October - December 2011

- Betting turnover: SEK 1,780 million (2,590)
- Net turnover after trading fees: SEK 10.6 million (8.9)
- Gross margin: 0.60% (0.34)[1]
- Operating income: SEK 1.7 million (1.3)
- Operating margin: 16% (14)[2]
- Net income from continuing operations: SEK 2.9 million (0.4)[3]
- Earnings per share from continued operations: 0.30 SEK (0.04)[3]

January – December 2011

- Betting turnover: SEK 6,731 million (8,447)
- Net turnover after trading fees: SEK 17.4 million (39.9)
- Gross margin: 0.26% (0.47)
- Operating income: SEK -10.7 million (13.5)
- Operating margin: -61% (34)
- Net income from continuing operations: SEK -10.0 million (13.5)[3]
- Earnings per share from continuing operations: SEK -1.05 (1.42)[3]

Managing Director Comments

"Gross margin for the year has been a disappointment, mainly due to the poor results of quarter one. However it is pleasing to see the development of the Bookmaker product and the influx of customers during the latter part of the year" says Betting Promotion's CEO Johan Moazed.

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[1] *Net Turnover after trading fees as percent of Betting Turnover*

[2] *Operating Income as percent of Net Turnover after trading fees*

[3] *Results before disposal of GameVillage Ltd*

Overview October – December 2011

Net Turnover after trading fees for the fourth quarter amounted to SEK 10.6 million (8.9). Betting Turnover for the fourth quarter amounted to SEK 1,780 million (2,590). This means that the fourth quarter shows a gross margin of 0.60% (0.34). All trading activities are done in Euros and as a result comparative figures with previous periods can be misleading.

Pre Live

Betting Turnover for the period amounted to SEK 1,393 million (1,704), and Net Turnover after trading fees amounted to SEK 9.3 million (6.3). This means that the fourth quarter shows a gross margin of 0.67% (0.37). Betting Turnover from this product is relatively constant and it is mainly the future development in the market which will affect future Betting Turnover.

Live Betting

Betting Turnover for the fourth quarter amounted to SEK 356 million (886), and Net Turnover after trading fees amounted to SEK 0.9 million (2.6) which leads to a margin of 0.27% (0.30). Turnover from Live Betting fell by 61% over the corresponding period last year. The company has chosen to reduce the betting turnover from this product as it has been deemed necessary to adapt and improve our live betting strategies in order to achieve long term stable margins.

Bookmaker

Betting Turnover for the fourth quarter amounted to SEK 31 million (-), and Net Turnover after trading fees amounted to SEK 0.4 million (-) which leads to a margin of 1.1% (-). Betting Promotion has in recent years worked to develop and launch a product aimed at bookmakers. The company believes that the number of active bookmakers and betting turnover from this product will increase and the goal for 2012 is to increase the number of active customers to 20. Much of the company's focus is to further develop and improve the product and also to market this product. During the period, the supply of live games has increased and additional live sports have been added to the supply. During the period, the company signed an agreement with Bonnier Gaming; branded Yaybet.dk which has been granted a gaming license in Denmark. The company also maintains discussions with several other potential customers.

Overview January – December 2011

Net Turnover after trading fees for the year amounted to SEK 17.4 million (39.9). Betting Turnover for the year amounted to SEK 6,731million (8,447). This represents a gross margin of 0.26% (0.47). All trading activities are done in Euros and as a result comparative figures with previous periods can be misleading.

Gross margin for the year was 0.26% (0.47) which is lower than what has been achieved historically. The reason for the lower margin is primarily the results during the first quarter of 2011, as the company struggled with technical problems both internally and externally. These problems were overcome in the beginning of the second quarter and the results achieved thereafter are line with company expectations.

During the year the Company has continued its development and sales effort of the Bookmaker product. Development in the Bookmaker product during the year resulted in a much wider range of gaming events in both pre-live and live. The company has also managed to increase the number of sports offered in the live. In early 2011 the company

had one active customer, compared to seven active customers at the end of the year. This confirms that the efforts made in recent years are beginning to yield results. The organization has been adapted to better meet the requirements with the advent of new customers to this product. It is clear that this is a desired product and therefore the company will continue to strive to improve quality in this product.

The Bookmaker product has brought about changing demands on the organization as the company has gone from being a pure trading business to a more customer-oriented thinking. The company has focused on achieving a higher service level in terms of the coverage of events, technology and human resources. During the year the Company recruited seven new employees in order gear up for the increase in demands from our customers.

Future Prospects

It has previously been the company's policy not to issue any earnings forecasts. As the company achieved proof of concept in the bookmaker product, the board chooses to provide the following information:

It is the company's goal in 2012 to increase the number of active customers to 20. Betting turnover from this product is expected to increase sharply in 2012 and soon to become a significant part of the company’s business.

Products

Market making is the core of Betting Promotion's business and is comparable to businesses that guarantee liquidity for different sorts of financial instruments.

As betting turnover from the bookmaker product gradually increased, the company decided to modify the report presentation to disclose the betting turnover and gross margin from this product. The company provides a breakdown of "Net Turnover after trading fees" and "Gross margin", calculated as "Net Turnover after trading fees" as percent of "Betting Turnover" between various products.

Pre-Live Betting

Pre-Live remains the core of Betting Promotion's business and during the fourth quarter accounted for 79% of the total betting turnover and had a margin of 0.67%. Gross margin for year was 0.36%.

Live Betting

Live betting is presently offered in soccer. The margin for live betting in the fourth quarter was 0.27%. Gross margin for year was -0.11%.

Bookmaker

Betting Promotion has in recent years worked on developing and launching a product aimed at bookmakers. Both Live and Pre-Live betting is provided to the bookmaker. This product was introduced during Q2 2011. Gross margin for the fourth quarter was 1.10% and for the year was 1.74%.

PRODUCT DISTRIBUTION FOR Q4

	Betting turnover (SEK million)	**Net turnover after fees (SEK million)**	**Gross margin (%)**
Pre-Live	1,393	9.3	0.67
Live	356	0.9	0.27
Bookmaker	31	0.4	1.10
Total	**1,780**	**10.6**	**0.60**

PRODUCT DISTRIBUTION FOR 2011

	Betting turnover (SEK million)	**Net turnover after fees (SEK million)**	**Gross margin (%)**
Pre-Live	5,057	18.3	0.36
Live	1,620	-1.9	-0.11
Bookmaker	54	1.0	1.74
Total	**6,731**	**17.4**	**0.26**

BETTING TURNOVER, SEK MILLION

	2009	2010	2011
1Q1	2,267	2,116	2,031
Q2	1,990	2,040	1,445
Q3	1,758	1,701	1,475
Q4	2,203	2,590	1,780
Total	**8,218**	**8,447**	**6,731**

NET TURNOVER AFTER FEES, SEK MILLION

	2009	2010	2011
Q1	19.6	8.0	-3.9
Q2	9.5	9.6	7.3
Q3	-0.3	13.4	3.4
Q4	15.1	8.9	10.6
Total	**43.9**	**39.9**	**17.4**

OPERATING INCOME, MSEK

	2009	2010	2011
Q1	14.1	2.4	-10.7
Q2	3.2	3.6	1.3
Q3	-6.9	6.2	-3.0
Q4	8.6	1.3	1.7
Total	**18.9**	**13.5**	**-10.7**

Significant events during the period

Bookmaker Product

Betting Promotion has signed an agreement with Bonnier Gaming Malta Ltd to deliver the odds compiling and risk management. Bonnier Gaming Malta Ltd has been granted a license by Danish Gaming Authority to conduct gaming in Denmark under the brand names yaybet.dk and yaycasino.dk.

Significant events during the year

Key Quest

As at 30 June 2011, Key Quest Ltd was indebted to Betting Promotion the sum of SEK 3.6 million. The outstanding balance of the purchase price has been secured by Key Quest 33% holding in GameVillage Ltd. During July 2011 Key Quest Ltd agreed to transfer the 33% holding in GameVillage to Betting Promotion for the agreed sum of SEK 2.5 million after which Betting Promotion's receivable from Key Quest Ltd is reduced to SEK 1.1 million.

GameVillage

On the 23rd of July 2011 Betting Promotion has reached an agreement to sell the 33% holding in GameVillage for the price of Eur 0.3 million in exchange for an interest bearing receivable.

Option Scheme

The AGM decided to introduce an incentive program for senior executives and employees of Betting Promotion. The incentive program comprises options over 320,000 ordinary shares in the Company. The option gives the subscriber the right to sign one new share in Betting Promotion during the period 28 August to 18 September, 2014 at a strike price of SEK 20.05. In total 209,000 options were signed, of which 120,000 options were subscribed by management. The price of the option was determined by the Black and Scholes model to SEK 0.78 per option.

Significant events after the period

Key Quest

As at 31 December 2011, receivable from Key Quest Ltd amounted to SEK 1.1million. As per agreement dated 8 December 2008, Key Quest had to settle the amount due with Betting Promotion in four payments with the last payment due on the 31 December 2010. During January 2012 Key Quest paid SEK 0.1million. The management assessement is that no provision for doubtful debts is necessary.

ICE Exhibition

Betting Promotion participated as an exhibitor for the first time in the company's history at the ICE Exhibition in London. This is in line with the company's efforts to promote the Bookmaker product.

Change in reporting currency

As of 1st January 2012, the parent company; Betting Promotion Sweden AB and the Group, will change its presentation currency from Swedish Krona to Euro. This is to avoid foreign exchange rate translation differences that continually arise as the Group's main operations and its cash assets are held in Euro.

Dividend

The Board intends to propose to the AGM not to pay a dividend.

Equity

The group's equity as at 31 December 2011 was SEK 75.1 (90.1) million, which is equivalent to SEK 7.89 (9.47) per share.

Cash and Cash flow

Cash and Cash equivalents at the end of the year amounted to SEK 49.7 million (67.2). Cash flow for the period amounted to SEK -17.1 million (-3.7). Operating cash flow amounted to SEK -10.3 million (14.9). Cash held with licensed customers amounted to SEK 43.1 (52.1).

Parent Company

Betting Promotion Sweden AB acts as a holding company and provides managerial services to the rest of the group. The main income of the Betting Promotion Sweden AB is dividends received from fully owned subsidiaries. Betting Promotions Sweden AB also receives Management Fees from fully owned subsidiaries. Revenue from Management Fees for the year amounted to SEK 4.6 (4.5) million.

Transactions with Related Parties

Parent Company	**31 Dec 2011**	**31 Dec 2010**
Short Term Receivable		
Betting Promotion Teknik Malmo AB	3.5	4.4
Betting Promotion Holdings Ltd	1.1	2.4

Group

During the period, except for ordinary remuneration to senior executives, there have been no material transactions with related parties and at end of the period there are no receivables and liabilities to related parties.

Accounting policy

Betting Promotion´s consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). This interim report was prepared for the group in accordance with the IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting and calculation principles used in the interim report for the group are identical to those used the Annual Report for 2010. None of the new and changed standards from IFRS, applicable from 1st of January 2011, has had any effect on the Financial Statements as at 31st December 2011.

For the parent company the interim report was prepared in accordance with RFR 2 "Accounting for legal entity" and the Swedish Annual Accounts Act. The interim report has been prepared in accordance with the same accounting principles as in 2010.

Assessment of risk environment

There have been no significant changes regarding the risks and uncertainties to which Betting Promotion is exposed since the publication of the previous report and Annual Report.

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 without affecting the long term development of the company. A description of other risks and uncertainties can be found in the Annual Report 2010.

Financial information 2012:

Q1report	25 Apr 2012
Annual General Meeting	24 May 2012
Q2 report	25 July 2012

Board assurance

The Board of Directors and managing director ensure that the interim report provides a true and fair overview of the Parent Company and the Group operations, position and earnings and describes the material risks faced by the Parent Company and the Group.

Stockholm 24 February 2012
Betting Promotion Sweden AB (publ)
Org. nr. 556466-8860

Per Åhlgren Chairman	Johan Moazed Member of the board and Managing director
Helena Levander Member of the board	Jonas Ornstein Member of the board
Niclas Lundqvist Member of the board	

This report has been reviewed by the auditors.
This Interim Report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.

For further information please contact:

Johan Moazed, Managing director of Betting Promotion Sweden AB.

Telephone +46 40 611 84 94

AUDITORS' REVIEW REPORT

Introduction
We have reviewed this interim report for the period January 1 to December 31, 2011, for Betting Promotion Sweden AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this financial information based on our review.

Scope of review
We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standard of Auditing (ISA), and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group and with the Swedish Annual Accounts Act regarding the Parent Company.

Helsingborg February 24, 2012
Mazars SET Revisionsbyrå AB
Bengt Ekenberg
Authorized Public Accountant

Appendix

GROUP INCOME STATEMENT (SEK MILLION)

Continuing Operations	Note	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net turnover		**15.1**	**13.2**	**31.8**	**56.1**
Work performed by the company for its own use and capitalized		0.8	0.8	2.7	2.4
Trading fees		-4.5	-4.3	-14.4	-16.2
Other external expenses		-3.0	-2.9	-8.9	-9.1
Staff expenses		-5.8	-4.7	-18.8	-16.8
Depreciation		-0.9	-0.8	-3.1	-2.9
Operating income		**1.7**	**1.3**	**-10.7**	**13.5**
Financial net	1	0.5	0.0	0.0	2.4
Income after financial items		**2.2**	**1.3**	**-10.7**	**15.9**
Income taxes		0.7	-0.9	0.7	-2.4
Income for the period from continuing operations		**2.9**	**0.4**	**-10.0**	**13.5**
Discontinued Operations					
Profit/Loss for the period from discontinued operations	2	0.0	-	0.2	-4.1
Income for the period		**2.9**	**0.4**	**-9.8**	**9.4**
Attributed to:					
Equity Holders of the Parent Company		**2.9**	**0.4**	**-9.8**	**9.4**
Gross margin (%)		**0.60**	**0.34**	**0.26**	**0.47**
Operating margin (%)		**16**	**14**	**-61**	**34**
Earnings per share before & after dilution (SEK)					
Income from continuing operations		0.30	0.04	-1.05	1.42
Profit/Loss from discontinued operations		-	-	0.02	-0.43
Earnings per share		**0.30**	**0.04**	**-1.03**	**0.99**
Average number of shares, million		**9.5**	9.5	9.5	9.5
Number of shares outstanding, million		**9.5**	9.5	9.5	9.5

STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	2011 Oct-Dec	2010 Oct-dec	2011 Jan-Dec	2010 Jan-Dec
Income for the period	**2.9**	**0.4**	**-9.8**	**9.4**
Recalculation difference	-2.5	-1.5	-0.6	-12.8
Total other comprehensive income for the period	**0.4**	**-1.5**	**-10.4**	**-12.8**
Total comprehensive income for the period	**0.4**	**-1.1**	**-10.4**	**3.4**
Attributed to:				
Equity Holders of the Parent Company	**0.4**	**-1.1**	**-10.4**	**3.4**

Note 1

At each balance sheet date, monetary items dominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit and loss under Financial Net. The Financial Net is negative due to such exchange differences.

Note 2

Betting Promotion recognised a profit for the period from discontinued operations of SEK 0.2 million. Betting Promotion acquired the security of shares in GV from Key Quest at an agreed value of SEK 2.5 million and sold them for SEK 2.7 million. Shareholding in Game Village has since last year been treated as discontinued operation.

GROUP BALANCE SHEET (SEK MILLION)

	Note	31 Dec 2011	31 Dec 2010
Assets			
Intangible assets		11.3	11.4
Tangible assets		1.1	1.1
Financial assets	3	6.8	6.3
Deferred tax assets		2.6	2.1
Total non-current assets		**21.8**	**20.9**
Short-term receivables		6.7	16.1
Marketable securities		0.1	0.3
Cash and bank accounts	4	49.7	67.2
Total current assets		**56.5**	**83.6**
Total assets		**78.3**	**104.5**
Shareholders' equity and liabilities			
Share capital		19.0	19.0
Additional contributed capital		12.2	12.0
Reserves		-6.7	-6.1
Retained earnings incl income for the period		50.6	65.2
Total equity attributed to parent company		**75.1**	**90.1**
Total shareholders' equity		**75.1**	**90.1**
Current liabilities		3.2	14.4
Total liabilities		**3.2**	**14.4**
Total shareholders' equity and liabilities		**78.3**	**104.5**

Note 3

Financial Assets comprise a loan receivable from GameVillage of Sek 0.5 million and a receivable of SEK 6.3 million arising from the sale of GameVillage. As at 31 December the comparable amounts were SEK 3.0 million and SEK 3.3 million respectively.

Note 4

Cash and bank accounts include cash assets held with customers. As at 31 December 2011 cash held with customers amounted to SEK 43.1 million and as at 31 December 2010 SEK 52.1 million.

GROUP CASH-FLOW STATEMENT (SEK MILLION)

	Note	2011 Jan-Dec	2010 Jan-Dec
Income after financial items	5	-10.4	14.5
Depreciation & gain/losses from disposal/sale of fixed assets		3.4	2.9
Taxes		-1.5	-2.8
Cash flow from change in working capital		-1.8	0.3
Cash flow from operating activities		**-10.3**	**14.9**
Cash flow from investing activities		**-2.2**	**0.4**
Option Scheme		0.2	-
Dividend Paid		-4.8	-19.0
Cash flow from financing activities		**-4.6**	**-19.0**
Cash flow for the period		**-17.1**	**-3.7**
Cash and cash equivalents, start of period		67.2	80.9
Translation difference on cash and cash equivalents		-0.4	-10.0
Cash and cash equivalents, end of period		49.7	67.2

Note 5

The difference in income after financial items compared to the Group Income Statement relates to non cash financial items such as unpaid interest and unrealized currency differences.

GROUP CHANGES IN SHAREHOLDERS' EQUITY (SEK MILLION)

	2011 Jan-Dec	2010 Jan-Dec
Equity Attributed to Parent Company		
Total equity at beginning of period	**90.1**	**112.6**
Option Scheme	0.2	-
Total comprehensive income for the period	-10.4	-3.4
Dividend	-4.8	-19.0
Total equity attributed to parent company	**75.1**	**90.1**
Non-controlling interest related with asset classified as held for sale		
At beginning of period	**-**	**2.2**
Movement during the year	-	-2.2
Total comprehensive income for the period	-	**-**
Non-controlling interest related with asset classified as held for sale at end of period	**-**	**-**

PARENT COMPANY INCOME STATEMENT (SEK MILLION)

	Note	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net turnover		**1.2**	**0.1**	**4.6**	**4.5**
Other external expenses		-1.4	-0.7	-2.5	-1.9
Staff expenses		-0.3	-0.2	-2.2	-2.0
Depreciation		-0.0	-0.0	-0.0	-0.0
Operating income		**-0.5**	**-0.8**	**-0.1**	**0.6**
Income from investments in group companies[4]		-	-	9.2	28.8
Costs from investment in group companies[5]	6	-54.3	-	-54.3	-
Interest income and similar credits		0.0	-	0.1	0.3
Interest expense and similar credits		-0.3	-0.2	-0.6	-0.2
Income after financial items		**-55.1**	**-1.0**	**-45.7**	**29.5**
Income taxes		-1.0	0.1	-1.0	0.1
Income for the period		**-56.1**	**-0.9**	**-46.7**	**29.6**

Note 6

During the year receivables at amount of SEK 4.3 million has been transferred as contribution to the subsidiary Betting Promotion Teknik i Malmö AB and as a result an impairment of shares in subsidiary is shown in the Income Statement. Furthermore an impairment of shares in the subsidiary Betting Pomotion Holdings Limited has been recorded at amount of SEK 50 million. The impairment is performed to adapt current market conditions.

[4] Dividend

[5] Impairment of shares in subsidiaries

PARENT COMPANY BALANCE SHEET (SEK MILLION)

	Note	31 Dec 2011	31 Dec 2010
Assets			
Deferred Tax		1.0	2.0
Financial assets	6	101.3	151.3
Total non-current assets		**102.3**	**153.3**
Short-term receivables		4.7	7.2
Marketable securities		0.2	0.2
Cash and bank accounts		2.7	0.7
Total current assets		**7.6**	**8.1**
Total assets		**109.9**	**161.4**
Shareholders' equity and liabilities			
Restricted Capital			
Share capital		19.0	19.0
Non-Restricted Capital			
Share premium reserve		2.3	2.1
Fund for Buy-Back Shares		-	40.0
Other reserves		-	1.0
Retained earnings		134.5	68.7
Income for the period		-46.7	29.6
Total shareholders' equity		**109.1**	**160.4**
Current liabilities		0.8	1.0
Total liabilities		**0.8**	**1.0**
Total shareholders' equity and liabilities		**109.9**	**161.4**