

Year-End Report for the period 1 January – 31 December 2013

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

Casino increased by 8 percent

Fourth quarter

- Revenues amounted to SEK 655.5 (651.9) million.
- Underlying activity has never been higher, meanwhile revenues were negatively impacted by fourth quarter record low Sportsbook margin and by an amount of SEK 26.3 million due to unfavorable exchange rate fluctuations.
- Operating income amounted to SEK 150.0 (173.4) million. Income before tax amounted to SEK 149.0 (173.4) million.
- Net income amounted to SEK 140.9 (166.9) million, corresponding to SEK 3.24 (3.95) per share.
- Gross turnover in Sportsbook, including all gaming solutions, amounted to SEK 4,094.6 (3,782.8) million, which is an All Time High and represents an increase of 8 percent.
- Customer deposits in all of Betsson's gaming solutions amounted to SEK 2,262.3 (2,154.8) million, which is All Time High.
- Betsson's Board of Directors proposes a distribution to the shareholders amounting to SEK 421.5 million, corresponding to SEK 9.71 per share. The distribution per share will be affected somewhat through planned new share issues.
- After the end of the quarter, Betsson acquired Class One Holding Ltd which operates the brands Oranje and Kroon Casino. It had revenues of EUR 32.5 million in 2013, and the EBIT margin was 67,8 percent.

Full year 2013

- Revenues increased by 12 percent to SEK 2,476.7 (2,203.7) million. The accumulated effect of unfavorable exchange rate fluctuations negatively impacted turnover for the year by SEK 78.3 million.
- Operating income amounted to SEK 601.1 (577.1) million.
- Income before tax amounted to SEK 596.2 (573.6) million.
- Net income amounted to SEK 562.0 (547.8) million, corresponding to SEK 12.98 (13.04) per share.

Key Performance Indicators

	Q4 2013	Q4 2012	Full year 2013	Full year 2012
Totals				
Revenues	655.5	651.9	2,476.7	2,203.7
Gross profit	548.6	548.8	2,073.9	1,853.7
Operating income	150.0	173.4	601.1	577.1
Liquid funds	562.5	467.2	562.5	467.2
Active customers (thousands)	401.4	520.4	401.5	520.4
Registered customers (thousands)	6,732.7	5,777.9	6,732.7	5,777.9
Customer deposits	1,613.6	1,586.5	6,064.5	5,092.4
Customer deposits, all gaming solutions	2,262.3	2,154.8	8,421.1	6,888.2
B2C Sportsbook 1)				
Gross turnover Sportsbook	1,428.6	1,271.1	5,024.0	3,735.5
Gross margin Sportsbook	5.5%	7.5%	5.7%	5.7%
Gross profit Sportsbook	79.1	95.0	288.0	214.5
B2B Sportsbook				
Gross turnover Sportsbook	2,666.0	2,511.7	9,791.3	8,357.6
Gross margin Sportsbook	2.5%	2.8%	3.0%	2.6%
Gross profit Sportsbook from third parties	67.2	70.5	289.4	217.5

1) Refers to the margin after allocated expenses. The margin after free bets in all gaming solutions is 6.2 (7.4) percent.

Betsson undertakes a strategic acquisition in the Netherlands

"- With the acquisition of Oranje and Kroon Casino Betsson gains a strategic position in the Netherlands and will be one of the largest operators in the Dutch gaming market. This market is expected to be re-regulated in 2015 and, when this takes place, Betsson's total profits from locally-regulated markets is expected to comprise over 25 percent of the Group's overall profit. At the same time, the optimization of the operating entities continue through individual real-time customer communication, digital marketing and mobile offers. These initiatives have already had a positive impact and contributed to the strong underlying activity and growth in the key product segment Casino which despite unfavorable exchange fluctuations and strong comparable figures grew by 8 percent," states Magnus Silfverberg, Betsson's CEO and President.

Presentation of the Year-End Report

Today, Friday 7 February, at 09:00 CET, Betsson's CEO, Magnus Silfverberg, will present the Year-End Report at Betsson's office at Regeringsgatan 28, and through webcast at <http://www.media-server.com/m/p/fdvzqah2>, and by phone on +46 (0)8 505 564 74 (Sweden), +44 (0)203 364 53 74 (UK), +1 (0) 855 753 22 30 (USA). The presentation will be in English and will be followed by a question and answer session.

BETSSON AB'S CORE BUSINESS CONSISTS OF INVESTING AND ADMINISTERING SHAREHOLDINGS IN COMPANIES, WHICH THROUGH PARTNERS OR BY THEMSELVES, OFFER GAMES TO END USERS VIA THE INTERNET. BETSSON AB OWNS BETSSON MALTA WHICH OPERATES GAMING TO END USERS BOTH THROUGH ITS OWN WEBSITES AND THROUGH PARTNERSHIPS. BETSSON MALTA OFFERS POKER, CASINO, SPORTS BETTING, SCRATCH CARDS, BINGO AND GAMES. THE CUSTOMERS MAINLY ORIGINATE FROM THE SCANDINAVIAN COUNTRIES AND OTHER PARTS OF EUROPE. BETSSON AB IS LISTED ON NASDAQ OMX NORDIC MID CAP LIST, (BETS).

Fourth Quarter 2013

Group revenue amounted to SEK 655.5 (651.9) million. Gross profit was SEK 548.6 (548.8) million. Operating income amounted to SEK 150.0 (173.4) million and the operating margin was 22.9 (26.6) percent. The Group's income before tax was SEK 149.0 (173.4) million and net income was SEK 140.9 (166.9) million, equivalent to SEK 3.24 (3.95) per share.

Revenues were negatively impacted in an amount of SEK 26.3 million by unfavorable exchange rate fluctuations, compared with the exchange rates applicable during the previous year.

Marketing expenses amounted to SEK 195.2 (189.4) million, representing an increase of 3 percent. Management believes that there are opportunities for growth in the short and long term in both locally-regulated and selected internationally-regulated markets. In order to take advantage of these opportunities, continued marketing investments are required which, during the first quarter 2014, are expected to be in the same level in relation to revenues as during the previous quarter.

Personnel expenses amounted to SEK 101.8 (85.8) million, representing an increase of 19 percent. The increase compared with the previous year refers to the recruitment of new personnel to create and meet future growth opportunities and to replace contracted consultants. The item includes a restructuring charge of SEK 2.7 million.

Other external expenses amounted to SEK 96.9 (89.6) million, representing an increase of 8 percent. This increase is mainly attributable to an expanded Live Stream offering and is also due to the increased use of real-time betting scores in Sportsbook, something that increases the attractiveness of Betsson's offering. Also further investments in SEO contributed to the higher level of Other external expenses. At the same time, expenses for contracted consultants decreased according to plan.

Capitalized development costs amounted to SEK 24.7 (22.0) million. Betsson's operating subsidiaries continuously invest in improvements to their offerings to end users and partners, thus creating the conditions for growth. Furthermore, the company is investing in migrating additional gaming sites to the single technology platform which will contribute, in the long term, to more cost-effective operations.

Full year January - December 2013

Group revenue amounted to SEK 2,476.7 (2,203.7) million, equivalent to an increase of 12 percent. Gross profit amounted to SEK 2,073.9 (1,853.7) million, representing an increase of 12 percent. Operating income increased to SEK 601.1 (577.1) million and the operating margin was 24.3 (26.2) percent. Income before tax increased to SEK 596.2 (573.6) million and net income increased to SEK 562.0 (547.8) million, equivalent to SEK 12.98 (13.04) per share.

Acquisition of the Automaten brands

The acquisition of the Automaten brands has had an impact on the accounting since the first of April 2013. Since that date, and up until 31 December, the acquisition has contributed SEK 33.2 million to the Group's operating income through the net effect of the saving of profit shares previously payable to Cherry under the earlier partner agreement, and also due to the additional marketing commitments on behalf of Betsson.

Had the Automaten brands been owned for the full year, Betsson's operating income would have amounted to SEK 613.2 million, instead of SEK 601.1 million, excluding acquisition costs of SEK 0.5 million in the first quarter.

Had Betsson owned the Automaten brands for the entire year, the acquisition would have contributed SEK 45.3 million to operating income.

Operations

Through subsidiaries on Malta, Betsson offers Internet gaming to end customers via partner cooperations and its own gaming portals. Betsson also offers systems solutions to other operators.

Betsson believes that, from a risk perspective, there is sustainable value in both the locally-regulated markets and in the internationally-regulated markets. Selected internationally-regulated markets will comprise, for the foreseeable future, a basis for strong growth and profitability. At the same time, newly-regulated markets are taking on increased importance for Betsson. On the newly-regulated Italian market, Betsson's operations continue to experience strong growth, although the business remains relatively small.

A high demand for mobile solutions has followed in the wake of strong growth in the use of smartphones. Betsson has previously developed, and now provides, one of the market's broadest and most advanced gaming solutions for smartphones. Total mobile revenues during the fourth quarter amounted to SEK 80.9 million, which corresponds to an increase of 16 percent compared with the previous quarter. The particular strong growth in the Betsson.com brand, after the launch of the new mobile solution during the second quarter, has continued. Mobile revenues from this brand increased by 38 percent this quarter compared with the third quarter, which is an increase of 733 percent compared with the fourth quarter in 2012.

B2C – Fourth quarter

Gross revenue for B2C in the fourth quarter amounted to SEK 416.2 (401.4) million. The Automaten brands were moved from B2B to B2C on the first of April, and contributed SEK 36.7 million in gross profit during the fourth quarter.

The Nordic Countries represented 85 (82) percent of the segment during the fourth quarter, while EU outside Nordic Region represented 14 (17) percent. An important explanation as to the Nordic Countries' increased importance is the fact that the Automaten brands are now included in the segment.

B2B – Fourth quarter

Gross profit from B2B amounted to SEK 132.4 (147.4) million. Adjusted for the effect of the Automaten brands' transfer to B2C, the B2B segment grew by 15 percent compared with the previous year. The underlying activity, spread over a number of partnerships, developed strongly. Gross turnover in sports betting amounted to SEK 2,666.0 (2,511.7) million, corresponding to an increase of 6 percent.

Betsson continues to provide technological developments for Internet-based lotteries on behalf of a Chinese company involved in a joint venture with a state owned company. The objective is to create a technological solution that may be used if, and when, the Chinese market is re-regulated. Betsson has a positive view of the future possibilities in China.

Products

Gross profit in Casino during the fourth quarter amounted to SEK 364.1 (335.8) million, representing 66 (61) percent of the Group's total gross profit. This corresponds to a growth of 8 percent compared with the strong fourth quarter in the previous year when a large jackpot significantly increased casino activity.

Gross turnover in Sportsbook, as regards all of Betsson's gaming solutions, amounted to SEK 4,094.6 (3,782.8) million, representing growth of 8 percent. Gross turnover in Live betting in Sportsbook, including all of Betsson's gaming solutions, was SEK 2,770.8 (2,476.8) million, equivalent to an increase of 12 percent. The margin after free bets in all of Betsson's gaming solutions in Sportsbook amounted to 6.2 (7.4) percent. Gross profit in Sportsbook during the quarter totaled SEK 146.3 (165.5). The decrease is explained by the lowest margin ever in a fourth quarter and by unfavorable exchange rate fluctuations amounting to SEK 10.8 million. Given the same margin after free bets as the previous year and adjusted for currency effects, the gross profit in Sportsbook would have seen a growth of 15%. Gross profit in Sportsbook includes SEK 67.2 (70.5) million in licensing revenues, as well as gaming contributions from B2B. Sportsbook's share of the Group's total gross profit amounted to 27 (30) percent.

Gross profit in Poker during the quarter amounted to SEK 25.4 (31.6) million. The decline was due to continued decreased activity in poker networks and to the fact that Betsson terminated its cooperation with unprofitable Poker customers.

Gross profit in Other products in the fourth quarter was SEK 12.8 (15.9) million.

Customer deposits

During the fourth quarter a total of SEK 1,613.6 (1,586.5) million was deposited. Deposits in all of Betsson's gaming solutions amounted to SEK 2,262.3 (2,154.8) million during the quarter. Deposits have been adversely affected by unfavorable exchange rate fluctuations amounting to SEK 45.0 million.

Customers

At the end of the quarter, the number of registered customers was 6.7 (5.8) million players, which is an increase of 16 percent. The KPI of Active customers demonstrates activity in Betsson's solutions, although these customers have no deposit requirement. The KPI continue to decline as a result of the fact that Betsson continues to focus on value-adding players rather than on free spins promotions. The number of active customers during the quarter amounted to 401,399 (520,429). While the number of active customers (no deposit requirement) declined, the number of active customers who actually has deposit funds increased by 7 percent compared with the previous quarter.

An active customer is defined as a customer who has played for cash during the last three months. This definition also includes players who have played on the basis of free of charge offerings and who have never made a deposit.

Equity

Equity in the Group amounted to SEK 2,032.2 (1,577.8) million, equivalent to SEK 46.79 (36.33) per share.

Liquid funds and customer liabilities

At the end of the quarter, liquid funds totaled SEK 562.5 (467.2) million. Liabilities to credit institutions amounted to SEK 315.7 (344.5) million and unutilized credits totaled SEK 97.7 (133.6) million. During the year, liquid funds have been negatively impacted in an amount of SEK 39.6 million by the repayment of bank loans and in an amount of SEK 410.9 (395.6) million by a transfer to shareholders (redemption procedure).

Customer liabilities, including the provision for accrued jackpots, amounted to SEK 318.7 (280.9) million. This amount may impose restrictions on the utilization of the Group's liquid funds, due to stipulations in the Maltese gaming authority's regulations. The Group's current receivables with payment providers referring to unsettled client payments amounted to SEK 256.7 (245.1) million.

Personnel

At the end of the quarter, there was a total of 839 (748) employees. The average number of employees during the year was 789 (591) in the Group, of which 541 (432) were employed in Malta. In addition to these employees, the Group had, at the end of the quarter, 161 consultants contracted on a full-time basis.

Parent Company

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

Turnover for the year amounted to SEK 10.2 (15.9) million and income before tax amounted to SEK 685.5 (575.7) million.

Liquid funds amounted to SEK 165.7 (114.2) million.

Ownership structure

The company's Class B shares are listed on the NASDAQ OMX NORDIC MID CAP LIST, (BETS). At the end of the period, the company had 18,825 (17,225) shareholders. The largest shareholders (owners with more than 10 percent of votes) were Per Hamberg and company, with 5.8 percent of the capital and 19.3 percent of votes, the Knutsson family and company, with 5.3 percent of capital and 10.5 percent of votes and Rolf Lundström and company, with 3.6 percent of capital and 10.0 percent of votes.

Claims for damages

In December, the Supreme Court announced its ruling against Betsson's civil claims for damages, regarding Swedish Governments treatment of the prohibition of prize and wheel of fortune games. Other than the previously reported legal fees, this negative ruling implies no cost to Betsson.

Outstanding Shares

Total number of shares and votes in Betsson at the end of 2013 amounted to 43,433,003 and 92,213,003, divided into 5,420,000 Class A shares with ten votes each and 38,013,003 Class B shares with one vote each. This amount includes Betsson's holding of 638 own Class B shares which have been acquired at an average price of SEK 58.27 during previous years.

At an Extraordinary General Meeting held on 22 August, the Board of Directors, authorized to do so in November 2013, resolved to issue 521,700 Class C shares for use in incentive programs. These shares were issued in January 2014, and subsequently repurchased by the company. The shares are not included in the totals above.

In January 2013, a total of 100,000 shares were issued for the implementation of incentive programs resolved on in 2010, and, in February 2013, 1,063,895 shares were issued as part of the payment for the acquisition of the Automaten brands.

Events after the end of the year

The first quarter has started with revenues in line with the average level in previous quarters, despite continued negative exchange rate fluctuations.

On 7 February, the company announced the acquisition of Class One Holding Ltd for an expected purchase consideration amounting to EUR 130 million. The company, operates the brands, Oranje and Kroon Casino, targeting the Dutch market. The brands turnover in 2013 amounted to EUR 32.5 million and the EBIT margin was 67.8 per cent. Betsson estimates that acquisition and integration costs will not exceed SEK 30,0 million in the next coming 12 months. The acquisition is financed

with bank loan and new share issue. See the press release dated 2014-02-07 for further details.

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

Accounting principles

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

Betsson's B2C segment is defined as games by players acquired by the company, itself, and games from players originating from Betsson's network of affiliated websites (www.affiliatelounge.com). Betsson classes anything which cannot be included in these categories as B2B.

A gain or loss on an effective hedging instrument is reported under Other comprehensive income. The gain or loss which is attributable to the ineffective portion is reported in the income statement. In other respects, the accounting principles remain unchanged from the preparation of the Annual Report for 2012. Further information regarding the Group's accounting and valuation principles are found in the annual financial statements for 2012 (Note 2) which is available on www.bessonab.com, or copies can be obtained from the head office.

Risks and factors of uncertainty

The legal situation regarding online gaming is constantly changing in different geographical markets. There is continued pressure on countries in the EU to bring their legislation in line with applicable EU law, with unrestricted mobility for goods and services. A number of countries have reported that they are working on new legislation which will be compatible with EU requirements, and certain countries have presented proposals for concrete legislation and/or adopted new legislation. There is still uncertainty as to the point in time at which such legislation will be introduced into those of Betsson's main markets which are yet to be re-regulated.

New legislation could result in market conditions regarding, for example, changes in taxes, product range and local licensing fees, changing and might have a negative impact on Betsson's profitability. Meanwhile, new legislation may lead to a significant growth for Betsson's gaming markets, as well as possibly providing Betsson with increased opportunities for marketing and an increased presence on the market.

At the start of June 2010, Norway introduced its ban on promoting games organized from abroad. This ban impacts banks, in that payment services for transactions to gaming companies made using debit and credit cards, have been classified as unlawful.

After the election in September 2013, a parliamentary majority has arisen in Norway in favor of the re-regulation of the Norwegian gaming market. However, based on what is known today,

Betsson's management does not believe that it is probable that new regulations will be introduced in Norway within the near future. Betsson remains positive in regards to the development, although it is still too early to assess how this will affect the company.

Today, there is a shared view amongst those representing various parliamentary political parties as regards the re-regulation of the Swedish gaming market. It is too early to draw any concrete conclusions regarding the situation, but many assessing these developments believe that the work of introducing new regulations can only first be initiated after the Parliamentary elections in 2014. This implies that any possible new regulations could be adopted, at the earliest, during 2016/2017.

After the divestment of the Turkish customer base, Betsson has license revenues for, among other things, system delivery to a gaming operator, for which parts of the revenues derive from players in Turkey. These license revenues are reported under B2B. Revenues arising from Turkey may be considered to have higher operational risk than revenues from other markets. A proposal for a new law was adopted in Turkey during 2013 implying changes in gaming legislation. This has, largely, been implemented.

A more detailed description of the risks above and other risks and uncertainties can be found in the Annual Report for 2012.

Transactions with related parties

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

Future prospects

Betsson is of the opinion that the online gaming market will continue to develop strongly. The number of Internet users across the globe is growing rapidly, which is a fundamental driver for the business. The confidence in Internet and e-commerce is increasing as more people use the Internet to perform their banking and stock market transactions, insurance business and other purchases. This changing behavior and increasing confidence in e-commerce is important for the online gaming industry.

Betsson believes that, from a risk perspective, there is sustainable value in both the locally-regulated markets and in the internationally-regulated markets. Selected internationally-regulated markets will comprise, for the foreseeable future, a basis for strong growth and profitability. Management believes that Betsson's main markets will grow by a total of 7-8 percent in 2014, based on analyses from, among others, H2 Gambling. Betsson intends, over time, to continue to grow faster than the market rate.

Management is of the opinion that revenues from mobile devices will increase significantly during the coming twelve-month period.

Annual General Meeting 2014

The annual general meeting of shareholders in Betsson AB will be held at 10.00 CET on Wednesday, 8 May 2014, at Betsson's office, Regeringsgatan 28, Stockholm.

Shareholders wishing to submit proposals for the Nomination Committee may do so via email to valberedning@betssonab.com or by post to the address; Betsson AB, Valberedning, Regeringsgatan 28, 111 53 Stockholm.

Financial calendar

Betsson intends to publish its financial reports as follows. The interim report for the first quarter will be made public on 25 April, for the second quarter on 18 July, for the third quarter on 24 October and the Year-End Report for 2014 (fourth quarter) on 6 February 2015.

Betsson has invited stakeholders to its first capital market day 7 Mars, 2014.

Presentation of the Interim Report

Today, Friday 7 February, at 09:00 CET, Betsson's CEO Magnus Silfverberg will present the Year-End Report at Betsson's office at Regeringsgatan 28, and through webcast at www.betssonab.com or <http://www.media-server.com/m/p/fdvzqah2>, and by phone on +46 (0)8 505 564 74 (Sweden), +44 (0)203 364 53 74 (UK), +1 (0) 855 753 22 30 (USA). The presentation will be in English and will be followed by a question and answer session.

A copy of the presentation is available at www.betssonab.com as of Friday 7 February.

Stockholm, 7 February 2014

Magnus Silfverberg
President and CEO

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The information in this Interim Report is information which Betsson AB (Publ) shall publish in accordance with the Securities Market Act and /or the Financial Instruments Trading Act. The information was presented for publication on 7 February 2014, 07:30 CET.

This document is a translation of the Swedish original.

Business combination regarding the Automaten brands

On 19 February, Betsson AB entered into an agreement to acquire the brands Sverigeautomaten.com, Norgesautomaten.com and Danmarksautomaten.com from Cherry for a purchase price of SEK 286 million, of which SEK 60 million represents supplementary purchase consideration. In practice, this transaction implies that Betsson AB's subsidiary on Malta, which had already previously been responsible for the operation of the sites, has now, after the transaction, also taken over the brands and the responsibility for marketing. At the same time, Cherry acquired the brand Cherrycasino.com from Betsson's Maltese subsidiary for a purchase consideration of SEK 1 million.

The initial net purchase price of SEK 225 million was settled on the basis of the equivalent of 1,063,895 newly-issued Betsson Class B shares. The additional purchase consideration will be settled on the basis of liquid funds after 12 months.

No portion of reported goodwill is expected to be tax deductible upon taxation of income. The table below summarizes the purchase consideration paid and the fair value of the acquired assets and assumed liabilities.

Accounting effects

The acquisition of the Automaten brands has had an impact on the accounting since the first of April 2013. Since that date and up until 31 December, the acquisition has contributed SEK 33.2 million to the Group's operating income through the net effect of the saving of profit shares payable to Cherry under the previous partner agreement and the additional marketing commitments from Betsson's side.

Had the Automaten brands been owned for the full year, Betsson's operating income would have amounted to SEK 613.2 million, instead of SEK 601.1 million, excluding acquisition costs of SEK 0.5 million in the first quarter.

Had Betsson owned the Automaten brands for the entire year, the acquisition would have contributed SEK 45.3 million to operating income.

Acquisition analysis (SEK million)

Purchase consideration

Divestment of a brand	1.0
Equity instruments (1,063,895 Class B shares)	<u>225.0</u>
Total purchase consideration paid	226.0
Supplementary purchase consideration (unconditional)	<u>60.0</u>
Total purchase consideration	286.0
Reported values of identifiable acquired assets and assumed liabilities	
Brands	<u>38.1</u>
Total identifiable net assets	38.1
Goodwill	247.9

Additional purchase consideration, NGG

In conjunction with the acquisition of NGG in 2012, a provision was recorded for a maximum supplementary purchase consideration of EUR 20 million. The final value of this liability will be impacted by the outcome of the current dispute with the sellers of NGG concerning fulfilment of the terms and conditions of the additional purchase consideration, and as regards the applied EUR/SEK exchange rate. The final settlement of the liability will take place on the basis of an agreement or, alternatively, legal assessment of the fulfilment of the terms and conditions, either via delivery of shares, or via payment in the form of liquid funds. An amount less than EUR 20 million can apply if only certain of the terms and conditions are seen to have been fulfilled. If the terms are seen as not fulfilled to any extent no further purchase consideration will be paid out.

Consolidated Income Statements (SEK million)	Q4	Q4	Full year	Full year
	2013	2012	2013	2012
Revenue	655.5	651.9	2,476.7	2,203.7
Cost of services sold	-106.9	-103.1	-402.9	-350.0
Gross profit	548.6	548.8	2,073.9	1,853.7
Marketing expenses	-195.2	-189.4	-734.5	-626.8
Personnel expenses	-101.8	-85.8	-373.2	-290.9
Other external expenses	-96.9	-89.6	-352.4	-329.3
Capitalized development costs	24.7	22.0	92.9	81.0
Depreciation/amortization	-25.8	-31.7	-107.1	-105.0
Other operating income/expenses	-3.5	-0.8	1.5	-5.6
Operating expenses	-398.5	-375.4	-1,472.8	-1,276.6
Operating profit	150.0	173.4	601.1	577.1
Financial income/expenses	-1.0	0.0	-4.9	-3.5
Profit before tax	149.0	173.4	596.2	573.6
Tax	-8.1	-6.5	-34.2	-25.8
Net profit	140.9	166.9	562.0	547.8
Earnings per share before dilution (SEK)	3.24	3.95	12.98	13.04
Earnings per share after dilution (SEK)	3.24	3.94	12.98	12.98
Operating margin (as a percentage of revenue)	22.9	26.6	24.3	26.2
Operating margin (as a percentage of gross profit)	27.4	31.6	29.0	31.1
Profit margin (percent)	22.7	26.6	24.1	26.0
Average number of outstanding shares (millions)	43.4	42.2	43.3	42.0
Number of outstanding shares at end of period (millions)	43.4	42.3	43.4	42.3
Return on equity (percent)			31	38
Return on total capital (percent)			19	22
Return on capital employed (percent)			21	24

Consolidated Statement of Comprehensive Income (SEK million)	Q4	Q4	Full year	Full year
	2013	2012	2013	2012
Net profit	140.9	166.9	562.0	547.8
Other comprehensive income				
Income/expenses reported directly in equity				
Hedging of net investments in foreign currency incl. deferred tax	-11.5	-9.7	-13.3	10.7
Exchange rate differences arising from translation of foreign operations	75.4	43.9	88.0	-57.0
Other comprehensive income for the period (after tax)	63.9	34.7	74.7	-46.3
Total comprehensive income for the period	204.8	201.6	636.7	501.5

Consolidated Balance Sheets (SEK million)	31 Dec 2013	31 Dec 2012
Intangible fixed assets	2,037.9	1,664.6
Tangible fixed assets	53.8	28.5
Financial fixed assets	26.6	25.2
Deferred tax assets	11.8	18.4
Other non-current receivables	0.0	0.0
Total fixed assets	2,130.0	1,736.8
Current receivables	823.4	752.7
Liquid funds	562.5	467.2
Total current assets	1,385.9	1,219.9
Total assets	3,515.9	2,956.7
Equity	2,032.2	1,577.8
Deferred tax liabilities	4.1	9.3
Liabilities to credit institutions	0.0	344.5
Total non-current liabilities	4.1	353.8
Liabilities to credit institutions	315.7	
Other current liabilities	1,163.8	1,025.0
Total current liabilities	1,479.5	1,025.0
Total equity and liabilities	3,515.9	2,956.7

Consolidated Cash Flow Statements (SEK million)	Full year 2013	Full year 2012
Profit after financial items	596.2	573.6
Adjustments for non-cash items, etc.	111.8	110.4
Taxes paid	-4.3	2.7
Cash flow from operating activities	703.7	686.6
before changes in working capital		
Changes in working capital	-20.2	-20.6
Cash flow from operating activities	683.5	666.1
Investments	-138.5	-101.0
Acquisition of shares, subsidiaries		-518.4
Acquisition of shares, associated companies	-15.8	-15.0
Cash flow from investing activities	-154.3	-634.4
Payments for redemption of warrants	-9.2	-10.4
Share issue upon redemption of warrants	12.3	-
Borrowings	-	431.8
Repayment of borrowings	-39.6	-74.1
Share redemption program	-410.9	-395.6
Cost of share redemption program	-0.2	-
Dividends paid	-	-21.8
Cash flow from financing activities	-447.5	-70.1
Changes in liquid funds	81.6	-38.4
Liquid funds at beginning of period	467.2	509.7
Exchange rate differences on liquid funds	13.6	-4.1
Liquid funds at end of period	562.5	467.2

Changes in Equity for the Group (SEK million)	Full year 2013	Full year 2012
Opening balance	1,577.8	1,334.3
Total comprehensive income for the period	636.7	501.5
Total change, excluding transactions with company owners	636.7	501.5
Dividends	0.0	-21.8
Share redemption program	-410.9	-395.6
Cost of share redemption program after tax effects	-0.2	
New share issue	225.0	159.6
Warrants – option premium paid	1.0	
Capital contribution, associated company	0.0	10.1
Repurchase of warrants	-9.2	-11.5
Share issue upon redemption of warrants	11.3	-
Share options – value of employee services	0.5	1.2
Equity at end of period	2,032.2	1,577.8
Attributable to:		
Parent Company's shareholders	2,032.2	1,577.8
Minority interest	-	-
Total equity	2,032.2	1,577.8

Parent Company Income Statements (SEK million)	Full year 2013	Full year 2012
Revenue	10.2	15.9
Operating expenses	-39.1	-59.7
Operating income	-29.0	-43.8
Financial items	714.4	619.6
Profit before tax	685.5	575.7
Tax	-4.0	2.1
Net profit	681.5	577.8
	31 Dec 2013	31 Dec 2012
Parent Company Balance Sheets (SEK million)		
Tangible fixed assets	2.5	4.0
Financial fixed assets	2,352.2	2,071.2
Total fixed assets	2,354.7	2,075.1
Current receivables	474.9	305.1
Liquid funds	165.7	114.2
Total current assets	640.6	419.3
Total assets	2,995.3	2,494.5
Restricted equity	340.1	337.8
Non-restricted equity	2,039.8	1,543.6
Total equity	2,379.9	1,881.4
Non-current liabilities to credit institutions	-	353.8
Current liabilities to credit institutions	312.4	
Other current liabilities	303.0	259.3
Total current liabilities	615.3	259.3
Total equity and liabilities	2,995.3	2,494.5

Group Overview

Income Statements (SEK million) (continuing operations)	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2013 Full Year
Revenue	655.5	603.4	579.2	638.7	651.9	529.5	486.2	536.0	515.2	2,476.7
Cost of services sold	-106.9	-100.9	-96.5	-98.6	-103.1	-90.8	-79.0	-77.1	-81.9	-402.9
Gross profit	548.6	502.5	482.7	540.1	548.8	438.7	407.2	458.9	433.3	2,073.9
Marketing expenses	-195.2	-167.5	-172.4	-199.4	-189.4	-152.4	-149.8	-135.2	-123.1	-734.5
Personnel expenses	-101.8	-89.9	-89.3	-92.2	-85.8	-73.5	-71.3	-60.2	-56.3	-373.2
Other external expenses	-96.9	-88.4	-82.5	-84.6	-89.6	-80.4	-79.2	-80.1	-73.5	-352.4
Capitalized development costs	24.7	19.2	25.4	23.6	22.0	17.9	25.7	15.3	13.4	92.9
Depreciation/amortization	-25.8	-26.3	-27.6	-27.4	-31.7	-28.0	-23.2	-22.1	-22.3	-107.1
Other operating income/expenses	-3.5	2.7	1.4	1.0	-0.8	-2.2	0.1	-2.6	0.8	1.6
Total operating expenses	-398.5	-350.3	-344.9	-379.0	-375.4	-318.7	-297.7	-284.9	-261.0	-1,472.8
Operating income	150.0	152.2	137.8	161.1	173.4	120.0	109.5	174.0	172.3	601.2
Financial items, net	-1.0	-2.5	-0.3	-1.0	0.0	-1.7	1.3	-3.0	0.6	-4.9
Profit before tax	149.0	149.7	137.5	160.1	173.4	118.3	110.9	171.0	172.9	596.2
Tax	-8.1	-8.7	-9.2	-8.2	-6.5	-5.2	-5.5	-8.7	-7.1	-34.2
Profit after tax	140.9	140.9	128.3	151.9	166.9	113.1	105.4	162.3	165.8	562.0
	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2013 Full Year
Balance Sheets (SEK million)										
Non-current assets	2,130.0	2,034.2	2,050.3	1,960.0	1,736.8	1,692.6	1,754.0	1,020.7	1,033.8	2,130.0
Current assets	1,385.9	1,175.2	1,067.9	1,287.1	1,219.9	989.2	1,088.8	1,339.2	1,239.3	1,385.9
Total assets	3,515.9	3,209.4	3,118.2	3,247.2	2,956.7	2,681.8	2,842.7	2,359.9	2,273.1	3,515.9
Equity	2,032.2	1,827.8	1,704.1	1,908.9	1,577.8	1,382.4	1,347.7	1,604.4	1,334.3	2,032.2
Non-current liabilities	4.1	7.2	6.1	344.7	353.8	410.8	439.4	7.8	8.0	4.1
Current liabilities	1,479.5	1,374.4	1,408.0	993.6	1,025.0	888.6	1,055.6	747.7	930.8	1,479.5
Total equities and liabilities	3,515.9	3,209.4	3,118.2	3,247.2	2,956.7	2,681.8	2,842.7	2,359.9	2,273.1	3,515.9
	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2013 Full Year
Cash Flow Statements (SEK million)										
Operating cash flow	192.0	175.4	150.7	165.4	326.3	-23.7	265.6	97.9	54.2	683.5
Cash flow from investing activities	-57.9	-35.1	-34.8	-26.5	-48.1	-21.6	-547.4	-17.3	-24.4	-154.3
Cash flow from investing activities	-0.6	-38.8	-410.9	2.8	-67.0	-39.2	36.2	0.0	2.7	-447.5
Total cash flow	133.5	101.5	-295.1	141.7	211.2	-84.5	-245.7	80.6	32.5	81.6

Key Performance Indicators (Continuing operations)	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2013 Full Year
Growth (revenue) per quarter (%)	9	4	-9	-2	23	9	-9	4	11	
Growth compared with the same period last year	1	14	19	19	27	14	44	28	6	12
Gross margin (percent of revenue)	83.7	83.3	83.3	84.6	84.2	82.9	83.7	85.6	84.1	83.7
EBITDA margin (percent of revenue)	26.8	29.6	28.6	29.5	31.5	28.0	27.3	36.6	37.8	28.6
EBITDA margin (percent of Gross profit)	32.1	35.5	34.3	34.9	37.4	33.7	32.6	42.7	44.9	34.2
Operating margin (percent of revenue)	22.9	25.2	23.8	25.2	26.6	22.7	22.5	32.5	33.4	24.3
Operating margin (percent of Gross profit)	27.4	30.3	28.5	29.8	31.6	27.4	26.9	37.9	39.8	29.0
Profit margin (percent of revenue)	22.7	24.8	23.7	25.1	26.6	22.3	22.8	31.9	33.6	24.1
Profit margin (percent of Gross profit)	27.2	29.8	28.5	29.6	31.6	27.0	27.2	37.3	39.9	28.7
Marketing (percent of revenue)	29.8	27.8	29.8	31.2	29.1	28.8	30.8	25.2	23.9	29.7
Marketing (percent of Gross profit)	35.6	33.3	35.7	36.9	34.5	34.7	36.8	29.5	28.4	35.4
Earnings per share (SEK)	3.24	3.25	2.95	3.54	3.95	2.68	2.54	3.91	4.01	12.98
Operating cash flow per share (SEK)	4.42	4.04	3.47	3.86	7.73	-0.56	6.29	2.36	1.31	15.79
Equity per share (SEK)	46.79	42.08	39.24	43.95	36.33	32.75	31.92	38.20	32.24	46.79
Executed dividend/redemption per share (SEK)			9.46				9.42	-	-	9.46
Average share price (SEK)	197.76	179.32	176.78	213.50	177.78	189.09	210.34	181.23	146.29	191.59
Last paid share price (SEK)	204.00	190.50	170.00	209.50	200.50	174.50	206.00	194.50	151.50	204.00
Highest share price (SEK)	213.50	196.50	210.00	224.50	200.50	207.00	234.00	199.50	159.50	224.50
Lowest share price (SEK)	182.50	167.50	159.50	200.00	158.50	164.00	195.00	152.00	125.25	159.50
Equity/assets ratio (percent)	58	57	55	59	53	52	48	68	59	58
Investments (SEK million)	57.9	19.3	34.8	26.5	33.1	21.6	29.1	17.3	13.5	138.5
Average number of employees (accumulated)	789	756	721	739	591	527	464	439	340	789
Number of employees at the end of the period	839	815	756	743	748	723	610	459	412	839
Number of registered shareholders at the end of the period	18,825	19,909	19,447	17,388	17,225	16,195	15,246	14,568	12,507	18 825
Customers	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2013 Full Year
Registered customers (thousands)	6,732.7	6,623.2	6,354.9	6,044.2	5,777.9	5,633.7	5,418.0	3,906.3	3,662.4	6,732.7
Quarterly growth (%)	2	4	5	5	3	4	39	7	7	
Growth compared with the same period last year (%)	17	18	17	55	58	65	68	51	16	17
Active Customers (thousands)	401.4	423.6	428.7	479.2	520.4	463.6	508.7	405.0	403.6	401.4
Quarterly growth (%)	-5	-1.0	-10.5	-7.9	12.3	-8.9	25.6	0	5	
Growth compared with the same period last year (%)	-23	-9	-16	18	29	21	51	21	34	-23
Activity level, Active/registered customers	6	6	7	8	9	8	9	10	11	6
Customer deposits	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2013 Full Year
Customer deposits (SEK million)	1 613.6	1 493.8	1 445.9	1 511.1	1 586.5	1 362.9	1 097.8	1 045.3	1 093.5	6 064.5
Quarterly growth (%)	8	3	-4	-5	16	24	5	-4	-3	
Growth compared with the same period last year (%)	2	10	32	45	45	21	45	9	-1	19
Customer deposits, all gaming solutions (SEK million)	2,262.3	2,027.1	2,017.8	2,113.9	2,154.8	1,756.0	1,509.5	1,468.6	1,484.5	8,421.1
Quarterly growth (%)	12	0	-5	-2	23	16	3	-1	0	
Growth compared with the same period last year (%)	5	15	34	44	45	18	31	31	34	22
Sportsbook Gross margin	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2013 Full Year
Gross turnover, all gaming solutions	4,094.6	3,398.5	3,447.6	3,873.6	3,782.8	2,921.4	2,744.8	2,644.1	2,171.3	14,814.3
Quarterly growth (%)	20	-1.0	-11.0	2.4	29.5	6.4	3.8	22	20	
Growth compared with the same period last year (%)	8	16	26	47	74	61	52	48	15	23
Of which gross turnover from Live Betting (SEK million)	2,770.8	2,365.2	2,393.2	2,667.3	2,476.8	1,910.9	1,904.8	1,740.1	1,336.1	10,196.4
Live betting portion (%)	67.7	69.6	69.4	68.9	65.5	65.4	69.4	65.8	61.5	68.8
Quarterly growth (%)	17.1	-1.2	-10.3	7.7	29.6	0.3	9.5	30	25	
Growth compared with the same period last year (%)	12	24	26	53	85	78	59	55	17	27
Margin after free bets (%)	6.2%	6.9%	6.5%	6.7%	7.4%	5.5%	4.6%	7.2%	8.1%	6.7%
Gross profit Sportsbook (SEK million)	146.3	140.7	126.6	164.0	165.5	89.8	68.9	107.8	97.2	577.6
Gross margin Sportsbook (%) 1)	3.6%	4.1%	3.7%	4.2%	4.4%	3.1%	2.5%	4.1%	4.5%	3.9%
1) Margin after allocated expenses										

Segment Reporting	2013	2013	2013	2013	2012	2012	2012	2012	2011	2013
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Full Year
Gross profit, SEK million										
B2B, Business to business	132.4	104.9	124.0	165.4	147.4	120.8	115.3	142.8	132.6	526.7
B2C, Business to consumers	416.2	397.6	358.7	374.7	401.4	317.9	291.9	316.2	300.7	1,547.2
Total Gross profit	548.6	502.5	482.7	540.1	548.8	438.7	407.2	459.0	433.3	2,073.9
Share of total Gross profit (%)										
B2B	24.1	20.9	25.7	30.6	26.9	27.5	28.3	31.1	30.6	25.4
B2C	75.9	79.1	74.3	69.4	73.1	72.5	71.7	68.9	69.4	74.6
Share of total Gross profit (%)										
B2B	26	-15	-25	12	22	5	-19	8	8	
B2C	5	11	-4	-7	26	9	-8	5	13	
Total	14	4	-11	-2	25	8	-11	6	11	
Growth compared with the same period last year (%)										
B2B	-10	-13	8	16	11	-2	-7	-24	-44	0
B2C	4	25	23	19	33	19	92	122	96	17
Total	0	15	19	18	27	13	48	39	11	12
Gross profit per product										
	2013	2013	2013	2013	2012	2012	2012	2012	2011	2013
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Full Year
Gross profit, SEK million										
Casino	364.1	329.9	316.0	325.4	335.8	301.7	303.1	308.3	290.4	1,335.4
Poker	25.4	21.2	22.0	30.6	31.6	32.2	25.4	27.5	24.8	99.2
Sportsbook	146.3	140.7	126.6	164.0	165.5	89.8	68.9	107.8	97.2	577.6
Other products	12.8	10.7	18.1	20.1	15.9	15.0	9.8	15.4	20.9	61.7
Total Gross profit	548.6	502.5	482.7	540.1	548.8	438.7	407.2	459.0	433.3	2,073.9
Share of gross profit (%)										
Casino	66.4	65.7	65.5	60.2	61.2	68.8	74.4	67.2	67.0	64.4
Poker	4.6	4.2	4.6	5.7	5.8	7.3	6.2	6.0	5.7	4.8
Sportsbook	26.7	28.0	26.2	30.4	30.2	20.5	16.9	23.5	22.4	27.9
Other products	2.3	2.1	3.7	3.7	2.9	3.4	2.4	3.4	4.8	3.0
Quarterly growth (%)										
Casino	10	4	-3	-3	11	0	-2	6	6	
Poker	20	-4	-28	-3	-2	27	-8	11	15	
Sportsbook	4	11	-23	-1	84	30	-36	11	16	
Other products	20	-41	-10	26	6	53	-36	-26	149	
Total all products	9	4	-11	-2	25	8	-11	6	11	
Growth compared with the same period last year (%)										
Casino	8	9	4	6	16	10	50	64	34	7
Poker	-20	-34	-13	11	27	50	49	34	-7	-15
Sportsbook	-12	57	84	52	70	7	67	3	-24	34
Other products	-19	-29	84	31	-24	79	-35	-13	5	10
Total all products	0	15	19	18	27	13	48	39	11	12
B2C by geographical area										
	2013	2013	2013	2013	2012	2012	2012	2012	2011	2013
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Full Year
Gross profit, SEK million										
Nordic Countries	353.3	339.7	291.9	302.3	330.2	253.4	238.7	259.0	239.0	1,287.2
EU, outside Nordic Region	58.2	55.1	63.5	69.1	68.1	58.3	49.7	48.2	55.3	245.9
Rest of Europe	2.5	1.4	2.1	1.4	1.3	2.4	1.5	1.1	0.8	7.4
Rest of the world	2.2	1.4	1.2	1.9	1.8	3.8	1.9	7.9	5.6	6.7
Total gross profit	416.2	397.6	358.7	374.7	401.4	317.9	291.9	316.2	300.7	1,547.2
Share of total Gross Profit (%)										
Nordic Countries	84.9	85.4	81.4	80.7	82.3	79.7	81.8	81.9	79.5	83.2
EU, outside Nordic Region	14.0	13.9	17.7	18.4	17.0	18.3	17.0	15.2	18.4	15.9
Rest of Europe	0.6	0.4	0.6	0.4	0.3	0.8	0.5	0.3	0.3	0.5
Rest of the world	0.5	0.4	0.3	0.5	0.4	1.2	0.7	2.5	1.9	0.4
Quarterly growth (%)										
Nordic Countries	4	16	-3	-8	30	6	-8	8	20	
EU, outside Nordic Region	6	-13	-8	1	17	17	3	-13	-4	
Rest of Europe	79	-33	50	8	-46	57	39	38	-43	
Rest of the world	57	17	-37	6	-53	96	-75	41	-24	
Total all countries	5	11	-4	-7	26	9	-8	5	13	
Growth compared with the same period last year (%)										
Nordic Countries	7	34	22	17	38	27	106	145	108	19
EU, outside Nordic Region	-15	-5	28	43	23	1	42	38	34	10
Rest of Europe	92	-42	37	27	63	71	119	10	129	17
Rest of the world	22	-63	-38	-76	-68	-49	287	778	5 700	-57
Total all countries	4	25	23	19	33	19	92	122	96	17

