



24hPoker AB (publ)

Interim report for the period May to October 2005

- Net revenues for the second quarter amounted to SEK 62.0 M (18.7) and to SEK 102.2 M (28.1) for the first six months.
- Poker reported strong growth during the entire second quarter, with an increase of 522%, compared with the corresponding period during the preceding year and 70% over the first quarter.
- Profit after tax amounted to SEK 7.5 M (2.5) for the second quarter and SEK 8.8 M (3.9) for the first six months.
- The gross winnings for the second quarter amounted to SEK 40.2 M (7.6) and to SEK 63.6 M (11.8) for the six-month period from May to October.
- The gross margin was 45% (32) for the second quarter and 46% (27) for the first six months.
- Profit per share amounted to SEK 1.45 (0.49) for the second quarter and SEK 1.68 (0.75) for the first six months.

Comments by Per Hildebrand, President of 24hPoker AB

"During the reporting period, 24hPoker experienced continued strong revenue growth in comparison with both the corresponding period during the preceding year and the first quarter of the current fiscal year. Underlying this growth was favorable growth for partners in the 24hNetwork (skins) plus the fact that existing skins succeeded in their marketing campaigns during the period. The rake (fees) in the poker network was increased to market levels during the period. This adjustment is expected to result in a long-term improvement of the gross winnings of 15-20% without any negative effect on gaming activity.

During the period, 24hPoker strengthened its poker network through the launch of a new system with greater capacity and a new browser client that increases accessibility for players.

The turbulence during the autumn in the online poker market showed the strategic importance of owning networks and systems, thus retaining control over functionality and availability. 24hPoker is well prepared for increased competition and the market expansion that the entry of Svenska Spel, for example, may entail in the Swedish market."

Financial summary, Group (SEK 000s)	2005/06 3 mos. Aug.-Oct.	2004/05 3 mos. Aug.-Oct.	2005/06 6 mos. May-Oct.	2004/05 6 mos. May-Oct.	Rolling 12 mos. Nov-Oct.	2004/05 12 mos. May-Apr.
Net revenues	62 040	18 708	102 216	28 138	170 867	96 790
Operating income	10 431	2 355	12 296	634	21 486	9 816
Profit for the period	7 544	2 544	8 761	3 893	16 472	14 085
Operating margin (%)	16,8	12,6	12,0	2,3	12,6	10,1
Profit per share (SEK)	1,45	0,49	1,68	0,75	3,17	2,72
Cash flow from operations	16 265	1 869	25 297	-1 672	48 215	21 246
Liquid funds	65 394	16 535	65 394	16 535	16 535	41 840

About 24hPoker

24hPoker AB is a Swedish gaming company that develops its own software systems for online gaming. The company conducts gaming operations via foreign subsidiaries. 24hPoker launched Poker in May 2002 and also offers online sports betting and casino games. In addition, the company develops and sells turnkey gaming platforms for customers wishing to conduct gaming operations under their own brands. 24hPoker owns 74.61% of B2B Poker AB, which is the world's tenth largest poker network with more than 300,000 registered customers. The company's president and one of its founders is Per Hildebrand, one of Sweden's most well-known poker players.

This interim report can be downloaded at www.24hpoker.se.

Significant events during the second quarter of 2005/06

Very strong growth

During the second quarter, growth accelerated, primarily for Poker. Growth compared with the same quarter of the preceding year exceeded 500% for both poker revenues in the 24hNetwork and royalty income in B2B's network. The increase was in part a continued increase in growth for online poker following a quieter summer period and in part the result of successful strategic initiatives in the company.

Turnkey solutions in 24hNetwork and a functional browser client

The continued rapid growth was primarily attributable to new skins being added to the 24hNetwork at an increasingly rapid pace and to the fact that existing partners have developed successful concepts for marketing their sites. These were the contributing factors in 24hNetwork's increase of its share in B2B's poker network.

An additional factor underlying this growth was that new functions are continuously being added to both the company's own gaming site and partner sites that make the service more attractive to players while providing better support for marketing and CRM. During the quarter, the poker network launched a browser client that does not need to be downloaded, meaning that customers can play from locations where they are not able to download software to the computer. This significantly increases availability and allows Mac users to play on the company's sites. Another excellent marketing tool that was introduced at the end of the quarter was a refer-a-friend function that makes it attractive for players to recommend the company's sites to poker-interested friends.

New rake structure

In early September, a general increase was implemented in the rake (fees) in the poker network in that the rake is now deducted in five-cent increments. Previously, the rake was drawn in 25-cent increments and rounded downward. The increase, which was an adjustment to the rake taken by the company's competitors, did not appear to have any appreciable effect on gaming activity. The increase can therefore be expected to result in a long-term increase in the gross winnings from poker of 15 to 20%. There does not appear to be any price pressure in the current market with respect to the rake intake. The assessment is therefore that it is better to maintain a rake level in line with the market thus enabling the company to give back more in the form of various promotions. In this manner, the company's gaming services continue to be a very attractive alternative for players.

Significant events after the closing date

New scalable system

On November 23, the company achieved a new milestone with the launch of a new scalable system in the poker network. The new system can handle a significantly greater number of simultaneous users than previous versions, since the games are distributed on several servers. The launch increased the responsiveness of the poker client, which also resulted in increased opportunities for revenues. Work on development of the new system was in progress for nearly one year, and the launch of the new system went much more smoothly than expected, given the complexity of the system and the major problems experienced by some competitors in launching new systems. With the new platform, which has already proven to be very competitive and stable, the launch of new functions in the poker network is expected to be able to take place at a significantly faster pace.

B2B Poker AB's president resigns

Stefan Mahlstein announced in December that he will resign as president of B2B Poker AB to devote his time to his own business. Stefan Mahlstein will stay on as president until February 28, 2006. During this period, the Board of Directors and Stefan Mahlstein will continue to work with strategic issues on the company's agenda while work to find a replacement is in progress.

Market listing

H&Q, which is 24hPoker's financial advisor in preparation for the planned market listing in 2006, is also evaluating other alternatives that can create added value for shareholders.

Underlying market factors

The market for online gaming is undergoing strong growth. Use of the Internet means that establishment across country borders is very easy. The total global online gaming market is estimated at about SEK 45 billion per year. Of the total gaming market, online gaming as yet only accounts for about 4%. Annual growth in online gaming over the coming five years is expected to be 17% in the US, 23% in Europe and 35% in Asia, according to Christiansen Capital Advisers.

Online poker is the segment within online gaming showing the more rapid growth in recent years. According to PokerPulse.com, the global market showed annual growth of between 300 and 400% during 2003 and 2004. This rapid growth can be explained by increased Internet use. At the same time, mass media have shown substantial interest for poker, with a rapid increase in the number of events broadcast on TV. Another reason for the increasing interest among the public and in the media are the high prize sums in major poker tournaments and the growing number of celebrities that play poker.

Market growth during the quarter

The online gaming market continued to show strong growth during the autumn. Online poker is the segment within online gaming that showed the greatest growth by far. According to Svenska Spel, the Swedish network poker market alone was worth nearly SEK 1 billion in gross winnings. Continued TV broadcasts of different types of poker events contributed to driving the market. High Internet maturity and continued major advertising investments from various Internet poker rooms are driving growth in poker.

Svenska Spel

The government approved Svenska Spel's application for a permit to start Internet poker games. According to Svenska Spel, poker games will be in operation by the end of March 2006. The permit applies for a trial period of two years, after which it will be evaluated. At the same time, Svenska Spel's application to offer casino games and to start a betting site on the Internet was rejected, and the operator's request to increase the payback percentage for certain gaming types was refused.

These announcements were expected and were positive for 24hPoker from a commercial perspective. Svenska Spel has a large customer base, and its entry in the market for online poker will drive the Swedish market and create growth. This will result in a greater number of players overall and favor companies such as 24hPoker that offer attractive products. However, Svenska Spel's entry in the market can mean that it becomes more expensive to recruit new customers, since Svenska Spel traditionally invests major resources in marketing.

Changes in the poker network

During the autumn, the online poker market was characterized by some turbulence, since a number of network changes were implemented,

At the end of October, Expekt, one of the largest competitors in the Swedish gaming market, changed its poker network from Prima Poker to Tain, a newly established poker network. The move resulted in a number of problems in conjunction with taking the new poker client into operation. At the end of November, it was announced that Parbet will also connect its poker site to the Tain network.

During the autumn, the market leader Party Gaming excluded four partners with own skins from participating in networks with Party Poker players. Despite the fact that these four players combined were very strong, an exodus of customers to Party Poker quickly ensued. The consequence was that Party Gaming acquired Multipoker's and Intertop's customers, while Eurobet changed network. The largest partner, Empire Poker, was not able to reach an agreement with Party Gaming and intends to initiate legal proceedings.

The turbulence during the autumn shows how important it is for the online market to own the poker software, thus maintaining control over functionality and availability.

Operations

24hPoker

24hPoker was founded in 2000 and conducts online gaming operations via foreign subsidiaries using its proprietary software system. The software was developed in collaboration with some of Sweden's leading poker profiles, including Per Hildebrand. When the site was launched in 2002, 24hPoker was one of the first entrants in the Nordic market.

In addition to poker, gaming operations include Sports betting and Casino. 24hPoker has its own players, but the company also supplies turnkey solutions to companies that wish to connect to 24hPoker's gaming platform using their own domain names. The company provides software systems, gaming licenses, payment services and support, while the partner is responsible for marketing of each gaming site. The 24hNetwork consists of the combination of the company's own gaming operations and partner operations.

Poker is the company's most important revenue source, while Sports betting and Casino currently account for only a small portion of operations. 24hPoker plans to expand its offering with additional services to provide customers with a broader choice.

B2B Poker

Via the joint venture company B2B Poker, which is jointly owned with Unibet Group Plc (Unibet), the Group continues to drive development of poker software and to collaborate with companies that want to offer their customers an opportunity to participate in a European poker network. The European profile is strong, since the information for players has been translated into 13 European languages. All gaming is in Euro, and local European poker variants are offered.

The poker network is the world's tenth largest as measured in the average number of cash players per day. 24hPoker and Unibet are the network's largest partners by far. 24hPoker AB currently owns 74.61% of B2B Poker AB.

Key figures for gaming operations

	2005/06 3 mos. Aug.-Oct.	2004/05 3 mos. Aug.-Oct.	2005/06 6 mos. May-Oct.	2004/05 6 mos. May-Oct.	2004/05 12 mos. May-Apr.
Gross winnings for 24hPoker (SEK M)	40,2	7,6	63,6	11,8	47,3
of which winnings from poker (SEK M)	38,1	6,2	60,3	9,7	44,1
No. of active players, 24hPoker	16 070	4 182	-	-	-
No. of active players, B2B Poker Network (incl. 24hPoker)	100 306	17 892	-	-	-
No. of registered players, 24hPoker (at end of each period)	101 430	34 567	101 430	34 567	63 797
No. of registered players, B2B Poker Network (incl. 24h Poker at end of each period)	289 665	63 251	289 665	63 251	156 139

Comments on income statements and balance sheets

Net revenues and profit for second quarter of 2005/06

Net revenues for the quarter amounted to SEK 62.0 M (18.7), an increase of 232%. The strong increase compared with the corresponding quarter in the preceding year was in large part due to the launch of the B2B poker network in September, which resulted in strong growth of Poker in the 24hNetwork. Revenue growth for Poker was 522% during the period, as presented in the revenue table below. For other gaming operations, which consist of Sports betting and Casino, growth was also high during the quarter and amounted to 54%, compared with the preceding year. Other gaming operations showed more even growth during the current and preceding quarters and did not to the same extent follow the trend in B2B's poker network.

Royalty income from B2B Poker increased by 565% during the quarter, compared with the preceding year, which coincided with the growth of poker operators in the network.

Poker revenues (or rake) consist of the share of each pot or bet in a tournament that players pay as a fee.

For Casino, revenues are reported as the net of bets made and wins paid.

For Sports betting, player bets are reported as gross revenues, while wins paid are booked as expenses.

Revenues for Sports betting and Casino are reported under the heading Other gaming operations.

Royalty income consists of B2B Poker's monthly income from each partner in the B2B Poker Network. The royalty is based on the rake that the partner's games generate.

	2005/06	2004/05	2005/06	2004/05	Rolling	2004/05
	3 mos.	3 mos.	6 mos.	6 mos.	12 mos.	12 mos.
Revenue type (SEK 000s)	Aug.-Oct.	Aug.-Oct.	May-Oct.	May-Oct.	Nov.-Oct.	May-Apr.
Poker revenues (24hPoker)	38 962	6 258	61 938	9 740	97 852	45 654
Revenues from other gaming operations (24hPoker)	17 995	11 685	31 345	17 633	58 918	45 206
Royalty income (B2B Poker)	5 084	765	8 933	765	14 098	5 930
Total net revenues	62 040	18 708	102 216	28 138	170 867	96 790

The operating profit for the quarter amounted to SEK 10.4 M (2.4). Total costs increased by 216%, compared with the corresponding quarter in the preceding year. The gross margin for the period was 45% (32%). The increased gross margin was primarily due a significant decline in Sports betting's share of total revenues. Payment of wins in Sports betting is reported as a direct cost in gaming operations.

Other external costs amounted to SEK 10.9 M (1.9) during the quarter, which was an increase of 474%. The increase was mainly attributable to increased marketing costs and increased consulting costs, as well as cost related to preparatory work for market listing of the company. Personnel costs during the quarter amounted to SEK 6.4 M (1.7), an increase of 277%.

The net of financial items was income of SEK 0.1 M (income: 0.2) and consisted primarily of exchange-rate gains on bank balances in other currencies than EUR.

Investments

Investments during the period totaled SEK 1.7 M (0.2), of which SEK 1.0 M (0) was attributable to intangible assets. Total depreciation according to plan during the period amounted to SEK 0.2 M (0), of which SEK 0 M (0) was attributable to write-downs of intangible fixed assets.

Financial position and profitability

Liquid funds on the closing date amounted to SEK 59.2 M (14.6). Consolidated shareholders' equity amounted to SEK 30.8 M (11.9). During the quarter, equity increased by SEK 7.2 M (0.5), of which SEK 7.5 M (0.5) was attributable to profit for the period. The equity/assets ratio was 32.7% (39.9).

Cash flow

Cash flow from operating activities during the period was SEK 16.2 M (1.9) after changes in working capital.

Personnel

The average number of employees in the Group was 58 (15) during the quarter, while the number of employees on the closing date was 59 (15).

Deferred tax

The Group's total loss carry-forwards for tax purposes amounted to SEK 0 M (7.4).

The 24hPoker share

There were a total of 843 shareholders in 24hPoker AB at June 30, 2005.

Parent Company

The Parent Company's revenues during the quarter amounted to SEK 14.0 M (1.7), while a loss after financial items of SEK 2.6 M (loss: 2.4) was reported. Liquid funds amounted to SEK 7.8 M (6.0) on the closing date.

Dates for financial information

The interim report for the period from November to January will be published on Monday, February 27, 2006.

The year-end report for the full-year 2005/06 will be published on Monday, June 19, 2006.

Financial reports are published on www.24hpoker.se

Solna, December 13, 2005

24hPoker AB (publ)

The Board of Directors

For further information

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Accounting principles and supplementary information

All figures refer to the Group, unless otherwise specified. Comparison figures in this interim report refer to the corresponding period during the 2004/05 fiscal year, unless otherwise specified.

B2B Poker AB, which is a joint venture, was consolidated in the 24hPoker Group according to the proportional method, meaning that the balance sheets and income statements were consolidated in the proportion of 74.61%. The same applies to the key data referring to the number of employees, etc.

As of May 1, 2005, the 24hPoker Group applies the IFRS accounting principles. For further information, see notes 1 and 2 and the section on transition to IFRS on page 11.

For a description of other accounting principles, refer to the 2004/05 Annual Report.

This interim report was not subject to an examination by the company's auditors.

Condensed income statement

(SEK 000s)	2005/06 3 mos. Aug.-Oct.	2004/05 ¹ 3 mos. Aug.-Oct.	2005/06 6 mos. May-Oct.	2004/05 ¹ 6 mos. May-Oct.	Rolling ¹ 12 mos. Nov.-Oct.	2004/05 12 mos. May-Apr.
Net revenues	62 040	18 708	102 216	28 138	170 867	96 790
Direct costs for gaming operations	-34 118	-12 711	-55 641	-20 580	-95 935	-60 874
Other external costs	-10 856	-1 913	-21 405	-4 297	-33 538	-16 438
Personnel costs	-6 405	-1 700	-12 184	-2 532	-18 902	-9 251
Depreciation	-229	-29	-690	-95	-1 005	-410
Operating profit	10 431	2 355	12 296	634	21 486	9 816
Financial items	54	189	-127	3 258	-2 964	2 912
Profit after financial items	10 485	2 544	12 169	3 893	18 523	12 728
Tax	-2 941	0	-3 408	0	-2 050	1 357
Profit for the period	7 544	2 544	8 761	3 893	16 472	14 085
No. of shares (no dilution)	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000
Average no. of shares	5 200 000	5 200 000	5 200 000	5 165 761	5 200 000	5 182 740
Profit per share (SEK)	1,45	0,49	1,68	0,75	3,17	2,72
Equity per share (SEK)	5,93	2,28 ²	5,93	2,28 ²	5,93	4,27

1) The preceding period was recalculated as a result of the transition to IFRS. See page 11.

2) To provide a fair picture, only three quarters were used for calculation of average shareholders' equity for the comparison year, since the IFRS adjustments resulted in negative equity for the preceding period.

Condensed balance sheet

(SEK 000s)	2005 Oct. 31	2004 ¹ Oct. 31	2005 ¹ Apr. 30
Assets			
Intangible fixed assets	2 499	49	537
Tangible fixed assets	2 254	656	1 771
Financial fixed assets	1 338	-	2 714
Current receivables	22 969	12 566	11 978
Cash and bank	65 394	16 535	41 840
Total assets	94 454	29 806	58 840
Shareholders' equity and liabilities			
Shareholders' equity	30 848	11 877	22 197
Long-term liabilities	2 931	2 931	2 931
Current liabilities	60 675	14 998	33 712
Total shareholders' equity and liabilities	94 454	29 806	58 840

1) The preceding period was recalculated as a result of the transition to IFRS. See page 11.

Change in shareholders' equity

(SEK 000s)	2005/06 Oct. 31	2004/05 ¹ Oct. 31	2004/05 ¹ Apr. 30
Balance on opening date	22 197	7 901	7 901
Change in translation differences	-110	83	211
Profit for the period	8 761	3 893	14 085
Balance on closing date	30 848	11 877	22 197

1) The preceding period was recalculated as a result of the transition to IFRS. See page 11.

Condensed cash-flow statement

(SEK 000s)	2005/06 3 mos. Aug.-Oct.	2004/05 ¹ 3 mos. Aug.-Oct.	2005/06 6 mos. May-Oct.	2004/05 ¹ 6 mos. May-Oct.	Rolling ¹ 12 mos. Nov.-Oct.	2004/05 ¹ 12 mos. May-Apr.
Cash flow from operations before changes in working capital	10 514	2428	12 931	796	22 208	10 073
Changes in working capital	5 751	-559	12 366	-2 468	26 007	11 173
Cash flow from operating activities	16 265	1 869	25 297	-1 672	48 215	21 246
Cash flow from investment activities	-1 850	3 052	-3 319	3 000	-6 593	- 274
Cash flow from financing activities	0	0	0	9 000	2 930	11 930
Cash flow for the period	14 415	4 921	21 978	10 328	44 552	32 902
Liquid funds on the opening date	44 775	9 717	37 212	4 310	14 638	4 310
Liquid funds on the closing date	59 190	14 638	59 190	14 638	59 190	37 212

1) The preceding period was recalculated as a result of the transition to IFRS. See page 11.

Net revenues and profits by primary business segment

The business segment 24hPoker below refers to the Parent Company 24hPoker AB and its subsidiaries with own business operations plus skins in the online gaming operations Poker, Sports betting and Casino.

B2B Poker below refers to B2B Poker AB with subsidiaries and operations with partners in poker networks plus development of poker software.

	<u>24hPoker</u>			<u>B2B Poker</u>			<u>Eliminations</u>			<u>Group</u>		
(SEK 000s)	2005/06 6 mos. May-Oct.	2004/05 ¹ 6 mos. May-Oct.	2004/05 ¹ 12 mos. May-Apr.	2005/06 6 mos. May-Oct.	2004/05 ¹ 6 mos. May-Oct.	2004/05 ¹ 12 mos. May-Apr.	2005/06 6 mos. May-Oct.	2004/05 ¹ 6 mos. May-Oct.	2004/05 ¹ 12 mos. May-Apr.	2005/06 6 mos. May-Oct.	2004/05 ¹ 6 mos. May-Oct.	2004/05 ¹ 12 mos. May-Apr.
Poker revenues	61 938	9 740	45 567							61 938	9 740	45 654
Revenues from other gaming operations	31 345	17 633	45 206							31 345	17 633	45 206
Royalty				15 364	1 259	9 827	-6 431	-494	-3 850	8 933	765	5 930
Total net revenues	93 283	27 373	90 773	15 364	1 259	9 827	-6 431	-494	-3 850	102 216	28 138	96 790
Revenue growth (%)	241	34,9	109,8	1 120	E/T	E/T				263	38,7	123,7
Operating profit (EBIT)	9 576	1 572	10 559	3 949	-1 303	-981	-1 229	365	238	12 296	634	9 816
Operating margin (%)	10,3	5,7	11,6	25,7	-103,5	-10,0	19,1	-34,0	-6,2	12,0	2,3	10,1

1) The preceding period was recalculated as a result of the transition to IFRS. See page 11.

Key data

(SEK 000s)	2005/06 3 mos. Aug.-Oct.	2004/05 ¹ 3 mos. Aug.-Oct.	2005/06 6 mos. May-Oct.	2004/05 ¹ 6 mos. May-Oct.	2004/05 ¹ 12 mos. May-Apr.
Net revenues	62 040	18 708	102 215	28 138	96 790
Revenue growth (%)	231,6	89,9	263,3	38,7	123,7
Gross margin (%)	45,0	32,1	45,7	26,9	37,1
Profit for the period	7 544	2 544	8 761	3 893	14 085
Operating profit	10 431	2 355	12 296	634	9 816
Operating margin (%)	16,8	12,6	12,0	2,3	10,1
Profit margin (%)	16,9	13,6	11,9	13,8	13,2
Return on capital employed (%)	88,0	19,5 ²	88,0	19,5 ²	104,7
Return on shareholders' equity (%)	90,6	21,4 ²	90,6	90,6 ²	83,7
Total assets	94 454	29 806	94 454	29 807	58 840
Working capital	33 778	14 807	33 778	14 807	25 127
Shareholders' equity	30 848	11 877	30 848	11 877	22 197
Equity/assets ratio (%)	32,7	39,9	32,7	39,9	37,7
Liquid funds	59 190	14 638	59 190	14 638	37 212
Investments	1 699	223	3 318	275	274
No. of employees on closing date	58,7	15,0	58,7	15,0	39,4
Avg. no. of employees	58,5	14,5	52,5	13,6	22,5
Net revenues per employee	1 061	1 290	1 947	2 069	4 302
Operating profit per employee	178	162	234	47	436

1) The preceding period was recalculated as a result of the transition to IFRS. See page 11.

2) To provide a fair picture, only three quarters were used for calculation of average shareholders' equity for the comparison year, since the IFRS adjustments resulted in negative equity for the preceding period.

Definitions of key data

Active player

Each unique player in poker or other gaming operation that during the period (the most recent 90 days) bet money or participated in a competition where a stake in the form of money or bonus points was required.

Return on shareholders' equity

Net profit for the most recent 12 months divided by average shareholders' equity calculated using the opening and closing balances from the most recent four quarters.

Return on capital employed

Profit after financial items plus financial expenses (excluding exchange-rate differences) for the most recent 12 months divided by average capital employed calculated using the opening and closing balances from the most recent four quarters.

Gross margin

Profit after direct costs for gaming operations in relation to net revenues.

Direct costs for gaming operations

Costs for gaming operations directly attributable to the corresponding revenues.

Equity per share

Shareholders' equity in relation to the number of shares on the closing date.

Average number of shares

Average number of shares during the period, adjusted for splits, bonus issues or dilution.

Liquid funds

Cash and bank balances excluding blocked funds.

Net revenues per employee

Net revenues in relation to the average number of employees.

Registered players

Players who are registered in the system.

Profit per share

Profit after tax in relation to the average number of shares.

Operating margin

Operating profit in relation to net revenues.

Operating profit per employee

Operating profit in relation to the average number of employees.

Gross winnings

The gross winnings for Poker and Casino is the same as net revenues. For Sports betting, the gross winnings is net revenues reduced by wins paid.

Equity/assets ratio

Shareholders' equity including minority interests in relation to total assets.

Capital employed

Total assets reduced by non-interest bearing liabilities and provisions, including deferred tax liabilities.

Profit margin

Profit after net financial items in relation to net revenues.

Notes

Note 1. Accounting principles

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. International Financial Reporting Standards (IFRS) are applied as of the 2005/06 fiscal year, and the comparison figures for 2004/05 were recalculated in accordance with the new principles. As of the 2005/06 fiscal year, the Parent Company applies the Swedish Financial Accounting Standards Council's recommendation RR 32 Reporting of Legal Entities retroactively effective as of the 2004/05 fiscal year. The transition to RR 32 did not have any effect on the reported results for 2004/05.

Note 2 Effects of transition to IFRS

Financial reports must be prepared in accordance with the IFRS standards applying as of December 31, 2005. In addition, these standards must have been approved by the EU. The effects of the transition to IFRS that are reported below are therefore preliminary and based on the prevailing IFRS standards and their interpretations, which may change until December 31, 2005.

24hPoker's consolidated accounts were prepared in accordance with generally accepted accounting practices in Sweden as of April 30, 2005. Previously applied Swedish accounting principles differ from IFRS in certain areas. In preparing this report, management therefore supplemented previously applied valuation and accounting principles, as well as the principles for preparing consolidated accounts, in order to comply with IFRS.

The change in the income statement is attributable in its entirety to reversal of development costs capitalized in accordance with previous principles that no longer satisfy the conditions for capitalization in accordance with IAS 38 Intangible Assets. The transition to IFRS was implemented with application of the regulations in IFRS 1 First-time Adoption of International Financial Reporting Standards. In accordance with IFRS 1, the Group elected to nullify the translation differences reported in shareholders' equity.

The application of IFRS did not lead to any significant changes in the Group's accounting principles in other respects.

Condensed income statement

(SEK 000s)	Previous 2004/05 Aug.-Oct.	Effect of transition to IFRS	IFRS 2004/05 Aug.-Oct.	Previous 2004/05 May-Oct.	Effect of transition to IFRS	IFRS 2004/05 May-Oct.	Previous 2004/05 May-Apr.	Effect of transition to IFRS	IFRS 2004/05 May-Apr.
Net revenues	18 708		18 708	28 138		28 138	96 790	-	96 790
Other external costs	-14 625		-14 625	-24 877		-24 877	-77 313	-	-77 313
Personnel costs	-1 699		-1 699	-2 532		-2 532	-9 251	-	-9 251
Depreciation	-131	102	-29	-292	197	-95	-1 620	1 210	-410
Operating profit	2 253	102	2 355	437	197	634	8 606	1 210	-9 816
Financial items	145	44	189	2 472	787	3 259	2 125	787	2 912
Profit after financial items	2 398	146	2 544	2 909	984	3 893	10 731	1 997	12 728
Tax				0		0	863	494	1 357
Profit for the period	2 398	146	2 544	2 909	984	3 893	11 594	2 491	14 085
No. of shares (no dilution)	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000
Avg. no. of shares	5 200 000	5 200 000	5 200 000	5 165 761	5 165 761	5 165 761	5 182 740	5 182 740	5 182 740
Profit per share (SEK)	0,46	0,03	0,49	0,56	0,19	0,75	2,24	0,48	2,72
Equity per shares (SEK)	2,82	-0,54	2,28	2,82	-0,54	2,28	4,52	-0,24	4,27

IFRS Adjustments

Write-off of capitalized development expenses	102	197	1 210
Profit from shares in joint ventures	44	787	787
Deferred tax	-	.	494
Total	146	984	2 491

Condensed balance sheet

(SEK 000s)	Previous 2004 31-Oct.	Effect of transition to IFRS	IFRS 2004 31-Oct.	Previous 2005 30-Apr.	Effect of transition to IFRS	IFRS 2005 30-Apr.
Assets						
Intangible fixed assets	2 834	-2 785	49	2 299	-1 762	537
Tangible fixed assets	656		656	1 771		1 771
Financial fixed assets	-		-	2 220	494	2 714
Current receivables	12 566		12 566	11 978		11 978
Cash and bank	16 535		16 535	41 840		41 840
Total assets	32 591	-2 785	29 806	60 108	-1 268	58 840
Shareholders' equity and liabilities						
Shareholders' equity	14 662	-2 785	11 877	23 465	-1 268	22 197
Long-term liabilities	2 930		2 930	2 930		2 930
Current liabilities	14 999		14 999	33 713		33 713
Total shareholders' equity and liabilities	32 591	-2 785	29 806	60 108	-1 268	58 840
IFRS adjustments						
Reversal of capitalized development expenses		- 2 785			-1 762	
Deferred tax claim		-			494	
Total		- 2 785			-1 268	

Change in shareholders' equity

(SEK 000s)	Previous 2004/05 31-Oct.	Effect of transition to IFRS	IFRS 2004/05 31-Oct.	Previous 2004/05 30-Apr.	Effect of transition to IFRS	IFRS 2004/05 30-Apr.
Balance on opening date	11 670	-3 769	7 901	11 660	-3 759	7 901
Change in translation difference	83		83	211		211
Profit for the period	2 909	984	3 893	11 594	2 491	14 085
Balance on closing date	14 662	-2 785	11 877	23 465	-1 268	22 197

Condensed cash-flow statement

(SEK 000s)	Previous 2004/05 Aug.-Oct.	Effect of transition to IFRS	IFRS 2004/05 Aug.- Oct.	Previous 2004/05 May-Oct.	Effect of transition to IFRS	IFRS 2004/05 May-Oct.	Previous 2004/05 May-Apr.	Effect of transition to IFRS	IFRS 2004/05 May- Apr.
Cash flow from operations before change in working capital	2 428		2 428	796		796	10 073		10 073
Change in working capital	-559		-559	-2 468		-2 468	11 173		11 173
Cash flow from operating activities	1 869		1 869	-1 672		-1 672	21 246		21 246
Cash flow from investment activities	3 052		3 052	3 000		3 000	-274		-274
Cash flow from financing activities	0		0	9 000		9 000	11 930		11 930
Cash flow for the period	4 921		4 921	10 328		10 328	32 902		32 902
Liquid funds on the opening date	9 717		9 717	4 310		4 310	4 310		4 310
Liquid funds on the closing date	14 638	0	14 638	14 638	0	14 638	37 212	0	37 212