

## INTERIM REPORT FOR THE PERIOD 1 JANUARY – 31 MARCH 2011

ALL FIGURES IN THIS REPORT ARE EXPRESSED IN SEK. FIGURES IN PARENTHESES REFER TO THE CORRESPONDING FIGURES FOR THE PREVIOUS YEAR, UNLESS STATED OTHERWISE. THIS INFORMATION APPLIES TO THE GROUP, UNLESS STATED OTHERWISE.

### Operating income increased by 57 percent

#### First quarter

- Revenues increased by 14 percent to SEK 417.4 (367.7) million
- Growth in Game win in all of Betsson's gaming solutions (including B2B collaborations) amounted to 25 percent
- Operating income amounted to SEK 131.8 (84.2) million, equivalent to an increase of 57 percent
- Income before tax amounted to SEK 132.6 (84.6) million
- Net income totaled SEK 125.6 (80.2) million, corresponding to SEK 3.19 (2.04) per share
- Gross turnover in Live betting in Sportsbook, in all of Betsson's gaming solutions, amounted to SEK 1,119.4 (385.2) million, equivalent to an increase of 191 percent
- Cash and cash equivalents at the end of the quarter amounted to SEK 535.8 (520.4) million and the Group remains free from interest-bearing liabilities
- The divestment of the Turkish client base was completed during the quarter, which positively impacted the operating income by SEK 16.9 million

#### Key performance indicators

	Q1 2011	Q1 2010	Full year 2010
<b>Totals</b>			
Revenues	417.4	367.7	1 603.2
Gross Profit	330.8	297.3	1 282.1
Operating Income	131.8	84.2	380.6
Cash	535.8	520.4	497.1
Active Customers (thousands)	335.5	318.6	300.5
Registered Customers (thousands)	2 786.8	2 414.9	3 158.2
Customer Deposits	959.0	964.9	3 894.1
Customer Deposits including Platform	1 121.6	964.9	3 894.1
<b>Sportsbook</b>			
Gross Turnover Sportsbook	1 210.1	1 012.8	5 355.7
- of which Live Betting	738.3	385.2	2 962.2
- of which Live Betting percentage	61.0%	38.0%	55.3%
Margin after free bets, Sportsbook	8.0%	7.6%	7.8%
Gross Profit Sportsbook	82.7	72.0	367.7
Gross Margin Sportsbook 1)	6.8%	7.1%	6.9%
1) Margin after allocated costs			
<b>Sportsbook including Platform</b>			
Gross Turnover Sportsbook including Platform	1 787.5	1 012.8	5 355.7
- of which Live Betting including Platform	1 119.4	385.2	2 962.2
- of which Live Betting percentage	62.6%	38.0%	55.3%

#### One small step for the player, one giant leap for the gaming industry

"During the quarter, Betsson implemented a complete third-party solution which includes a world class Sportsbook. In addition to the B2B technological advances, the activity in Betsson's different gaming solutions has been high." - states Pontus Lindwall, President and CEO of Betsson.

#### Presentation of the Interim Report

Today, Thursday 28 April, at 09.00 CET, Betsson's CEO Pontus Lindwall will present the Interim Report through webcast at [www.betssonab.com](http://www.betssonab.com) or <http://storm.zoomvisionmamato.com/player/betsson/objects/34hdy9xz> or through phone at +46 (0)8 505 598 53 (Sweden) or +44 (0)20 3043 2436 (UK). The presentation will be in English and will be followed by a question and answer session.

BETSSON AB'S CORE BUSINESS CONSISTS OF INVESTING AND ADMINISTERING SHAREHOLDING IN COMPANIES, WHICH THROUGH PARTNERS OR BY THEMSELVES, OFFERS GAMES TO THE END USERS VIA THE INTERNET. BETSSON AB OWNS BETSSON MALTA WHICH OPERATES GAMES THROUGH PARTNERSHIPS AND THE WEBSITES [WWW.BETSSON.COM](http://WWW.BETSSON.COM), [WWW.CASINOEURO.COM](http://WWW.CASINOEURO.COM) AND [WWW.CHERRYCASINO.COM](http://WWW.CHERRYCASINO.COM). BETSSON MALTA OFFERS POKER, CASINO, SPORTS BETTING, SCRATCH CARDS, BINGO AND GAMES. THE CUSTOMERS MAINLY ORIGINATE FROM THE SCANDINAVIAN COUNTRIES AND OTHER PARTS OF EUROPE. BETSSON AB IS LISTED ON NASDAQ OMX NORDIC MID CAP LIST, (BETS).

### First quarter 2011

Group revenue amounted to SEK 417.4 (367.7) million, corresponding to an increase of 14 percent. Gross profit was SEK 330.8 (297.3) million, which is an increase of 11 percent. Operating income increased by 57 percent to SEK 131.8 (84.2) million and the operating margin was 31.6 (22.9) percent. Operating income was positively impacted by SEK 16.9 million, attributable to the divestment of Betsson's Turkish client base. Income before tax increased to SEK 132.6 (84.6) million and net income was SEK 125.6 (80.2) million, which is equivalent to SEK 3.19 (2.04) per share.

Betsson has previously informed the market regarding a number of new B2B agreements. The agreement with Realm Entertainment has entered into force according to plan, whereby the new sites, [www.Bets10.com](http://www.Bets10.com), [www.CasinoMaxi.com](http://www.CasinoMaxi.com) and [www.CasinoMetropol.com](http://www.CasinoMetropol.com) have been launched. Player activity continues to be high after the migration of the client base, and the assessment is that the project is a success. The establishment in China is continuing according to plan, although it is altogether too difficult to be able to say when the project will begin to generate revenue. A customer contract was secured with an Asian operator in conjunction with Betsson establishing a development company in India. It is deemed that the project, as previously stated by the Company, may begin to generate revenue for Betsson during the current year. Management is of the opinion that the conditions for the possible signing of further B2B agreements during the year are positive.

Marketing costs during the quarter amounted to SEK 120.2 (120.2) million. Betsson's marketing consists of traditional marketing and partner co-operation agreements with variable remuneration. The marketing costs arising from partners receiving variable remuneration incur a significantly lower risk than costs for traditional marketing.

Personnel costs amounted to SEK 43.0 (45.4) million, corresponding to a decrease of 5 percent. Betsson has long had one of the industry's most competent and efficient organizations. During the year, the organization has been optimized further, through certain natural departures from the Company not being replaced, as well as due to the fact that a larger portion of the Company's development is now undertaken by consultants in Kiev and Manila. Betsson plans to increase the workforce in line with the growth of the Company in order to meet and create future growth in Europe and elsewhere.

Other external expenses amounted to SEK 46.1 (36.3) million. The shift to using consultants in low-cost countries has proved to be a success. At the end of the first quarter, a total of 43 consultants in Kiev and Manila were contracted to Betsson.

Betsson actively seeks to reduce the foreign exchange exposure in the Group. The scope of future foreign exchange effects is determined by the timing of future cash flows, the currencies of the assets and liabilities and Betsson's success in actively limiting exposure. Operating income has been charged with costs of

SEK 3.8 (9.2) million referring to the currency translation of balance sheet items.

Betsson continuously invests in improving its offering to end users with integrated payment and product solutions. The net effect from capitalizations and amortization of capitalized development costs positively impacted income by SEK 0.1 (0.6) million.

### Effects of the divestment of client base

The sale of the Turkish client base impacted the accounts from the date on which the players were migrated to the new sites. This migration was carried out gradually during the second half of February. From this point in time, licensing revenues, for the provision of a technical gaming platform and the continued operation thereof, have been reported under the new product segment, Platform. At the same time, Betsson ceased to have gaming revenues from the Turkish market. As a consequence of the sale, Betsson no longer reports marketing expenses attributable to the Turkish market. This change has also led to that previous operating expenses from gaming activities, such as direct payment expenses, license costs and gambling tax, no longer affect Betsson's operating income.

In addition, operating income has been positively impacted by SEK 16.9 million during the quarter, attributable to the divestment of the Turkish client base.

### Operations

Betsson's subsidiary on Malta offers Internet gaming to end customers via partner co-operation and its own gaming portals [www.Betsson.com](http://www.Betsson.com), [www.CasinoEuro.com](http://www.CasinoEuro.com) and [www.CherryCasino.com](http://www.CherryCasino.com). Betsson also offers system solutions to other operators in the segment Platform.

### Products

Casino is Betsson's largest product and represented 54.1 (60.8) percent of total gross profit in the quarter, followed by Sportsbook with 25.0 (24.2) percent, the new segment Platform with 11.7 (-) percent, Poker with 5.5 (10.2) percent and Other Products, which together accounted for 3.7 (4.8) percent of gross profit.

Gross turnover in Sportsbook amounted to SEK 1,210.1 (1,012.8) million, equivalent to an increase of 19 percent. Gross turnover from all of Betsson's gaming solutions amounted to SEK 1,787.5 million, which is equivalent to an increase of 76 percent compared to the first quarter of the previous year. Gross turnover in Live betting in Sportsbook amounted to SEK 738.2 (385.2) million, equivalent to an increase of 92 percent. Gross turnover in Live betting in Sportsbook including all of Betsson's gaming solutions amounted to SEK 1,119.4 million, equivalent to an increase of 191 percent. Live betting accounted for 61 (38) percent of gross turnover. The gross margin in Sportsbook amounted to 6.8 (7.1) percent. Gross profit in Sportsbook amounted to SEK 82.7 (72.0) million. For further details about products see the table on page 12.

## Markets

During the first quarter, Rest of Europe and the Nordic Region were the largest regions, followed by non-Nordic EU countries. Rest of the World is relatively small for Betsson, but in conjunction with the current discussions and negotiations which have already been initiated in Asia, the possibilities are good that these geographical markets will increase in importance for Betsson. During the quarter Platform is also accounted for as a market.

Gross profit in the Nordic Region amounted to SEK 145.4 (151.3) million, which is equivalent to a decrease of 4 percent. The underlying trend in the Nordic Region in local currency shows a strong growth in Sportsbook and growth in Casino, whilst Poker continues to decrease compared with the previous year. Gross income in Rest of Europe outside EU amounted to SEK 104.2 (102.1) million, which is equivalent to an increase of 2 percent. Gross income in EU outside the Nordic Region amounted to SEK 40.4 (42.0) million, which is equivalent to a decrease of 4 percent. The weak development of EUR in relation to SEK has had a significant negative impact on revenues from the EU outside the Nordic Region and the region shows good growth in local currency. Rest of the World represents, as before, only a marginal portion of revenues. Gross income in the segment Platform amounted to SEK 38.6 (-) million. For further details refer to the table on page 12.

## Customer deposits

Customer deposits vary between the quarters but, in a longer perspective, the deposits show a strong correlation with the activities in Betsson's various offerings. During the first quarter, a total of SEK 959.0 (964.9) million was deposited. These deposits, including clients within Platform, amounted, during the quarter to SEK 1,121.6 (964.9) million, which is equivalent to an increase of 16 percent.

## Customers

At the end of the quarter, the number of registered customers, amounted to 2.8 (2.4) million players, which is equivalent to an increase of 17 percent. The number of active customers at the end of the quarter amounted to 335,491 (318,600). This figure includes 68,961 customers who have been active in Betsson's solutions during the quarter but who are part of the divested client base.

An active customer is defined as a customer who has played for cash during the last three months. This definition also includes players who have played on the basis of free of charge offerings from Betsson or Betsson's partners.

## Equity

Equity in the Group amounted to SEK 952.3 (903.3) million, equivalent to SEK 24.17 (23.02) per share.

## Cash and customer liabilities

At the end of the quarter, cash amounted to SEK 535.8 (520.4) million. Customer liabilities including the provision for earned jackpots, amounted to SEK 158.1

million. This liability is well covered by the Group's current receivables with payment providers referring to unsettled client payments, which amounted to SEK 218.6 million.

## Personnel

At the end of the first quarter, there was a total of 278 (276) employees, which is equivalent to an increase of 2 compared with the first quarter last year and represents a decrease of 4 during the current year. The average number of employees during the first quarter was 266 (261) in the Group, of which 206 (194) were employed in Malta.

## Parent Company

The operations of the Parent Company, Betsson AB (publ), consist of the ownership and administration of shares in companies through which Betsson, itself or through partner co-operation, offers games to end users via the Internet. The Company provides and sells internal services to certain Group companies regarding finance, accounting and administration.

Net sales for the first quarter amounted to SEK 3.6 (3.2) million and losses before tax amounted to SEK 4.8 (18.5) million.

The Parent Company's investment amounted during the year to SEK 0.0 (0.5) million. Cash and cash equivalents amounted to SEK 306.8 (391.8) million.

## Ownership structure

The Company's Class B shares are listed on the NASDAQ OMX NORDIC MID CAP LIST, (BETS). At the end of the period, the Company had 11,105 (10,677) shareholders. The largest owner (owner with more than 10 percent of votes) was Per Hamberg with 8.9 percent of the capital and 21.3 percent of votes, the Knutsson family with 6.5 percent of capital and 11.0 percent of votes and Rolf Lundström, with 3.9 percent of capital and 10.4 percent of votes.

## Betting shop in Stockholm

In May 2008, Betsson opened a betting shop in Stockholm. The Swedish Gaming Board was of the opinion that the shop's operations were in conflict with the Lotteries Act and demanded, with threat of a fine, that the shop should stop supporting its gaming activities. This decision was appealed by Betsson (Shopsson AB) to the County Court. The County Court rejected the appeal; this rejection was, in the Company's opinion, in conflict with EU law. Betsson subsequently appealed the County Court's decision in the Administrative Court of Appeal. The Administrative Court of Appeal determined in January 2009 to grant leave to appeal and accepted Betsson's claim for suspension of implementation, which implies that the County Court's decision no longer applies. In December 2009, the Administrative Court of Appeal informed of its decision that the shop should, once again, with threat of a fine, cease to support gaming activities. Betsson maintains its opinion that this decision is in conflict with applicable EU law and applied this time to the Supreme Administrative Court. In order to avoid a fine, the shop was closed. Two days

after the shop was closed, the Supreme Administrative Court informed that they had accepted Betsson's claim for suspension of implementation, which concretely implies that Betsson, once again, had the right to undertake operations whilst waiting for the Administrative Court of Appeal's decision to come into effect or the Supreme Administrative Court granting leave to appeal. The shop was reopened in January 2010. In September 2010, the Supreme Administrative Court notified that they did not grant leave to appeal which meant, concretely, that the Administrative Court of Appeal's decision remained in effect. In order to avoid paying a fine, Betsson closed the shop. However, Betsson deems, still, that the shop has good premises for development and, on 22 December 2010, the shop opened for the third time. Now Betsson has been forced to comply with the Gaming Board's injunction from 2008, which implies that none of Betsson's marketing designs or logo types can be displayed in the shop.

On 22 September 2009, the police undertook a search of the betting shop with the aim of investigating to determine whether Betsson was in breach of the Swedish Act Concerning Certain Forms of Gaming Machines. The Prosecutor subsequently found, in agreement with the management's conviction, that there was no reason to initiate prosecution and this decision was notified in January 2011.

### Claims for damages

On September 2, 2010, the County Administrative Court in Stockholm ruled against Betsson's claims for damages of SEK 102 million against the Government. Betsson argue that in 1997, the Government, in breach of applicable law, applied a ban on wheel of fortune games which has negatively impacted the financial position of Betsson. The County Administrative Court agreed that the Government had acted in breach of applicable EU law, but that this was not sufficient for the Government to be forced to pay claims for damages. Betsson has appealed this to the Administrative Court.

### Outstanding shares

Betsson holds own shares amounting to 259,555 Class B shares, acquired before 2010 at an average rate of SEK 58.27. The number of outstanding shares, excluding repurchased shares, amounted to 39,394,165, of which 5,420,000 were Class A shares and 33,974,165 were Class B shares. The average number of outstanding shares amounted to 39,245,169 in the first quarter. Each Class A share provides entitlement to 10 votes per share, while each Class B share provides entitlement to 1 vote per share.

### Events after the end of the first quarter

The activity level in the various gaming solutions has so far in April been in line with first quarter.

Due to that Betsson and G.Matica in Italy have not agreed about the commercial terms the two parties have decided to break up the negotiations regarding co-operation. Correspondingly, the marginal income statement effects from this co-operation which the company previously estimated for this year, will not

happen. Betsson is currently evaluating other options on the Italian market, where the new regulation system which is expected to be implemented has been further delayed.

Betsson announced on 13 April that Magnus Silfverberg is planned to take over as CEO and President in July 2011. The previous CEO and President, Pontus Lindwall has been proposed as Chairman of the Board by the Nomination Committee.

There have been no other significant events after the end of the interim period.

### Accounting principles

Betsson complies with the IFRS standards adopted by the EU, as well as with the interpretations of those standards (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2.

During 2011, Betsson began to report licensing revenues for a section of their operations in which the provision and operation of a technological platform is undertaken by a third party.

In other respects, the accounting principles remain unchanged from the preparation of the 2010 annual financial statements. Further information regarding the Group's accounting and valuation principles can be found in Note 2 of the Annual Report 2010, which is available at [www.betssonab.com](http://www.betssonab.com) or at the head office.

### Risks and factors of uncertainty

The legal situation regarding online gaming is constantly changing in different geographical areas. There is continued pressure on countries in the EU to bring their legislation in line with applicable EC law, with unrestricted mobility for goods and services. A number of countries have reported that they are working on new legislation which will be compatible with EU requirements. There is still uncertainty as to the point in time at which such legislation will be introduced into Betsson's main markets. New legislation could lead to that market conditions, regarding for example changes in taxes, product range and local licensing fees, may have a negative impact on Betsson's profitability. Meanwhile new legislation may lead to a significant growth for Betsson's gaming markets as well as provide Betsson with increased opportunities for marketing and an increased presence on the market.

Norway expanded its ban on promoting games organized from abroad. This ban impacts banks, in that payment services for transactions to gaming companies made using debit and credit cards, have been classified as unlawful.

In Sweden, a public inquiry on gaming was undertaken in December 2008, preceding the introduction of new gambling legislation. This proposed new legislation has met hard criticism.

Betsson's view is that this law would be in conflict with EC law and that it will not, in the end, be introduced in its proposed form.

The European Court of Justice has recently made a ruling on Internet gaming (Carmen Media, Marcus Stoss, WinnerWetten and Engelman), further strengthening the obligations for national monopolies to comply with applicable EU law. The major purpose, today, for having national monopolies is to generate cash inflows to the states, and this leads to the fact that this limitation on the free movement of services created by the states cannot be defended in compliance with applicable EU law. The conclusion is that, based on these new rulings, it will be more difficult for domestic courts to rule within the "margin of appreciation" in favor of the monopolies. Betsson conclude that these rulings will significantly weaken the existing ban in Germany. Betsson also assumes this to be an important precedent for other court cases as regards whether local monopoly legislations in other EU/EEC countries are in breach of applicable EU law.

After the divestment of the Turkish client base, Betsson also has license revenues for system delivery to a gaming operator, which is reported in the product segment called Platform. Parts of this revenue derive from players in Turkey. Revenues arising from Turkey may be considered to have higher operational risk than revenues from other markets.

A deeper description of above risks and other risks and uncertainties can be found in the Annual Report 2010.

#### **Transactions with related parties**

No transactions significantly affecting Betsson's financial position and results for the year have been undertaken between Betsson and related parties.

#### **Prospects for 2011**

A considerable portion of the world's citizens still have no or limited access to the Internet. The number of Internet users is growing rapidly, which is a fundamental driver for the business. The confidence in Internet and e-commerce is increasing as more people use the Internet to perform their banking and stock market transactions, insurance business and other purchases. This changing behavior and increasing confidence in e-commerce is important for the online gaming industry.

H2 Gambling Capital stated in its forecast in January 2011 that the European Internet gaming market will increase by 15.2 percent to USD 15.3 billion during 2011. Betsson has exceeded this level of growth in the first quarter and intends to continue growing at a rate faster than the market.

High customer deposits and high activity in Betsson indicate continued healthy growth.

#### **Annual General Meeting 2011**

The annual general meeting of shareholders of Betsson AB will be held on 12 May 2011, CET 10:00 - 12:00, at the Company's premises in Stockholm.

Notification to attend the Annual General Meeting shall be provided, in writing, to:  
Betsson AB, Regeringsgatan 28, 111 53, Stockholm.  
Notification can also be provided by phone:  
+46(0)8-506 403 00, fax: +46(0)8-735 57 44 or e-mail:  
info@betssonab.com.

Shareholders wishing to take part in the annual general meeting should:

- be recorded in the share register held by Euroclear Sweden AB by Friday 6 May 2011 at the latest, and
- have notified the Company of their intention to participate in the annual general meeting by Friday 6 May 2011, CET 12:00 at the latest.

Shareholders who have registered their shares must, in order to participate in the annual general meeting, temporarily register their shares in their own name with Euroclear Sweden AB. Shareholders wishing to re-register, must inform the administrator well in advance of 6 May 2011.

The annual general meeting will include a consideration of the Board's proposal to implement a redemption procedure. Further information regarding the annual general meeting is available on the Company's website, [www.betssonab.com](http://www.betssonab.com).

#### **Financial calendar**

Betsson intends to make its financial statements public as follows. The interim report for the second quarter will be published on 26 July, the third quarter on 28 October and the Year-end Report for 2011 (fourth quarter) on 10 February 2012.

The annual report for 2010 is available at [www.betssonab.com](http://www.betssonab.com).

#### **Presentation of the interim report**

Today, Thursday 28 April, at 09.00 CET, Betsson's CEO Pontus Lindwall will present the Interim Report through webcast at [www.betssonab.com](http://www.betssonab.com) or <http://storm.zoomvisionmamato.com/player/betsson/objects/34hdy9xz> or through phone at +46 (0)8 505 598 53 (Sweden) or +44 (0)20 3043 2436 (UK). The presentation will be in English and will be followed by a question and answer session.

A copy of the presentation will be available at [www.betssonab.com](http://www.betssonab.com) from Thursday 28 April.

#### **Stockholm, 28 April 2011**

#### **Pontus Lindwall CEO and President**

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Registered offices: Stockholm,  
Corporate Identity Number 556090-4251

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The information in this Interim Report is information which Betsson AB (Publ) shall publish in accordance with the Securities Market Act and /or the Financial Instruments Trading Act. The information was presented for publication on 28 April 2011, 07:30 CET.

**Audit report**

This report has not been subject to separate review by the Company's auditors.

Consolidated Income Statement (MSEK)	Q1	Q1	Full year
	2011	2010	2010
<b>Revenues</b>	<b>417.4</b>	<b>367.7</b>	<b>1 603.2</b>
Operating expenses from gaming activities	-86.6	-70.4	-321.1
<b>Gross Profit</b>	<b>330.8</b>	<b>297.3</b>	<b>1282.1</b>
Marketing expenses	-120.2	-120.2	-527.7
Personnel expenses	-43.0	-45.4	-179.6
Other external expenses	-46.1	-36.3	-160.1
Capitalized development costs	11.1	9.9	35.7
Depreciation	-13.9	-11.1	-49.7
Other operating income	20.3	4.7	9.9
Other operating expenses	-7.2	-14.7	-30.0
Operating expenses	-199.0	-213.1	-901.5
<b>Operating income</b>	<b>131.8</b>	<b>84.2</b>	<b>380.6</b>
Financial items, net	0.8	0.4	1.9
<b>Income before tax</b>	<b>132.6</b>	<b>84.6</b>	<b>382.5</b>
Tax	-7.0	-4.4	-16.8
<b>Net income</b>	<b>125.6</b>	<b>80.2</b>	<b>365.7</b>
Earnings per share before dilution (SEK)	3.19	2.04	9.32
Earnings per share after dilution (SEK)	3.19	2.04	9.32
Operating margin (percent of Revenues)	31.6	22.9	23.7
Operating margin (percent of Gross Profit)	39.8	28.3	29.7
Profit margin (percent)	31.8	23.0	23.9
Average number of outstanding shares (millions)	39.4	39.2	39.2
Number of outstanding shares at end of period (millions)	39.4	39.2	39.3
Return on equity (percent)	14	9	44
Return on total capital (percent)	9	6	26
Return on capital employed (percent)	15	10	46

Consolidated Statement of Comprehensive Income (MSEK)	Q1	Q1	Full year
	2011	2010	2010
<b>Net income</b>	<b>125.6</b>	<b>80.2</b>	<b>365.7</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations	1.0	2.4	-10.3
<b>Other comprehensive income of the period (after tax)</b>	<b>1.0</b>	<b>2.4</b>	<b>-10.3</b>
<b>Total comprehensive income for the period</b>	<b>126.6</b>	<b>82.6</b>	<b>355.4</b>

Consolidated Balance Sheet (MSEK)	2011-03-31	2010-03-31	2010-12-31
Intangible fixed assets	448.6	458.5	450.2
Tangible fixed assets	27.5	17.2	25.7
Deferred tax receivables	6.1	1.6	6.1
Long-term receivables	11.3	-	-
<b>Total non-current assets</b>	<b>493.5</b>	<b>477.3</b>	<b>482.0</b>
Current receivables	565.4	417.2	509.0
Cash and liquid assets	535.8	520.4	497.1
<b>Total current assets</b>	<b>1 101.2</b>	<b>937.6</b>	<b>1 006.1</b>
<b>Total assets</b>	<b>1 594.7</b>	<b>1 414.9</b>	<b>1 488.1</b>
Equity	952.3	903.3	825.6
Deferred tax liabilities	4.1	4.1	4.2
<b>Total non-current liabilities</b>	<b>4.1</b>	<b>4.1</b>	<b>4.2</b>
Other current liabilities (non interest bearing)	638.3	507.5	658.3
<b>Total current liabilities</b>	<b>638.3</b>	<b>507.5</b>	<b>658.3</b>
<b>Total equity and liabilities</b>	<b>1 594.7</b>	<b>1 414.9</b>	<b>1 488.1</b>

  

Consolidated Cash Flow Statement (MSEK)	Q1 2011	Q1 2010	Full year 2010
Income after financial items	132.6	84.6	382.5
Adjustments for non-cash items	0.9	29.0	73.6
Taxes paid	-0.2	-2.2	-18.9
<b>Cash flows from operating activities before changes in working capital</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Changes in working capital	133.3	111.4	437.2
<b>Cash flows from operating activities</b>	<b>-83.2</b>	<b>-99.5</b>	<b>-40.7</b>
<b>Investments</b>	<b>50.1</b>	<b>11.9</b>	<b>396.5</b>
Investments	-14.2	-6.2	-44.9
Sale of intangible assets	16.9	-	-
Long-term receivables	-11.3	-	-
<b>Cash flows from investing activities</b>	<b>-8.6</b>	<b>-6.2</b>	<b>-44.9</b>
Redemption of shares	-	-	-353.2
Cost of Share Redemption Program	-	-	-0.2
Share issue at exercise of warrants	-	-	7.5
Payment at exercise of options	-	-	-6.7
Premiums received for warrants	-	-	1.4
<b>Cash flows from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-351.2</b>
<b>Changes to cash and liquid assets</b>	<b>41.5</b>	<b>5.7</b>	<b>0.4</b>
Cash and liquid assets at beginning of period	497.1	529.1	529.1
Exchange rate differences	-2.8	-14.4	-32.4
<b>Cash and liquid assets at end of period</b>	<b>535.8</b>	<b>520.4</b>	<b>497.1</b>

  

Change in Group Equity (MSEK)	Q1 2011	Q1 2010	Full year 2010
Opening balance	825.6	820.4	820.4
Total comprehensive income for the period	126.6	82.6	355.4
<b>Total change, excluding transactions with company owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>126.6</b>	<b>82.6</b>	<b>355.4</b>	
Share Redemption	-	-	-353.2
Cost of Share Redemption Program after tax	-	-	-0.2
Share issue at exercise of warrants	-	-	7.5
Payment at exercise of options	-	-	-6.7
Premiums received for warrants	-	-	1.4
Share options - value of employee services	0.1	0.3	1.0
<b>Equity at end of period</b>	<b>952.3</b>	<b>903.3</b>	<b>825.6</b>
<b>Attributable to:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Parent company's shareholders	952.3	903.3	825.6
Minority Interest	-	-	-
<b>Total equity</b>	<b>952.3</b>	<b>903.3</b>	<b>825.6</b>

Parent Company Income Statement (MSEK)	Q1 2011	Q1 2010	Full year 2010
Revenues	3.6	3.2	16.3
Operating expenses	-9.0	-22.1	-57.8
<b>Operating Income</b>	<b>-5.4</b>	<b>-18.9</b>	<b>-41.5</b>
Financial items	0.6	0.4	361.7
<b>Income before tax</b>	<b>-4.8</b>	<b>-18.5</b>	<b>320.2</b>
Tax	1.2	4.7	8.9
<b>Net income</b>	<b>-3.6</b>	<b>-13.8</b>	<b>329.1</b>

Parent Company Balance Sheet (MSEK)	2011-03-31	2010-03-31	2010-12-31
Tangible fixed assets	5.5	4.9	6.0
Financial assets	587.7	584.1	590.8
<b>Total non-current assets</b>	<b>593.2</b>	<b>589.0</b>	<b>596.8</b>
Current receivables	357.8	288.1	374.4
Cash and liquid assets	306.8	391.8	283.0
<b>Total current assets</b>	<b>664.6</b>	<b>679.9</b>	<b>657.4</b>
<b>Total assets</b>	<b>1 257.8</b>	<b>1 268.9</b>	<b>1 254.2</b>
Restricted equity	332.6	332.4	332.6
Unrestricted equity	749.8	748.6	753.1
<b>Total equity</b>	<b>1 082.4</b>	<b>1 081.0</b>	<b>1 085.7</b>
Untaxed reserves	0.4	0.4	0.4
Current liabilities	175.0	187.5	168.1
<b>Total equity and liabilities</b>	<b>1 257.8</b>	<b>1 268.9</b>	<b>1 254.2</b>

### Group Review

Consolidated Income Statement (MSEK) (Continuing operations)	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 FY
<b>Revenues</b>	417.4	484.3	385.1	366.1	367.7	382.9	316.7	284.6	315.5	1 603.2
Operating expenses from gaming activities	-86.6	-92.8	-83.5	-74.4	-70.4	-70.7	-63.7	-60.5	-59.8	-321.1
<b>Gross Profit</b>	<b>330.8</b>	<b>391.5</b>	<b>301.6</b>	<b>291.7</b>	<b>297.3</b>	<b>312.2</b>	<b>253.0</b>	<b>224.1</b>	<b>255.7</b>	<b>1 282.1</b>
Marketing expenses	-120.2	-163.2	-124.0	-120.3	-120.2	-136.4	-104.4	-86.1	-113.1	-527.7
Personnel expenses	-43.0	-47.2	-39.6	-47.4	-45.4	-43.9	-34.9	-39.3	-32.3	-179.6
Other external expenses	-46.1	-45.8	-39.0	-39.0	-36.3	-38.9	-34.6	-37.7	-39.7	-160.1
Capitalized development costs	11.1	9.3	7.3	9.2	9.9	14.9	12.2	12.5	13.7	35.7
Depreciation	-13.9	-14.1	-12.5	-12.0	-11.1	-10.6	-9.6	-8.9	-7.5	-49.7
Other operating income	20.3	-1.1	4.4	1.9	4.7	-3.2	8.7	10.7	5.2	9.9
Other operating expenses	-7.2	-1.7	-17.5	3.9	-14.7	-0.6	-11.0	-13.7	0.4	-30.0
Operating expenses	-199.0	-263.8	-220.9	-203.7	-213.1	-218.7	-173.6	-162.5	-173.3	-901.5
<b>Operating income</b>	<b>131.8</b>	<b>127.7</b>	<b>80.7</b>	<b>88.0</b>	<b>84.2</b>	<b>93.5</b>	<b>79.4</b>	<b>61.6</b>	<b>82.4</b>	<b>380.6</b>
Financial items, net	0.8	1.0	0.0	0.5	0.4	0.8	0.2	0.4	0.6	1.9
<b>Income before tax</b>	<b>132.6</b>	<b>128.7</b>	<b>80.7</b>	<b>88.5</b>	<b>84.6</b>	<b>94.3</b>	<b>79.6</b>	<b>62.0</b>	<b>83.0</b>	<b>382.5</b>
Tax	-7.0	-3.5	-4.4	-4.5	-4.4	-4.3	-4.0	-3.1	-4.2	-16.8
<b>Net income (continuing operations)</b>	<b>125.6</b>	<b>125.2</b>	<b>76.3</b>	<b>84.0</b>	<b>80.2</b>	<b>90.0</b>	<b>75.6</b>	<b>58.9</b>	<b>78.8</b>	<b>365.7</b>

Group Review										
Consolidated Balance Sheet (MSEK)										
	2011	2010	2010	2010	2010	2009	2009	2009	2009	2010
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY
Non-current assets	493.5	482.0	473.6	482.4	477.3	482.9	475.3	478.7	474.6	482.0
Current assets	1 101.2	1 013.6	824.1	1 026.0	937.6	909.3	728.1	607.6	802.3	1 006.1
Total assets	1 594.7	1 495.6	1 297.7	1 508.4	1 414.9	1 392.2	1 203.4	1 086.3	1 276.9	1 488.1
Equity	952.3	825.6	704.6	632.5	903.3	820.4	728.1	657.8	798.9	825.6
Non-current liabilities	4.1	4.2	3.6	3.9	4.1	4.5	4.0	4.3	4.3	4.2
Current liabilities	638.3	665.8	589.5	872.0	507.5	567.3	471.3	424.2	473.7	658.3
Total equity and liabilities	1 594.7	1 495.6	1 297.7	1 508.4	1 414.9	1 392.2	1 203.4	1 086.3	1 276.9	1 488.1

Consolidated Cash Flow Statement (MSEK)										
(Continuing operations)										
	2011	2010	2010	2010	2010	2009	2009	2009	2009	2010
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY
Operating cash flow	50.1	138.9	227.2	18.5	11.9	149.9	129.6	65.0	80.4	396.5
Cash flow from investing activities	-8.6	-16.4	-5.3	-17.0	-6.2	-19.9	-6.3	-12.8	-19.5	-44.9
Cash flow from financing activities	0.0	0.8	-351.9	-0.1	0.0	0.0	0.0	-200.3	0.0	-351.2
Totals	41.5	123.3	-130.0	1.4	5.7	130.0	123.3	-148.1	60.9	0.4

Group Review										
Key Ratios										
(Continuing operations)										
	2011	2010	2010	2010	2010	2009	2009	2009	2009	2010
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY
Quarterly top-line growth (%)	-14	26	5	0	-4	21	11	-10	-2	
Growth compared to same period last year (%)	14	26	22	29	17	19	26	20	38	23
Gross Margin (percent of Revenues)	79.3	80.8	78.3	79.7	80.9	81.5	79.9	78.7	81.0	80.0
EBITDA-margin (percent of Revenues)	34.9	29.3	24.2	27.3	25.9	27.2	28.1	24.8	28.5	26.8
EBITDA-margin (percent of Gross Profit)	44.0	36.2	30.9	34.3	32.1	33.3	35.2	31.5	35.2	33.6
EBIT-margin (percent of Revenues)	31.6	26.4	21.0	24.0	22.9	24.4	25.1	21.6	26.1	23.7
EBIT-margin (percent of Gross Profit)	39.8	32.6	26.8	30.2	28.3	29.9	31.4	27.5	32.2	29.7
Profit margin (percent of Revenues)	31.8	26.6	21.0	24.2	23.0	24.6	25.1	21.8	26.3	23.9
Profit margin (percent of Gross Profit)	40.1	32.9	26.8	30.3	28.5	30.2	31.5	27.7	32.5	29.8
Marketing expenses (percent of Revenues)	28.8	33.7	32.2	32.9	32.7	35.6	33.0	30.3	35.8	32.9
Marketing expenses (percent of Gross Profit)	36.3	41.7	41.1	41.2	40.4	43.7	41.3	38.4	44.2	41.2
Earnings per share (SEK)	3.19	3.19	1.94	2.14	2.04	2.29	1.93	1.50	2.01	9.32
Operating cash flow per share (SEK)	1.27	3.54	5.79	0.47	0.30	3.82	3.30	1.66	2.05	10.10
Equity per share (SEK)	24.17	20.96	17.95	16.12	23.02	20.91	18.54	16.75	20.35	20.96
Executed dividend/redemption per share (SEK)	-	-	-	9.00	-	-	-	5.10	-	9.00
Average share price (SEK)	126.03	103.37	94.73	109.65	122.36	111.59	91.35	91.79	87.92	109.79
Last paid share price (SEK)	139.25	117.00	96.25	89.25	124.00	109.75	109.25	87.25	91.50	117.00
Highest share price (SEK)	141.50	117.75	101.50	130.50	134.25	121.00	109.75	103.00	105.25	134.25
Lowest share price (SEK)	112.75	94.25	87.00	89.25	110.00	102.75	77.50	78.00	67.75	87.00
Equity/asset ratio (percent)	60	55	54	42	64	59	60	61	63	55
Investments, continuing operations (MSEK)	14.2	16.4	5.2	17.1	6.2	19.9	6.3	12.8	19.5	44.9
Average number of employees (accumulated)	266	268	266	266	261	225	210	197	182	268
Number of employees at end of period	278	282	276	275	276	258	251	225	196	282
Number of registered shareholders at end of period	11 105	11 484	11 970	11 782	10 677	9 905	8 316	7 826	6 413	11 484

## Group review

Customers	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 FY
Registered Customers (thousands)	2 786.8	3 158.2	2 833.9	2 719.3	2 414.9	2 117.8	1 916.7	1 777.1	1 629.1	3 158.2
Quarterly growth (%)	-12	11	4	13	14	10	8	9	9	
Growth compared to same period last year (%)	15	49	48	53	48	41	42	44	42	49
Active Customers (thousands)	335.5	300.5	255.7	288.7	318.6	288.7	220.9	185.3	174.6	300.5
Quarterly growth (%)	12	18	-11	-9	10	31	19	6	4	
Growth compared to same period last year (%)	5	4	16	56	82	72	74	33	14	4
Activity Rate. Active/Registered customers (%)	12	10	9	11	13	14	12	10	11	10
<b>Customer Deposits</b>	<b>2011 Q1</b>	<b>2010 Q4</b>	<b>2010 Q3</b>	<b>2010 Q2</b>	<b>2010 Q1</b>	<b>2009 Q4</b>	<b>2009 Q3</b>	<b>2009 Q2</b>	<b>2009 Q1</b>	<b>2010 FY</b>
Customer Deposits (MSEK)	959.0	1 104.5	913.6	911.1	964.9	915.7	823.6	783.1	735.6	3 894.1
Quarterly growth (%)	-13	21	0	-6	5	11	5	6	5	
Growth compared to same period last year (%)	-1	21	11	16	31	30	41	52	54	20
Customer Deposits, including Platform (MSEK)	1 121.6	1 104.5	913.6	911.1	964.9	915.7	823.6	783.1	735.6	3 894.1
Quarterly growth (%)	2	21	0	-6	5	11	5	6	5	
Growth compared to same period last year (%)	16	21	11	16	31	30	41	52	54	20
<b>Sportsbook Margin</b>	<b>2011 Q1</b>	<b>2010 Q4</b>	<b>2010 Q3</b>	<b>2010 Q2</b>	<b>2010 Q1</b>	<b>2009 Q4</b>	<b>2009 Q3</b>	<b>2009 Q2</b>	<b>2009 Q1</b>	<b>2010 FY</b>
Gross Turnover Sportsbook (MSEK)	1 210.1	1 894.1	1 215.7	1 233.1	1 012.8	755.3	634.9	644.8	536.5	5 355.7
Quarterly growth (%)	-36	56	-1	22	34	19	-2	20	3	
Growth compared to same period last year (%)	19	151	91	91	89	45	78	73	69	108
Of which Gross Turnover Live Betting (MSEK)	738.3	1 143.6	733.7	699.7	385.2	233.4	194.0	228.1	147.1	2 962.2
Live Betting (% of Gross Turnover Sportsbook)	61.0%	60.4%	60.4%	56.7%	38.0%	30.9%	30.6%	35.4%	27.4%	55.3%
Quarterly growth (%)	-35	56	5	82	65	20	-15	55	20	
Growth compared to same period last year (%)	92	390	278	207	162	90	430	236	198	269
Margin after free bets (%)	8.0%	7.6%	8.6%	7.4%	7.6%	12.0%	7.2%	4.7%	11.7%	7.8%
Gross Profit (MSEK)	82.7	128.2	89.5	78.0	72.0	82.0	41.4	25.8	57.4	367.7
Gross Margin Sportsbook (%) 1)	6.8%	6.8%	7.4%	6.3%	7.1%	10.9%	6.5%	4.0%	10.7%	6.9%
1) Margin after allocated costs										
Gross Turnover Sportbook incl. Platform (MSEK)	1 787.5	1 894.1	1 215.7	1 233.1	1 012.8	755.3	634.9	644.8	536.5	5 355.7
Quarterly growth (%)	-6	56	-1	22	34	19	-2	20	3	
Growth compared to same period last year (%)	76	151	91	91	89	45	78	73	69	108
Gross Turnover Live Betting incl. Platform (MSEK)	1 119.4	1 143.6	733.7	699.7	385.2	233.4	194.0	228.1	147.1	2 962.2
Live Betting (% of Gross Turnover incl. Platform)	62.6%	60.4%	60.4%	56.7%	38.0%	30.9%	30.6%	35.4%	27.4%	55.3%
Quarterly growth (%)	-2	56	5	82	65	20	-15	55	20	
Growth compared to same period last year (%)	191	390	278	207	162	90	430	236	198	269

## Segment Reporting

Gross Profit by Geographical Area	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 FY
<b>Gross Profit (MSEK)</b>										
Nordic Countries	145.4	152.9	142.0	140.9	151.3	168.7	153.2	140.1	143.0	587.1
EU, outside Nordic region	40.4	42.9	31.3	37.2	42.0	40.0	33.3	33.5	32.9	153.4
Others Europe	104.2	193.9	126.3	111.6	102.1	102.6	64.6	49.7	79.0	533.9
Platform	38.6	-	-	-	-	-	-	-	-	-
Rest of the world	2.2	1.8	2.0	2.0	1.9	0.9	1.9	0.8	0.8	7.7
Total gaming activities	330.8	391.5	301.6	291.7	297.3	312.2	253.0	224.1	255.7	1 282.1
Others, adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group totals	330.8	391.5	301.6	291.7	297.3	312.2	253.0	224.1	255.7	1 282.1
<b>Share of total (%)</b>										
Nordic Countries	44.0	39.1	47.1	48.3	50.9	54.0	60.6	62.5	55.9	45.8
EU, outside Nordic region	12.2	11.0	10.4	12.8	14.1	12.8	13.2	14.9	12.9	12.0
Others Europe	31.5	49.5	41.9	38.3	34.3	32.9	25.5	22.2	30.9	41.6
Platform	11.7	-	-	-	-	-	-	-	-	-
Rest of the world	0.7	0.5	0.7	0.7	0.6	0.3	0.8	0.4	0.3	0.6
<b>Quarterly Growth (%)</b>										
Nordic Countries	-5	8	1	-7	-10	10	9	-2	5	
EU, outside Nordic region	-6	37	-16	-11	5	20	-1	2	6	
Others Europe	-46	54	13	9	0	59	30	-37	-13	
Rest of the world	22	-10	0	5	111	-53	138	0	-11	
Platform	-	-	-	-	-	-	-	-	-	
Total all countries	-16	30	3	-2	-5	23	13	-12	-1	
<b>Growth compared to same period last year (%)</b>										
Nordic Countries	-4	-9	-7	1	6	24	21	29	35	-3
EU, outside Nordic region	-4	7	-6	11	28	29	54	51	46	10
Others Europe	2	89	96	125	29	14	17	-8	55	80
Rest of the world	16	100	5	150	138	0	171	100	167	75
Platform	-	-	-	-	-	-	-	-	-	-
Total all countries	11	25	19	30	16	21	24	21	42	23
<b>Gross Profit by Products</b>										
	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 FY
<b>Gross Profit (MSEK)</b>										
Casino	178.9	216.7	174.1	173.8	180.8	186.9	173.2	158.4	151.9	745.4
Poker	18.3	26.7	24.4	25.3	30.3	31.5	27.5	31.9	41.0	106.7
Sportsbook	82.7	128.2	89.5	78.0	72.0	82.0	41.4	25.8	57.4	367.7
Platform	38.6	-	-	-	-	-	-	-	-	-
Other products	12.3	19.9	13.6	14.6	14.2	11.8	10.9	8.0	5.4	62.3
Total gaming activities	330.8	391.5	301.6	291.7	297.3	312.2	253.0	224.1	255.7	1 282.1
Others, adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group totals	330.8	391.5	301.6	291.7	297.3	312.2	253.0	224.1	255.7	1 282.1
<b>Share of total (%)</b>										
Casino	54.1	55.4	57.7	59.6	60.8	59.9	68.5	70.7	59.4	58.1
Poker	5.5	6.8	8.1	8.7	10.2	10.1	10.9	14.2	16.0	8.3
Sportsbook	25.0	32.7	29.7	26.7	24.2	26.3	16.4	11.5	22.4	28.7
Platform	11.7	-	-	-	-	-	-	-	-	-
Other products	3.7	5.1	4.5	5.0	4.8	3.8	4.3	3.6	2.1	4.9
<b>Quarterly Growth (%)</b>										
Casino	-17	24	0	-4	-3	8	9	4	4	
Poker	-31	9	-4	-17	-4	15	-14	-22	0	
Sportsbook	-35	43	15	8	-12	98	60	-55	-7	
Platform	-	-	-	-	-	-	-	-	-	
Other products	-38	46	-7	3	20	8	36	48	-41	
Total all products	-16	30	3	-2	-5	23	13	-12	-1	
<b>Growth compared to same period last year (%)</b>										
Casino	-1	16	1	10	19	28	36	42	57	11
Poker	-40	-15	-11	-21	-26	-24	-25	-10	-9	-19
Sportsbook	15	56	116	202	25	33	27	-21	78	78
Platform	-	-	-	-	-	-	-	-	-	-
Other products	-13	69	25	83	163	28	36	29	-8	73
Total all products	11	25	19	30	16	21	24	21	42	23