



## Full Year Report 1 January – 31 December 2006

Stockholm, Sweden, 21 February 2007

All figures in this report are stated in Swedish kronor (SEK). Figures in brackets refer to the corresponding period in the previous financial year.

### Fourth quarter;

- Group revenue increased by 100 per cent to SEK 137.6 (68.6) million and operating profits increased by 183 per cent to SEK 35.4 (12.5) million
- Betsson Online more than doubled its revenue to SEK 112.8 (54.2) million at the same time as operating profits more than trebled to SEK 25.5 (7.9) million
- Betsson Online continued to show growth in all products and in all markets
- The number of active customers increased during the quarter by 46 per cent till 92 600
- Net Entertainment's income grew by 52 per cent to SEK 31.0 (20.4) million and operating profits totalled SEK 12.6 (9.3) million
- Group profits after tax amounted to SEK 44.3 million, equivalent to SEK 1.12 (0.40) per share

### Full year;

- Group revenue increased by 93 per cent to SEK 391.5 (203.2) million
- Operating profit for continuing operations increased to SEK 59.7 (40.6) million
- Profit after tax for the year from continuing operations amounted to SEK 60.5 (174.8) million, which is equivalent to SEK 1.55 (4.84) per share. The result for the previous year included SEK 135 million in regard to revaluation of financial instruments
- Cherry was spun off to the shareholders

### Events after the end of the financial year:

- First quarter of 2007 has experienced a strong start with continued growth in all products an in all markets
- The spin off of Net Entertainment to the shareholders is planned during the first quarter of 2007



Betsson is a publicly traded Swedish Gaming Group. The company's B-share is listed on Nordic Exchange Small Cap (BETS). The operation is primarily focused at Onlien gaming through Betsson.com and CasinoEuro.com. Through Net Entertainment, Betsson sell gaming systems to other operators on the gaming market.

*The group's traditional gaming operations – business area Cherry Casino – was distributed to Betsson's shareholders under the name Cherryföretagen AB in the beginning of September 2006.*

*Business area Cherry Casino's income for the period January-August 2006 is included in this interim report for Betsson. Income for Cherry Casino is excluded in revenues and expenses in the income statement and are reported net in the item "Incomes for the period from discontinued operations", in accordance with IFRS. The accounting principles used are described in more detail on page 6 of the report.*

#### **Fourth quarter**

Group revenue increased by 100 per cent to SEK 137.6 (68.6) million compared with the fourth quarter of the previous year. Betsson Online reported record revenue and more than doubled income to SEK 112.8 (54.2) million.

The group's operating profits increased to SEK 35.4 (12.5) million. Operating margin increased to 25.7 (18.2) per cent.

Profit before tax increased to SEK 34.8 (15.0) million.

Profit after tax for continuing operations totalled SEK 44.3 (15.7) million, which is equivalent to SEK 1.12 (0.40) per share.

Profit after tax for the quarter, including discontinued operations, amounted to SEK 44.3 (16.9) million, equivalent to SEK 1.12 (0.43) per share. The profit from discontinued operations refers to the previously included traditional gaming activities within the Cherry Casino business unit and amounted to SEK 0.0 (1.2) million.

#### **Full year**

The Betsson Group's income increased during the year by 93 per cent to SEK 391.5 (203.2) million. Betsson Online more than doubled its revenue in comparison with the same period of the previous year. Net Entertainment's income also increased significantly compared with the previous year.

Operating profits totalled SEK 59.7 (40.6) million. The operating margin was 15.2 (20.0) per cent.

Profit before tax amounted to SEK 57.6 (182.2) million. In the previous financial year, the revaluation of financial instruments gave a positive effect on net financial items of SEK 135.0 million. Profit after tax from continuing operations amounted to SEK 60.5 (174.8) million, which is equivalent to SEK 1.55 (4.84) per share.

Profit for the year including discontinued operations amounted to SEK 62.5 (178.0) million, which is equivalent to SEK 1:59 (4:91) per share. Profit from discontinued operations refers to the previously included traditional gaming activities within the Cherry Casino business unit and amounted to SEK 2.0 (3.2) million.

Return on equity was 13 (44) per cent and return on capital employed was 10 (40) per cent. Equity per share amounted to SEK 12.41 (12.38) on the balance sheet date.

#### **Restructuring**

Betsson Online's primary activities have been carried on since the end of 2005 from Malta, where Betsson Online's head office is also located. In the final quarter of 2006, all IP rights including trademarks were also transferred to the company on Malta. This transfer was effected at actual value according to independent valuation by external parties. The transfer has meant that Betsson was able to cancel deferred tax liabilities previously recorded against these rights, which resulted in a positive recorded tax expense in the final quarter. The fact that almost all online operations and associated rights are now gathered on Malta has resulted in and will continue in future positive tax effects for the Betsson Group as the effective tax rate on Malta is 4-6 percent.

During 2006, Net Entertainment has successively relocated the marketing, sales and product development functions to Malta. This has been undertaken as a result of customers' wishes and requirements and as a consequence of the licensing requirements on Malta. Net Entertainment has also initiated the process to transfer its IP rights to its Maltese company. Once the restructuring has been completed, the only functions that will remain in the Swedish company will be the senior management functions and functions for the development of the company's games and gaming systems. The reorganisation will give positive tax effects for the Net Entertainment Group in the long-term.

#### **Business Area Betsson Online**

The Betsson Online business unit offers Internet gaming to end users in a global market via the gaming portal betsson.com and via the casino websites CasinoEuro.com and CherryCasino.com.

Betsson currently offers the following product groups:

- Sports betting, which offers a wide range of opportunities to make bets, both on sports and other events that are of interest for European players.

- Betting Exchange, which is a marketplace for betting. Here, in contrast to Betsson Sport, players bet against each other. Betsson receives commission from the player who wins a bet.
- Casino with a wide range of casino games of world class that do not require any downloading. Both traditional and innovative games such as Black Jack, Roulette, Casino Hold'em, video poker, slot machines and much more can be found here.
- Poker with several different poker games connected to Ogame, the largest poker network in the world with over six million registered poker players.
- Lotteries with the Trio scratch card lottery which gives players high winning payments and on average every third card wins a prize.

#### Net Sales and Income

Betsson Online report a record quarter and continued to show growth in all products and in all markets. Net Sales increased by 108 per cent to SEK 112.8 (54.2) million compared with the fourth quarter of the previous year. Net Sales for the full year more than doubled to SEK 314.0 (154.5) million.

Operating profit for the quarter also attained a new record and increased by 223 per cent to SEK 25.5 (7.9) million. The adjustment of the marketing mix which was implemented during the second and third quarter – involving changing the marketing and retargeting on other markets – has had a very positive effect on revenue and earnings.

The business unit's operating profit for the full year increased to SEK 28.6 (16.7) million.

Since 13 October, Betsson has shut down the opportunity for US players to use the company's casino-sites. Betsson.com had already been shut down for US players. The reason for this is the change in the legal situation in the USA which makes payments for gaming on the Internet impossible. Revenue from customers in the USA amounted to less than three per cent of Betsson Online's total revenue. The US market has been a non-priority market for Betsson for a long time now, and Betsson's main market lies in Europe.

#### Customers

The removal of US customers from the customer register has been carried out after the end of the financial year so that the customer base shall reflect the actual situation as per the end of the year. The Internet casino Casinodomain.com, which had predominantly US customers, was shut down completely during the fourth quarter and all US customers have been removed from the Internet casinos CasinoEuro.com and CherryCasino.com. Furthermore, a merger of the customer registers of betsson.com, CasinoEuro.com and CherryCasino.com has been carried out. After these adjustments, where approximately 225 000 US customers were deleted in the customer base, the number of registered customers as at the end of the year totalled 543 600. During the fourth quarter 122 000 new customers have registered.

The number of active customers grew by 46 per cent to 92 600 during the fourth quarter and has increased by 109 per cent in the last year.

The number of active customers per product (the figures for the previous quarter are in brackets) totalled;

- Sports betting (including the betting exchange) 47 000 (26 500)
- Casino 37 000 (25 200)
- Poker 38 400 (28 800)
- Trio 8 000 (5 900)

An active customer is defined as a customer who has played during the last three months.

#### **Business Area Net Entertainment**

Net Entertainment is a leading supplier within the B2B sector for online games whose brand name is associated with innovation and quality. Net Entertainment develops gaming software which is licensed to an international clientele which consists today of more than 40 gaming companies.

Net Entertainment's Net Sales increased by 52 per cent during the quarter to SEK 31.0 (20.4) million. Operating profits amounted to SEK 12.6 (9.3) million. Net Entertainment licenses software and sells consulting services internally within the group to Betsson Online, which is included in Net Sales above. Excluding intra-group sales, Net Entertainment's Net Sales increased by 66 per cent to SEK 23.8 (14.3) million.

Net Sale for the full year grew by 44 per cent to SEK 99.8 (69.2) million and operating profits rose to SEK 40.8 (35.9) million. Excluding intra-group sales to Betsson Online, net sale increased by 58 per cent to SEK 76.2 (48.2) million in the full year.

Johan Öhman has been appointed CEO of Net Entertainment from 1 November as part of the preparations leading up to the proposed spin-off of Net Entertainment to Betsson's shareholders. Johan Öhman was previously sales manager of Net Entertainment and has been employed by the company since 2003.

### **Personnel and organisation**

The average number of employees in continuing operations for the full year period was 112 (64) within the group. There were a total of 146 (90) persons employed at the end of the year.

### **Dividend payments**

The Board of Directors proposes that the Annual General Meeting decides that no cash dividend shall be paid. The Board of Directors proposes instead that Net Entertainment is spun off to the shareholders.

The Board of Directors of Net Entertainment proposes that the Annual General Meeting decides in favour of a dividend payment of SEK 0.25 per share for the 2006 financial year. The Annual General Meeting of Net Entertainment will be held after the spin-off from Betsson.

The Board of Betsson will request authorisation from the 2007 AGM entitling the Board to effect a repurchase of the company's own shares. Pursuant to such authorisation, the Board of Directors shall be entitled, should it deem appropriate, to decide upon the repurchase of not more than 10 per cent of the company's shares during the period until the next AGM. Any repurchase will take place on the stock market or through an offer to all shareholders. It is proposed that the Board's authorisation will also include the possibility to transfer repurchased shares,

### **Annual General Meeting**

The Annual General Meeting of Betsson AB (publ) will take place on Tuesday, 22 May 2007 at 15:00 at Konferens Spårvägshallarna, Birger Jarlsgatan 57, Stockholm, Sweden.

Shareholders who wish to attend the Annual General Meeting must be both registered in the register of shareholders maintained by VPC AB as per Tuesday, 15 May 2007 and also notify their intention to attend the Annual General Meeting by 12.00 on Friday, 18 May 2007.

Notification to attend the Annual General Meeting shall be made either in writing to the company and sent to its address at Birger Jarlsgatan 57B, 113 56 Stockholm, by phone to +46 (0)8-506 403 00, by fax to +46 (0)8-735 57 44 or by e-mail to [info@betsson.se](mailto:info@betsson.se).

Shareholders who wish to raise an issue at the Annual General Meeting must submit this in writing to: The Chairman of the Board, Betsson AB (publ), Birger Jarlsgatan 57 B, 113 56 Stockholm, Sweden at least seven weeks prior to the date of the Annual General Meeting (3 April) in order to guarantee that the issue can be included in the Notice of the Annual General Meeting.

### **Election Committee**

As stated previously, the election committee is made up of the following persons:

Rolf Blom, Chairman of the Election Committee, nominated by the previous owners of / sellers of [betsson.com](http://betsson.com)

Gabriel Catrina, nominated by Straumur Burdarás

John Wattin, Chairman of the Board of Directors of Betsson AB

The task of the election committee is prior to the coming Annual General Meeting to submit a proposal in regard to the number of members of the board who shall be elected by the Annual General Meeting, the directors' remuneration, the composition of the board, the chairman of the board and the chairman of the Annual General Meeting. Furthermore, the election committee shall submit a proposal for new instructions for the election committee for the next Annual General Meeting.

Shareholders who wish to submit a proposal to the Election Committee can do so via e-mail to [valberedning@betsson.se](mailto:valberedning@betsson.se).

### **Events after the end of the reporting period**

Straumur Burdarás' representative on Betsson's Board of Directors - Skuli Valberg Olafsson – resigned from the board at the end of January at his own request. The reason for his resignation was that Olafsson's responsibilities and workload as COO of Straumur Burdarás Investment Bank has significantly increased, which was preventing Olafsson from devoting the necessary time to his position on the board of Betsson.

Straumur Burdarás has proposed to the Election Committee that Emil Sunvisson be elected as a member of the board and representative for Straumur at the next extraordinary general meeting or annual general meeting. It is proposed that Emil Sunvisson be co-opted as a member of the board until such an election is held.

Net Entertainment has had its product CasinoModule™ voted as one of the top 20 international gaming products of 2006 by the publication International Gaming & Wagering Business. The 20 best gaming products were chosen by a panel of

independent judges and selection was based on the following criteria: innovation, efficiency, user-friendliness, assessment by end users, integration, long-term value and profit potential.

### **Prospects for 2007**

The beginning of 2007 has seen a strong start for Betsson Online with continued growth in all products in all markets. Betsson is not presenting any forecast for 2007.

In order to further emphasise the fundamental rights to offer and market gaming within the European Union, in October 2006 the EU Commission initiated an examination of three member states' infringements in respect to restrictions in the national gaming legislation in the respective countries. The examination may result in improved opportunities for Betsson and other gaming companies in the long-term.

According to Betsson's partner in Turkey a bill has been presented in Turkey, which if accepted, could deteriorate the conditions for offering gaming services from abroad to consumers in Turkey. Betsson's partner has – as one of four – a license, issued in northern Cyprus which is part of Turkey, to operate online games. It is today unknown if the Cypriote license is comprised by the bill and if the bill will be passed. In addition, the bill conflicts the EU-law adopted in the case of Placanica. Thereby it is also in conflict with the agreement Turkey has entered with EU, as preparation of Turkey's entrance into the Union. Approximately 20% of Betsson's revenues come from the Turkey.

The distribution of the subsidiary Net Entertainment to Betsson's shareholders is expected to be decided at an EGM during the first quarter of 2007.

### **Financial reports**

Information will be issued during 2007 in accordance with the following plan:

- Interim report 3 months, 22 May 2007
- Interim report 6 months, 21 August 2007
- Interim report 9 months, 8 November 2007

Betsson also intends after the spin-off of Net Entertainment to issue certain KPIs (Key Performance Indicators) on a monthly basis.

### **Annual Report and Accounts**

Betsson's Annual Report and Accounts for 2006 are expected to be available on the company's website, [www.betsson.se](http://www.betsson.se), from mid-April 2007.

### **Parent company**

The activities of the parent company, Betsson AB (publ), are focused primarily on group-wide management. The company supplies and sells internal services to other group companies in respect to finance, accounting, administration and management, and also has certain external rental income.

Revenue (including inter-group items) for the full year totalled SEK 9.8 (4.5) million and earnings after financial items amounted to SEK –2.5 (117.2) million. Net financial items for the previous year included valuation of financial instruments at actual value which increased net financial items in 2005 by SEK 135.0 million.

The parent company's investments in non-current assets totalled SEK 33 000 during the year. Liquid assets as per the balance sheet date amounted to SEK 9.6 (1.5) million. The company does not have any bank loans or bank credit facilities.

Equity as per the balance sheet date totalled SEK 707.2 (732.3) million. The parent company's equity has decreased during the year by SEK 31.4 million in connection with the spin-off of Cherryföretagen AB to Betsson's shareholders. Betsson AB has received SEK 9.9 million in dividends from its subsidiary company Net Entertainment in 2006

### **Accounting policies**

Betsson applies IFRS which have been adopted by the EU. This Full Year Report has been compiled in accordance with IAS 34, Interim Financial Reporting. The accounting policies remain unchanged from the 2005 Annual Accounts. Further information about the Group's accounting policies and valuation principles can be found in Note 1 of the 2005 Annual Accounts.

### **Discontinued operations**

The group's traditional gaming business area Cherry Casino was during September 2006 distributed to the shareholders in Betsson, under the name of Cherryföretagen AB. The transaction of the business to Cherryföretagen AB has been conducted at booked values.

In accordance with IFRS 5 "Non-current Assets held for sale and Discontinued Operations", the result of the period for the distributed business has been accounted for in the group's Income Statement within the post "Income for the period from discontinued operations". As a consequence all Cherry Casino's revenues and costs during the applicable time period, as well as for the comparative periods, have been excluded from the Income Statement. In addition to this, a representative portion of the Group-wide costs have been allocated. Information on the effect the business area Cherry Casino has on the cash flow has been accounted for in the cash flow analysis.

As of the Balance sheet December 31 2006 the business area Cherry Casino is excluded. The Balance sheets for comparative periods are the previously published, which means that Cherry Casino's balance sheet items are included in the groups balance sheets for accounted comparative periods.

#### Segment reporting

The business area Net Entertainment has previously accounted for result of external investments within IT- and internet gaming companies, as well as cost associated with the handling of these investments. Some of these investments have been conducted by the parent company Betsson AB or by the subsidiary company Intact Technology Stockholm AB. The investments have however been assigned to the business area Net Entertainment in the segment reporting.

Prior to the upcoming dividend of the Net Entertainment group to the shareholders of Betsson a purification of the accounting of Net Entertainment has been conducted. The comparative figures for previous periods will now better reflect the business that will be distributed. On these ground the investments etc. that have not been conducted within Net Entertainment NE AB and its subsidiaries have been moved from the business area Net Entertainment to Group -wide in the segment reporting. Even comparative figures for previous periods have been recalculated. For information, the quarterly figures are accounted for after the retroactive adjustments for Betsson's different segments from the first quartile 2005 and ahead on page 8 below.

For additional information we refer to the interim report's compilations of the group's Income statements, Balance Sheet, compilations of equity, cash flow analysis, notes and key figures for the period and comparative figures, as well as to the Annual Report 2005.

The report has not been subject to a special audit by the company's auditor.

**Stockholm, 21 February 2007**

**Pontus Lindwall**

President and CEO

For further information, please contact

Pontus Lindwall, President and CEO, telephone: +46 (0)8 556 967 10, +46 (0)708 27 51 55, [pontus@betsson.com](mailto:pontus@betsson.com)

#### The Betsson Group

*Betsson AB owns gaming companies within Betsson Online and the gaming development company Net Entertainment AB. In order to develop greater clarity in relation to the finance market and customers, Betsson AB is planning to spin off Net Entertainment to the shareholders during the first quarter of 2007. The company changed its name from Cherryföretagen to Betsson in connection with the spin-off of Cherry Casino in September 2006. Betsson AB is listed on the Stockholm Stock Exchange / Nordic Exchange Small Cap.*

#### Betsson Online

*Betsson Online develops and operates gaming aimed at end consumers. The business unit operates the Internet websites Betsson.com, CasinoEuro.com and CherryCasino.com. The major forms of gaming are poker, casino, sports betting, lotteries and betting exchanges. Customers come primarily from Scandinavia, Turkey and the rest of Europe.*

#### Net Entertainment

*Net Entertainment develops and supplies games and gaming systems for Internet gaming to companies that carry on gaming operations on the Internet. The company's main product is CasinoModule. The company has over 40 customers of whom the majority are in Europe.*

<b>Consolidated income statements (MSEK)</b>	Q4	Q4	Full Year	Full Year	Full Year
	2006	2005	2006	2005	2004
<b>Revenues</b>	<b>137.6</b>	<b>68.6</b>	<b>391.5</b>	<b>203.2</b>	<b>61.0</b>
Capitalized development costs	1.9	2.4	6.6	5.7	2.6
External expenses	-75.2	-42.1	-246.8	-121.2	-34.2
Personnel expenses	-22.7	-12.1	-72.5	-35.7	-18.2
Depreciation	-4.3	-3.4	-15.9	-10.4	-2.9
Other operating expenses	-1.9	-0.9	-3.2	-1.0	0.0
Operating expenses	-102.2	-56.1	-331.8	-162.6	-52.7
<b>Operating income</b>	<b>35.4</b>	<b>12.5</b>	<b>59.7</b>	<b>40.6</b>	<b>8.3</b>
Financial items, net	-0.6	2.5	-2.1	141.6	1.6
<b>Income before tax</b>	<b>34.8</b>	<b>15.0</b>	<b>57.6</b>	<b>182.2</b>	<b>9.9</b>
Tax	9.5	0.7	2.9	-7.4	-2.2
<b>Income for the period from continuing operations</b>	<b>44.3</b>	<b>15.7</b>	<b>60.5</b>	<b>174.8</b>	<b>7.7</b>
Income for the period from discontinued operations	0.0	1.2	2.0	3.2	4.4
<b>Income for the period</b>	<b>44.3</b>	<b>16.9</b>	<b>62.5</b>	<b>178.0</b>	<b>12.1</b>
Attributable to:					
Parent company's shareholders	44.3	16.2	62.3	176.9	11.4
Minority interest	0.0	0.7	0.2	1.1	0.7
	44.3	16.9	62.5	178.0	12.1
<b>Continuing operations</b>					
Earning per share (SEK)	1.12	0.40	1.55	4.84	0.25
After dilution (SEK)	1.12	0.39	1.53	4.66	0.24
Operating margin (percent)	25.7	18.2	15.2	20.0	13.6
Profit margin (percent)	25.3	21.9	14.7	89.7	16.2
<b>Total</b>					
Earning per share (SEK)	1.12	0.43	1.59	4.91	0.37
After dilution (SEK)	1.12	0.41	1.58	4.73	0.36
Average number of shares (millions)	39.6	38.1	39.1	36.0	30.9
Diluted (millions)	39.6	39.5	39.6	37.5	32.3
Number of shares at end of period (millions)	39.6	38.1	39.6	38.1	31.2
Average share price (SEK)	20.23	27.04	25.04	29.01	21.04
Last paid share price (SEK)	18.50	28.20	18.50	28.20	20.80

<b>Consolidated balance sheet (MSEK)</b>	2006-12-31	2005-12-31	2004-12-31
Intangible assets	403.5	395.2	18.5
Tangible fixed assets	10.6	27.3	27.8
Financial Investments	0.0	0.0	21.6
Other long-term receivables	0.7	1.6	11.4
Deferred tax receivables	0.0	0.7	1.9
<b>Total non-current assets</b>	<b>414.8</b>	<b>424.8</b>	<b>81.2</b>
Inventories	0.0	1.9	2.4
Current receivables	100.6	68.3	44.0
Current Investments	0.0	0.0	4.1
Cash and liquid assets	77.2	78.4	19.9
<b>Total current assets</b>	<b>177.8</b>	<b>148.6</b>	<b>70.4</b>
<b>Total assets</b>	<b>592.6</b>	<b>573.4</b>	<b>151.6</b>
Equity	491.3	474.1	101.3
Long-term interest bearing liabilities	0.0	9.7	4.7
Other long-term liabilities	0.0	0.0	2.8
Deferred tax liabilities	1.0	14.4	2.0
<b>Total non-current liabilities</b>	<b>1.0</b>	<b>24.1</b>	<b>9.5</b>
Current interest bearing liabilities	0.0	3.5	0.8
Other current liabilities	100.3	71.7	40.0
<b>Total current liabilities</b>	<b>100.3</b>	<b>75.2</b>	<b>40.8</b>
<b>Total equity and liabilities</b>	<b>592.6</b>	<b>573.4</b>	<b>151.6</b>

Group per segment/business area (MSEK)		Q4	Q4	Full Year	Full Year	Full Year
		2006	2005	2006	2005	2004
<b>Revenues</b>	Betsson Online	112.8	54.2	314.0	154.5	25.0
	Net Entertainment	31.0	20.4	99.8	69.2	40.5
	- of which internal sales	-7.2	-6.1	-23.6	-21.0	-5.2
	Group-wide	1.0	0.1	1.3	0.5	0.7
	Group	137.6	68.6	391.5	203.2	61.0
<b>Operating Income</b>	Betsson Online	25.5	7.9	28.6	16.7	-5.4
	Net Entertainment	12.6	9.3	40.8	35.9	21.7
	Group-wide	-2.7	-4.7	-9.7	-12.0	-8.0
	Group	35.4	12.5	59.7	40.6	8.3

Quarterly figures (MSEK)	2005	2005	2005	2005	2006	2006	2006	2006
Revenues and operating income	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Betsson Online</b>								
Total / external revenues	18.9	36.2	45.3	54.2	68.8	61.8	70.5	112.8
Operating income	-1.0	3.5	6.3	7.9	1.5	-5.3	6.9	25.5
Operating margin	-5%	10%	14%	15%	2%	-9%	10%	23%
Quarterly growth <sup>1)</sup>		91%	25%	20%	27%	-10%	14%	60%
Registered Clients <sup>2)</sup>	256 000	313 500	374 600	445 500	508 800	550 500	646 300	543 600
Quarterly growth		22%	19%	19%	14%	8%	17%	-16%
Active Clients	25 300	28 000	33 000	44 300	57 200	60 200	63 300	92 600
Quarterly growth		11%	18%	34%	29%	5%	5%	46%
Activity Rate (Active/Registered clients)	10%	9%	9%	10%	11%	11%	10%	17%
<b>Net Entertainment</b>								
External revenues	10.7	11.2	12.1	14.3	15.7	18.2	18.6	23.7
Internal revenues	3.4	5.2	6.3	6.1	6.0	5.1	5.2	7.2
Total revenues	14.1	16.4	18.4	20.4	21.7	23.3	23.8	30.9
Operating income	7.4	8.9	10.3	9.3	10.6	8.3	9.2	12.6
Operating margin	52%	55%	56%	46%	49%	36%	39%	41%
Quarterly growth (total revenues)		16%	12%	11%	6%	7%	2%	30%
Quarterly growth (external revenues)		5%	8%	18%	10%	16%	2%	28%

1) Betsson.com is consolidated in the Betsson-group as from February 17, 2005, which explains the relatively large growth in Betsson Online during the second quarter 2005.

2) At year end 2006, Betsson has cleared the customer data base of American customers. As a result of this appr. 225 000 clients was deleted in the data base. This explains the decline in numbers of registered clients between during the fourth quarter 2006.

Other key ratios, Group	Full Year	Full Year	Full Year
	2006	2005	2004
	2006-12-31	2005-12-31	2004-12-31
Number of registered shareholders	3 256	3 785	2 828
Equity per share (SEK)	12.41	12.38	3.19
Equity per share after dilution (SEK)	12.41	12.06	3.24
Return on equity (percent)	13	44	13
Return on total capital (percent)	10	40	13
Return on capital employed (percent)	12	46	19
Equity/assets ratio (percent)	83	83	67
Investments, totals (MSEK)	46.0	29.4	32.0
Investments, continuing operations (MSEK)	35.4	20.1	
Average number of employees	112	64	34
Number of employees and end of period	146	90	37



<b>Consolidated cash flow statements (MSEK)</b>	<b>Full Year 2006</b>	<b>Full Year 2005</b>	<b>Full Year 2004</b>
Income after financial items (incl discontinued operations)	60.1	187.0	16.5
Adjustments for non-cash items	25.2	-119.5	10.2
Taxes paid	-2.0	-3.8	-0.5
<b>Cash flows from operating activities</b>			
before changes in working capital	83.3	63.7	26.2
Changes in working capital	-13.7	-3.6	-9.0
<b>Cash flows from operating activities</b>	<b>69.6</b>	<b>60.1</b>	<b>17.2</b>
Investments	-46.0	-29.4	-32.0
Investments in acquisition of subsidiaries	-	2.0	0.0
Change in long-term receivables	0.5	-0.3	-3.3
Distribution of business area Cherry Casino	-24.1	-	-
Sale of shares and fixed assets	0.5	19.9	5.3
<b>Cash flows from investing activities</b>	<b>-69.1</b>	<b>-7.8</b>	<b>-30.0</b>
Dividends paid to minority shareholders in subsidiaries	-	-	-1.1
New share issue	2.8	-	-
New share issue costs	-	-0.2	0.0
Costs of distribution of Cherry Casino	-4.7	-	-
Change in long-term liabilities	2.8	5.4	2.0
<b>Cash flows from financing activities</b>	<b>0.9</b>	<b>5.2</b>	<b>0.9</b>
<b>Changes to cash and liquid assets</b>	<b>1.4</b>	<b>57.5</b>	<b>-11.9</b>
Cash and liquid assets at beginning of period	78.4	19.9	31.8
Exchange rate differences	-2.6	1.0	0.0
<b>Cash and liquid assets at end of period</b>	<b>77.2</b>	<b>78.4</b>	<b>19.9</b>
<b>Of which cash flows regarding discontinued operations</b>			
Operating activities	9.3	3.3	11.1
Investing activities	-8.8	-9.3	-12.5
Financing activities	8.9	9.4	-1.9
<b>Total discontinued operations</b>	<b>9.4</b>	<b>3.4</b>	<b>-3.3</b>

<b>Change in Group equity</b>	<b>Full Year 2006</b>	<b>Full Year 2005</b>	<b>Full Year 2004</b>
Opening balance	474.1	101.3	75.8
Effect of changed accounting principles, IFRS 27	-	-	2.2
Effect of changed accounting principles, IAS 39	-	222.9	-
<b>Adjusted opening balance</b>	<b>474.1</b>	<b>324.2</b>	<b>78.0</b>
Translation differences	-0.8	0.3	-0.4
Financial assets that can be sold:			
- Total wealth changes reported directly against equity	-	31.9	-
- Reported in income statement at sale	-	-2.8	-
Acquisition and consolidation of Betsson (71%), adjusted			
To acquisition value of previously acquired shares	-	-57.5	-
<b>Total change directly in equity, excluding transactions against company owners</b>	<b>473.3</b>	<b>296.1</b>	<b>77.6</b>
Income for the period	62.5	178.0	12.1
<b>Total change, excluding transactions against company owners</b>	<b>535.8</b>	<b>474.1</b>	<b>89.7</b>
Dividends to minority shareholders in subsidiaries	-	-	-1.1
Sale of minority owned sub-subsidiaries	-	0.2	-
Non-cash shares issues relating to acquisitions	-	-	12.7
Distribution of shares in Cherryföretagen (Cherry Casino)	-47.2	-	-
Cost of distributing Cherryföretagen	-3.4	-	-
New share issue (exercise of convertibles and warrants)	6.1	-	-
New share issue costs	-	-0.2	-
<b>Equity at end of period</b>	<b>491.3</b>	<b>474.1</b>	<b>101.3</b>
<b>Attributable to:</b>			
Parent company's shareholders	490.9	471.0	99.5
Minority Interest	0.4	3.1	1.8
<b>Total equity</b>	<b>491.3</b>	<b>474.1</b>	<b>101.3</b>