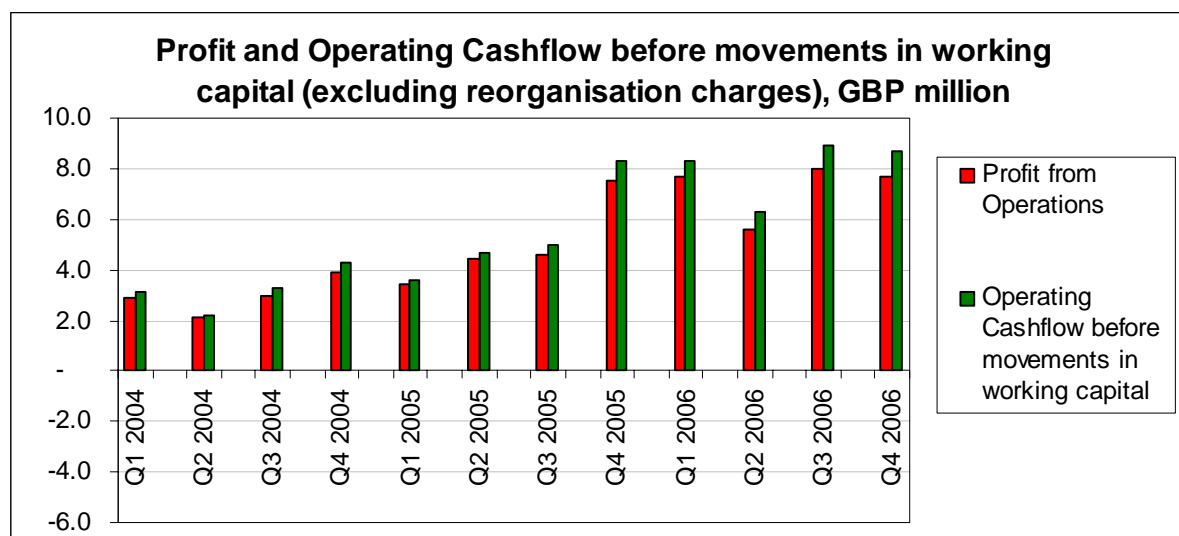
Profit after tax for the fourth quarter 2006 was GBP 23.1 (5.0) million. Profit after tax for the full year 2006 increased to GBP 37.9 (13.7) million.

Financial position and cash flow

The gross cash in hand position at the end of the fourth quarter 2006 stood at GBP 40.0 (26.0) million while at the beginning of the quarter it was GBP 27.2 (14.4) million. This is before deducting GBP 17.6 (22.3) million of loan notes and bank loans.

Unibet has during the last couple of years achieved high organic growth and combined with the acquisition of Global Leisure Partners Limited (MrBookmaker) in August 2005, the revenues have grown substantially. The company is continually evaluating potential acquisitions as well as its potential financing options.

The net cash inflow for the fourth quarter was GBP 12.6 (11.5) million including receipt of a GBP 7.9 (0.5) million tax refund. GBP 17.4 (13.3) million arose from operating activities. The quarterly profit and operating cash flow before movements in working capital is shown in the table below.



Employees

Unibet had 270 (175) employees at 31 December 2006, compared to 227 at 30 September 2006.

Dividend

The Board of Directors propose a dividend of SEK 5.50 (2.25) per ordinary share to be paid to holders of ordinary shares and SDRs.

AGM

The Annual General Meeting of Unibet Group plc will be held on 25 April 2007, at 14.00 (CET) in Stockholm. The nomination committee consists of Anders Ström, Staffan Persson and Andreas Versteegh who were elected at the 2006 AGM. The nomination committee can be contacted at the following address: Unibet Group plc, The Plaza Complex Level 5, Bisazza Street, Sliema SLM15, Malta or by email to: IR@unibet.com.

Annual Report

Unibet Group plc's Annual Report for the 2006 financial year will be available on the website www.unibetgroupplc.com as from 27 March 2007.

Forthcoming financial reporting timetable

Interim Report January – March 2007	9 May 2007
Interim Report January – June 2007	15 August 2007
Interim Report January – September 2007	7 November 2007

Malta, 14 February 2007

Petter Nylander
CEO

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This report is unaudited and has not been reviewed by Unibet's auditors.

*Unibet Group plc
Company number C 39017
Registered in Malta.*

About Unibet

Unibet was founded in 1997 and is an online gambling company listed on Stockholmsbörsen's Nordic List. Unibet is one of the largest privately-owned gambling operators in the European market and provides services in 20 languages through www.unibet.com. Today, Unibet has more than 1,580,000 customers in over 100 countries. Unibet is a member of the EBA, European Betting Association and is certified by G4, Global Gaming Guidance Group.

More information about Unibet Group plc can be found on www.unibetgroupplc.com

CONSOLIDATED INCOME STATEMENT
GBP 000

This report is unaudited

	Q4 2006	Q4 2005	Full year 2006	Full year 2005
Gross Winnings Revenue	19,709	16,276	74,799	43,515
Betting Duty	-82	-210	-388	-595
Gross profit	19,627	16,066	74,411	42,920
Administrative expenses:				
- ongoing	-11,944	-8,543	-45,445	-23,020
- reorganisation costs	-587	0	-587	0
Total administrative expenses	-12,531	-8,543	-46,032	-23,020
PROFIT FROM OPERATIONS	7,096	7,523	28,379	19,900
Finance costs	-291	8	-1,066	-610
Interest receivable	600	120	748	767
Share of Associate's Profit After Tax	0	53	0	53
Profit on disposal of Associate	0	0	479	0
Profit before tax	7,405	7,704	28,540	20,110
Income tax credit/(expense)	15,702	-2,669	9,361	-6,391
PROFIT AFTER TAX	23,107	5,035	37,901	13,719

Earnings per share (GBP)	0.818	0.179	1.345	0.523
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	28,241,092	28,125,092	28,197,870	26,223,857

Fully diluted earnings per share (GBP)	0.818	0.177	1.342	0.515
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	28,241,092	28,394,747	28,236,388	26,640,068

GROSS TURNOVER

Sports Betting	102,810	81,729	364,773	249,994
Non-Sports Betting	12,772	10,251	48,928	26,093
	115,582	91,980	413,701	276,087

CONSOLIDATED BALANCE SHEET**GBP 000****ASSETS****Non-current assets**

Goodwill	72,711	72,711
Intangible assets	7,617	7,034
Fixed Asset Investments	69	330
Property, plant and equipment	4,695	1,268
Deferred tax assets	1,178	636
Loan to Associate	0	305
	<u>86,270</u>	<u>82,284</u>

Current assets

Trade and other receivables	5,049	3,063
Tax assets	0	1,740
Cash and cash equivalents	39,986	26,037
	<u>45,035</u>	<u>30,840</u>

TOTAL ASSETS

	<u>131,305</u>	<u>113,124</u>
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EQUITY AND LIABILITIES**Capital and reserves**

Share capital	141	141
Share premium	73,838	38,720
Translation reserve	21	5
Loss offset reserve	8,220	0
Other reserves	-42,889	1,533
Profit and loss account	53,590	20,222
	<u>92,921</u>	<u>60,621</u>

Non-current liabilities

Deferred tax liabilities	1,297	11,539
Bank overdrafts and loans	10,196	0
	<u>11,493</u>	<u>11,539</u>

Current liabilities

Trade and other payables	18,052	15,585
Tax liabilities	1,423	3,129
Bank overdrafts and loans	7,416	22,250
	<u>26,891</u>	<u>40,964</u>

TOTAL EQUITY AND LIABILITIES

	<u>131,305</u>	<u>113,124</u>
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Customer Balances

	9,435	8,568
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Statement of changes in equity**GBP 000**

	2006	2005
Opening balance	60,621	18,912
Movement in Share Premium	35,118	32,088
Increase in Share Capital	0	16
Movement in Other Reserves	-44,422	0
Movement in Offset Reserve	8,220	0
Dividend Paid	-4,708	-4,169
Translation differences	16	-4
Share Options - value of Employee Services	175	59
Profit and loss account	37,901	13,719
Closing balance	<u>92,921</u>	<u>60,621</u>

CONSOLIDATED CASHFLOW STATEMENT
GBP 000

This report is unaudited

	Q4 2006	Q4 2005	Full year 2006	Full year 2005
OPERATING ACTIVITIES				
Profit from operations	7,096	7,523	28,379	19,900
Adjustments for:				
Depreciation of property, plant and equipment	277	169	884	601
Amortisation of intangible assets	600	615	2,246	1,119
Operating cashflows before movements in working capital	7,973	8,307	31,509	21,620
Decrease/(increase) in receivables	6,969	4,581	-1,681	1,347
(Decrease)/increase in payables	-5,467	922	2,666	1,449
Cash generated by operations	9,475	13,810	32,494	24,416
Income taxes (paid)/refunded	7,946	-519	-1,389	-519
NET CASHFLOW FROM OPERATING ACTIVITIES	17,421	13,291	31,105	23,897
INVESTING ACTIVITIES				
Cash acquired upon acquisition	0	0	0	4,587
Cash paid for acquisition	0	-863	0	-25,326
Repayment of loan notes issued as acquisition consideration	0	0	-22,250	0
Interest received	380	120	748	767
Interest paid	-293	-105	-1,066	-105
Purchases of property, plant and equipment	-1,652	-189	-4,310	-619
Development costs of intangible assets	-970	-716	-2,828	-1,460
Cash received on disposal of Associate	0	0	741	0
NET CASH USED IN INVESTING ACTIVITIES	-2,535	-1,753	-28,965	-22,156
FINANCING ACTIVITIES				
Proceeds from issue of ordinary share capital	0	0	117	648
Costs of shares issued	-1,200	0	-1,200	0
Dividends paid	0	0	-4,708	-4,169
Proceeds from borrowings	0	0	22,250	0
Repayment of borrowings	-1,072	0	-4,638	0
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	-2,272	0	11,821	-3,521
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,614	11,538	13,961	-1,780
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	27,163	14,386	26,037	28,322
Effect of foreign exchange rate changes	209	113	-12	-505
CASH AND CASH EQUIVALENTS AT END OF PERIOD	39,986	26,037	39,986	26,037

KEY RATIOS**This report is unaudited**

	Q4 2006	Q4 2005	Full year 2006	Full year 2005
Operating margin, % (Profit from operations/revenue for the period)	36.00%	46.22%	37.94%	45.73%
Return on total assets, % (Profit after tax/average of opening and closing assets for the period)	18.0%	7.1%	31.0%	18.9%
Equity/assets ratio, %	71%	54%	71%	54%
Employees at period end	270	175	270	175
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	1.416	0.926	1.416	0.926
Net cash per share (GBP) (total cash at period end less customer liabilities and bank loans/number of shares at end of period)	0.458	-0.169	0.458	-0.169
Operating cashflow before movements in working capital (EBITDA) per share (GBP) (EBITDA/average number of shares for period)	0.282	0.295	1.117	0.824
Earnings per share (GBP)	0.818	0.179	1.345	0.523
Fully diluted earnings per share (GBP)	0.818	0.177	1.342	0.515
Number of shares at period end	28,241,092	28,125,092	28,241,092	28,125,092
Fully diluted number of shares at period end	28,612,088	28,394,747	28,612,088	28,394,747
Average number of shares	28,241,092	28,125,092	28,197,870	26,223,857
Average number of fully diluted shares	28,241,092	28,394,747	28,236,388	26,640,068

Operating margin, % (based on Gross Turnover, as per old format)	6.14%	8.18%	6.86%	7.21%
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