

INTERIM REPORT JAN-SEP 2007



BETTING PROMOTION

Recovered Gross Margin in Q3 2007

July - September

- Betting turnover: SEK 2,440 million (1,944)
- Net turnover: SEK 15.8 million (16.3)
- Gross margin: 0.65% (0.84%)
- Operating income: SEK 11.8 million (11.3)
- Operating margin: 75% (69%)
- Net income: SEK 9.9 million (9.8)
- Profit per share: SEK 0.05

January - September

- Betting turnover: SEK 7,653 million (5,476)
- Net turnover: SEK 50.5 million (47.5)
- Gross margin: 0.66% (0.87%)
- Operating income: SEK 38.0 million (33.6)
- Operating margin: 75% (71%)
- Net income: SEK 33.2 million (30.0)
- Profit per share: SEK 0.17

Managing Director comments

"The market for betting exchanges continues to show good growth. It is rewarding to note that some of our smaller customers have showed increased turnovers. The gross margin is back at normal levels, and I look forward to following developments during the autumn when all the major soccer leagues are running", commented Johan Moazed, Managing Director of Betting Promotion.

Overview July – September 2007

In the third quarter 2007, the betting turnover increased with 26 percent to SEK 2,440 million, compared to the same period in 2006. Excluding the betting turnover from the World Cup 2006, the increase amounted to 32 percent. The company expects a continued good growth potential for betting exchanges in general and therefore also for its own business. The growth of Betting Promotion is chiefly generated by the growing turnover at betting exchanges, but also by the fact that the company continuously adds new markets to its offering, e.g. new soccer leagues, new sports and a higher coverage of live football.

During the period, the gross margin recovered from the weak second quarter to 0.65 percent. Betting Promotion's business is such that the gross margin shows natural variations between the quarters.

Financial fixed assets

GameVillage is a soft gaming company of which Betting Promotion owns 50 percent. In the third quarter 2007, a further SEK 3.5 million was invested in the company, including SEK 1.7 million as a loan. At the end of the period, the total investment in GameVillage amounted to SEK 16.6 million. In May 2007, GameVillage launched a game site (www.gamevillage.com) which targets the UK market. Included in the financial fixed assets is also a tax claim of SEK 10.1 million.

Market Segments

In this report, Betting Promotion for the first time provides a breakdown of results between various market segments. An important part of Betting Promotion's business concept is to deliver full market-making services even if some market segments offer better margins than others. Market making is the core of Betting Promotion's business and is comparable to being a guarantor of liquidity for different sorts of financial instruments.

Soccer

Soccer is the foundation of Betting Promotion's business and represents about 61 percent of the total betting turnover. Both in the third quarter and historically, soccer showed a higher margin than the other market segments. The margin that was achieved in the quarter is in line with the historical margin. The growth of this market segment was in line with Betting Promotion's total growth.

Live betting

Live betting is presently offered in soccer only. During the quarter, the turnover from live betting was 21 percent of the total turnover from soccer. Live betting differs from the Company's other business by being relatively labour-intensive, since each match requires a dedicated operator. Intensified development work has been initiated which will result in more matches being handled by each operator. This will lead to betting on more matches, and an improved turnover.

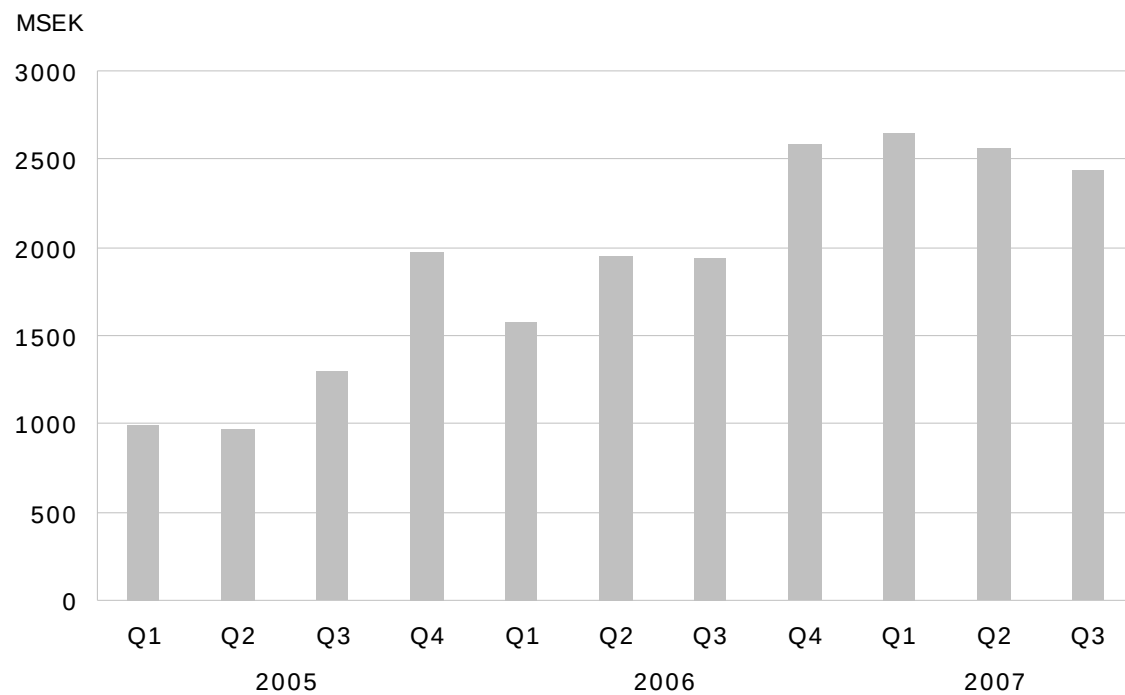
Other

The market segment Other includes a number of different sports, e.g. tennis, ice hockey, rugby, basketball and American football. Betting Promotion continuously tries to develop and improve the gaming models in order to raise the margins on these markets.

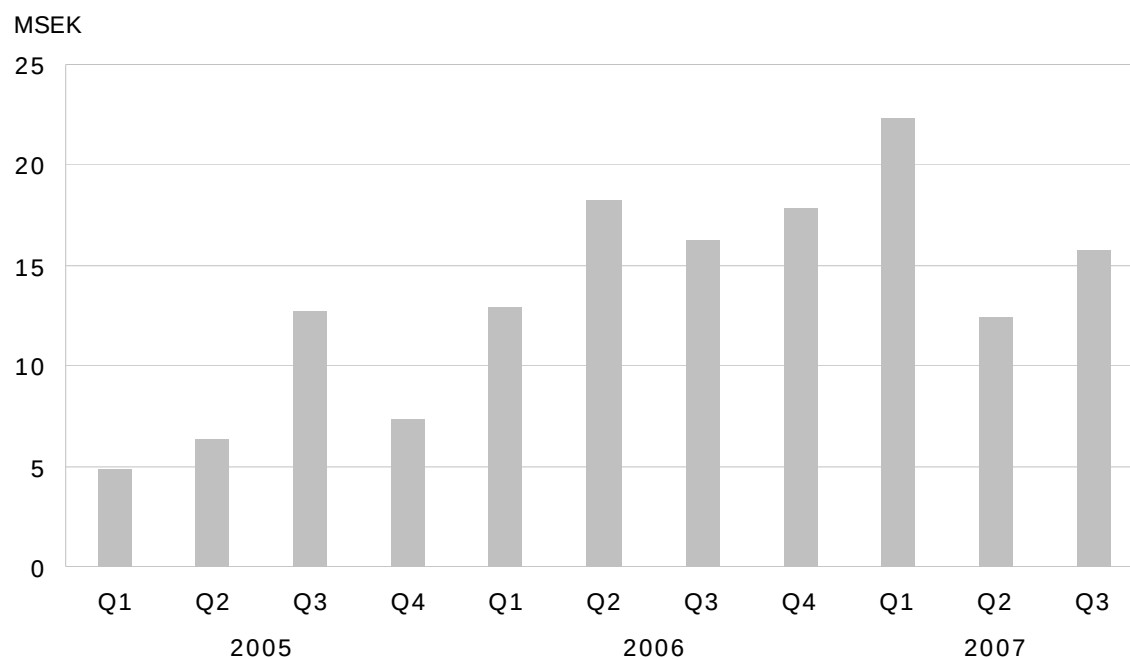
MARKET SEGMENTS

	Betting turnover (SEK million)	Net turnover (SEK million)	Gross margin
Soccer	1,482	12.4	0,84%
Live	405	1.1	0,27%
Other	553	2.3	0,42%

BETTING TURNOVER, SEK MILLION



NET TURNOVER (BETTING INCOME), SEK MILLION



BETTING TURNOVER, SEK MILLION

	2005	2006	2007
Q1	989	1,578	2,655
Q2	969	1,954	2,558
Q3	1,294	1,944	2,440
Q4	1,970	2,582	

NET TURNOVER (BETTING INCOME), SEK MILLION

	2005	2006	2007
Q1	4,9	12,9	22,3
Q2	6,3	18,3	12,4
Q3	12,7	16,3	15,8
Q4	7,3	17,9	

Proforma

Figures for 2005 are pro-forma and refer to business activities carried out through a different legal structure.

Outlook 2007

Based on its historical development, Betting Promotion made a forecast for the full year after the first quarter. This forecast has shown to be too optimistic since the market growth has been lower than expected. Taken together with a weaker margin in the second quarter, this means that we will not reach the forecast for the full year. The turnover increase during the first nine months was 40 percent. The annual costs will be in line with the annual costs of 2006.

Accounting principles

This interim report has been prepared in accordance with IAS 34.

Assessment of risk environment

Betting Promotion is in the gaming business. Results are affected by the outcome of individual sporting events. Central to Betting Promotion's business is the technology which manages this risk. In the short term margins can vary but without affecting the long term development of the Company.

Within Europe the debate about how gaming should be regulated continues but changes in regulation should not directly affect Betting Promotion. The Company's customers operate from within stable and regulated environments including the United Kingdom, Ireland, Malta and Gibraltar.

Financial information 2008:

Full year report 2007

20 February 2008

Board assurance

The Board of Directors and the managing director certify that the half-yearly financial report gives a fair review of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm 25 Oktober 2007

Betting Promotion Sweden AB (publ)

Org. nr. 556466-8860

Mats Hultin
Chairman

Johan Moazed
Member of the board and Managing director

Povl Lautrup
Member of the board

John Hodgson
Member of the board

This report has not been reviewed by the auditors.

For further information please contact:

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Appendix

INCOME STATEMENT (SEK MILLION)

	2007 Jul-Sep	2006 Jul-Sep	2007 Jan-Sep	2006 Jan-Sep
Net turnover	15,8	16,3	50,5	47,4
Work performed by the company for its own use and capitalized	1,1	0	3,3	0
Other external expenses	-1,8	-2,1	-6,0	-7,1
Staff expenses	-2,8	-2,7	-8,4	-6,3
Depreciation	-0,5	-0,1	-1,5	-0,4
Operating income	11,8	11,3	38,0	33,6
Financial net	-0,5	-0,2	-0,2	-0,7
Income after financial items	11,2	11,2	37,8	32,9
Income taxes	-1,3	-1,3	-4,5	-2,9
Income for the period	9,9	9,8	33,2	30,0
Gross margin	0,65 %	0,84 %	0,66 %	0,69 %
Operating margin	75 %	69 %	75 %	71 %
Earnings per share in SEK	0,05	0,05	0,17	0,15
Average number of shares, million	199,8	199,8	199,8	199,8
Number of shares outstanding, million	199,8	199,8	199,8	199,8

BALANCE SHEET (SEK MILLION)

	30 Sep 2007	31 Dec 2006
Assets		
Intangible assets	7,3	4,6
Tangible assets	1,4	1,7
Financial assets	26,8	23,2
Total non-current assets	35,5	29,6
Short-term receivables	2,3	3,0
Marketable securities	0,6	0,8
Cash and bank accounts	60,5	60,2
Total current assets	63,4	64,0
Total assets	98,9	93,6
Shareholders' equity and liabilities		
Share capital	20,0	20,0
Additional contributed capital	9,9	9,9
Reserves	-1,1	-1,1
Retained earnings incl income for the period	55,5	43,3
Total shareholders' equity	84,3	72,1
Non-current liabilities	0,0	0,0
Current liabilities	14,6	21,5
Total liabilities	14,6	21,5
Total shareholders' equity and liabilities	98,9	93,6

Note

Cash and bank accounts include cash assets held with customers: Dec 31 2006 SEK 51.2 million and Sep 30 2007 SEK 57.2 million.

CASH-FLOW STATEMENT (SEK MILLION)

	2007	2006
	Jan-Sep	Jan-Sep
Income after financial items	37,8	32,9
Depreciation and amortization	1,5	0,4
Taxes	-4,5	-2,9
Cash flow from change in working capital	-6,1	-2,2
Cash flow from operating activities	28,6	28,2
Cash flow from investing activities	-7,4	-5,5
Dividend	-20,0	0
Cash flow from financing activities	-20,0	0
Cash flow for the period	1,2	22,8
Cash and cash equivalents, start of period	60,2	30,9
Translation difference on cash and cash equivalents	-1,0	-0,2
Cash and cash equivalents, end of period	60,5	53,4

Note

Cash and bank accounts include cash assets held with customers: Dec 31 2006 SEK 51.2 million and Sep 30 2007 SEK 57.2 million.

CHANGES IN SHAREHOLDERS' EQUITY (SEK MILLION)

	2007	2006
	Jan-Sep	Jan-Sep
Total equity at beginning of period	72,1	30,7
New issue of shares and contributed capital	0	0
Translation differences	-1,0	-0,3
Dividend	-20,0	0
Income for the period	33,2	30,0
Total equity at end of period	84,3	60,5