

# RECORD YEAR FOR ENTRACTION

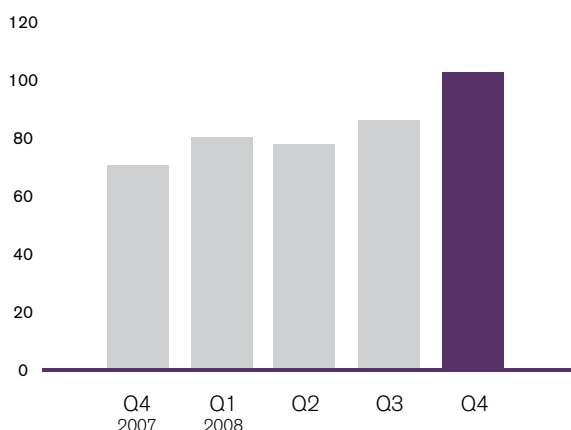
## JANUARY – DECEMBER

- ➔ Net turnover amounted to SEK 346.1 M (234.6), an increase of 47.6%.
- ➔ Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to SEK 54.7 M (-4.4).
- ➔ Operating profit amounted to SEK 40.1 M (-18.5).
- ➔ Earnings after tax amounted to SEK 36.5 M (-33.2), corresponding to SEK 0.07 (-0.07) per share.
- ➔ The cash flow from operating activities amounted to SEK 80.1 M (47.7).

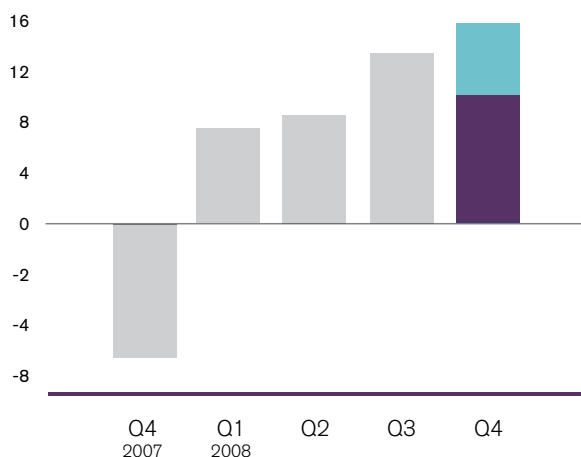
## Q4, OCTOBER – DECEMBER

- ➔ Net turnover amounted to SEK 102.8 M (71.7), an increase of 43.4% .
- ➔ Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to SEK 13.7 M (8.4).
- ➔ Operating profit amounted to SEK 10.0 M (-6.4). Operating profit excluding costs for bonuses for the full year amounted to SEK 15.8 M.
- ➔ Earnings after tax amounted to SEK 7.3 M (-22.2), corresponding to SEK 0.02 (-0.05) per share.
- ➔ The cash flow from operating activities amounted to SEK 37.2 M (24.6).
- ➔ The Board of Directors proposes a redemption of shares distributing SEK 12 M to the shareholders, corresponding to SEK 0.023 per share.
- ➔ The Board of Directors proposes a reverse split of shares.
- ➔ Entraction Holding AB has been approved for listing on First North Premier.

**NET TURNOVER**  
SEK M



**OPERATING PROFIT**  
SEK M



■ Operating profit excluding costs for bonuses for the full year  
■ Operating profit

## COMMENTS FROM THE CEO

# FANTASTIC 2008 – NOW FULL SPEED AHEAD FOR 2009

In the fourth quarter we had a turnover of SEK 102.8 M, an increase of 43% in comparison with last year, and our shareholders, staff, and partners can pride themselves that this was the best quarter in the history of Entraction. The favourable trend this year has been made possible because all the staff at Entraction have followed a well-defined strategy. The turnover and profit for the entire year were also record results for Entraction, and we have therefore decided to pay a bonus of SEK 4.4 M to the staff. Our reported operating profit for 2008 is subsequently SEK 40.1 M.

### A GOOD INVESTMENT

In the autumn of 2007 we started working with a new strategy based on refinement and cost control, and focusing on earnings and product development, which has led to this positive development. In addition to a significant increase in turnover and the fact that we turned the company round to make a profit, we had cash and bank balances at the end of the year where our liquid assets amounted to SEK 69 M, without the downside of interest-bearing debts.

The market has also shown more confidence in Entraction during the year, and we hope to remain an attractive company for our shareholders. Our board of directors will propose a redemption of shares to pay out approx. SEK 12 M to shareholders and a reverse split of shares to reduce volatility.

### THE WORLD'S FASTEST EXPANDING POKER NETWORK

We have signed agreements with several important customers, including Goldwin, Bet1128 and NoiQPoker, and it is very pleasing that PokerScout.com now ranks Entraction as the poker network that is expanding at the fastest rate in the whole world. In 2008 we improved our products to make them more attractive to players and to increase our turnover.

Casino is the product that is expanding the fastest of all our products, and above all turnover from Southern Europe is increasing dramatically. We have established a sales office in Madrid to utilise business opportunities in Southern Europe and to enhance services for our partners in the region. The turnover from Betting has expanded more than the market in general, and we see this as an area for development in 2009. We launched Bingo at the end of 2008, and as we are integrating more customers this is becoming an increasing important product for Entraction.

Casablanca Gaming Group, which is partly owned by Entraction, has expanded significantly in 2008 by investing in marketing measures, and in 2009 we are expecting to see the positive result of this.

### FUTURE PROSPECTS

The range of products we offer our partners will be even better this year and therefore Entraction is focusing on technology and the products. We will be investing to reinforce our market position and to increase our earnings and improve profits.

Entraction took part in the large trade fair in London, ICEi, at the end of January. It was inspiring that so many potential partners and colleagues in the industry were aware of Entraction's success, and I am looking forward to presenting new partner agreements during the year.

2009 will also see new types of customers. We are holding interesting discussions with companies that already have a strong presence on the Internet and now see the opportunity to offer games as a profitable supplement to their other activities.

The Entraction Group is a profitable company today and is expanding much faster than the market, while our economic platform is extending both geographically and in terms of the number of products we offer. We have good liquidity, a strong cash flow, and no interest-bearing liabilities. All in all we have every prospect of becoming one of the leading suppliers in the digital gaming industry. We have got off to a good start this year, and I am also convinced that 2009 will be another excellent year for Entraction.

**Peter Åström, VD Entraction**

## ABOUT ENTRACTION

Entraction Holding AB is an investment company in the digital gaming industry. The company controls the subsidiaries Entraction Solutions AB and Casablanca Gaming Group. Entraction Holding AB is listed on the First North Premier and has approximately 8,000 shareholders. The company's Certified Advisor is Remium AB.

Entraction Solutions AB is a gaming group that offers its partners software for poker, betting, casino and bingo, access to the poker network, and ancillary services such as web design, gaming licences, operations, payment solutions, promotion tools and 24-hour support for end customers. The company's partners can choose a tailor-made solution of various products, or a turnkey

solution where the partner is only responsible for the marketing. The poker network is run by subsidiaries in Malta, which are licensed to market and carry out their own gaming operations, and to deliver gaming services for partners in the poker network.

Casablanca Gaming Group AB is a gaming group directed at the consumer market. The company owns the subsidiary Casagaming Ltd in Malta, which runs the gaming sites 24hPoker.com and Martinspoker.com. The sites are among Scandinavia's most well-known gaming sites.

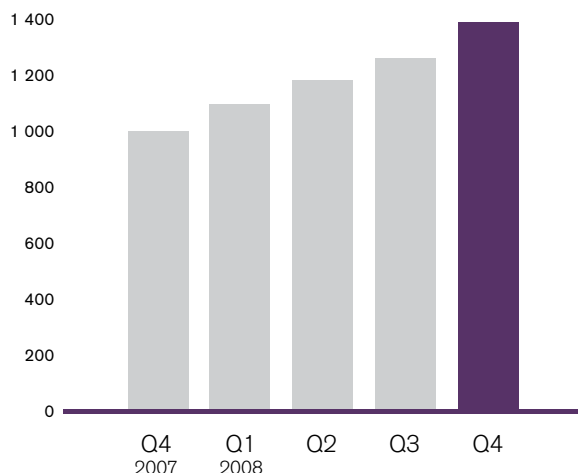
For further information, please visit [www.entraction.com](http://www.entraction.com).

## DEVELOPMENT IN NUMBER OF PLAYERS

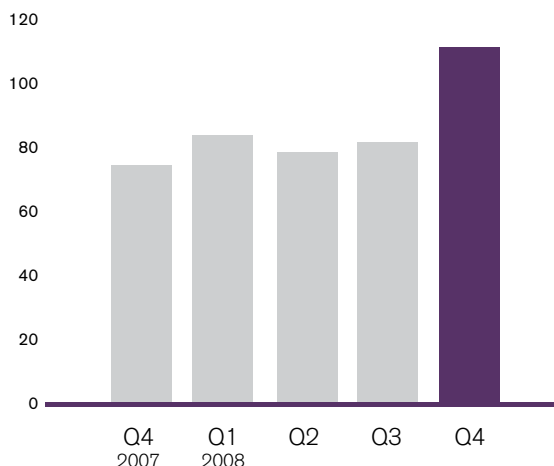
The number of registered players amounted to 1,395,631 (1,002,613) at the end of the period, an increase of 39 per cent.

The number of active players during the quarter amounted to 111,039 (74,409), an increase of 49 per cent.

**NUMBER OF REGISTERED PLAYERS**  
THOUSANDS



**NUMBER OF ACTIVE PLAYERS**  
THOUSANDS



## IMPORTANT EVENTS DURING THE PERIOD

### AGREEMENT WITH NOIQPOKER

Entraction has signed an agreement with one of Europe's largest poker operators, NoiQPoker. NoiQPoker uses Entraction's poker software and is part of Entraction's poker network. NoiQPoker has expanded rapidly since it was started in 2006 and is now one of Europe's largest poker operators.

### EUROPEAN MASTERS OF POKER

Entraction has launched European Masters of Poker together with its partners in the poker network and some of Europe's best and most exclusive casinos. European Masters of Poker is a series of five poker tournaments, the first of which took place on February 20-22, 2009 in Tallinn. The objective of the poker tour-

naments is to enable partners in Entraction's poker network to market themselves and the network in relation to players in Europe.

### ESTABLISHMENT IN SPAIN

Entraction Solutions has established a local office in Madrid to meet the strong growth in Southern Europe. The gaming market is expected to expand by some 17 per cent a year in Spain and France, and by 21 per cent in Italy by 2012. Entraction already has a large number of interesting customers and has received many inquiries from Spanish companies, so an establishment in Madrid is a natural progression.

## IMPORTANT EVENTS AFTER THE END OF THE PERIOD

### LISTING ON FIRST NORTH PREMIER

Entraction is one of the first companies to be listed on First North Premier. Companies on First North Premier report in compliance with IFRS and follow the same rules for the disclosure of information as companies listed on the main list of the Stockholm Stock Exchange. The objective of First North Premier is to prepare companies for a transfer to the main list on Nasdaq OMX.

### REVERSE SPLIT OF SHARES

The Board of Directors in Entraction Holding AB have decided to submit a proposal to the general meeting of shareholders on the

reverse split of shares. The proposal means that 50 shares will be split down to one share of the same share class. The Board's complete proposal for decision will be presented upon summoning the general meeting of shareholders.

After the reverse split of the shares the number of shares in Entraction Holding AB will amount to 10,361,882 and at a share price of SEK 0.94 this will increase the theoretical price to SEK 47 after the consolidation.

The company will summon an extra general meeting of shareholders shortly.

## FINANCIAL DEVELOPMENT

### TURNOVER

Net turnover for the fourth quarter amounted to SEK 102.8 M (71.7), which corresponds to an increase of 43 per cent in comparison with the fourth quarter in the previous year and an increase of 19 per cent in comparison with the third quarter in 2008. Net turnover for the entire year amounted to SEK 346.1 M (234.6), an increase of 48 per cent in comparison with 2007.

### POKER

Net turnover in poker for turnkey partners, i.e. rake with deductions for cashbacks and bonuses, amounted to SEK 68.9 M (50.5) in the fourth quarter, an increase of 36 per cent. Net turnover in poker for 2008 amounted to SEK 237.6 M (180.2), an increase of 32 per cent. The rake from partners that only integrated Entraction's poker system, so-called integrated partners, is not included in net turnover but is a basis of calculation for the royalty income (see below).

Entraction assimilated market shares on the poker market in Europe, which expanded by just over 11 per cent in 2008. The range of tournaments in Entraction's poker network was improved in 2008, which contributed to an increase in turnover.

### ROYALTY INCOME

Royalty income from integrated partners amounted in the fourth quarter to SEK 7.3 M (3.7), an increase of 94 per cent. Royalty income for the entire year amounted to SEK 21.1 M (11.8), which was an increase of 80 per cent. The increase in turnover is attributable to both organic growth and two large partners that joined the poker network in 2008.

### BETTING

Net turnover in Betting during the fourth quarter amounted to SEK 3.6 M (3.1), an increase of 17 per cent. Net turnover for the entire year amounted to SEK 10.0 M (7.9), an increase of 26 per cent. This increase was a result of a larger range of objects to play with, but also because of improved risk management that increased gamewin.

### CASINO

The Casino continues to expand and net turnover amounted in the fourth quarter to SEK 19.2 M (10.5), an increase of 83 per cent. Net turnover for the entire year amounted to SEK 61.7 M (23.4), which was a total increase of 164 per cent. This increase is largely a result of new markets in Southern Europe.

### BINGO

Entraction launched Bingo in October of 2008 and in the fourth quarter turnover amounted to SEK 0.7 M. Two partners launched Entraction's Bingo during the quarter, and several others will offer this product in 2009.

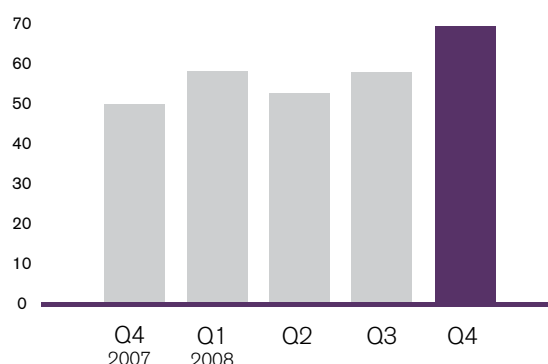
### OTHER INCOME

Other income consists of set-up fees for new customers, withdrawal charges and exchange fees in the cashier. This income in the fourth quarter amounted to SEK 3.0 M (3.9), and for the entire year to SEK 14.9 M (11.3).

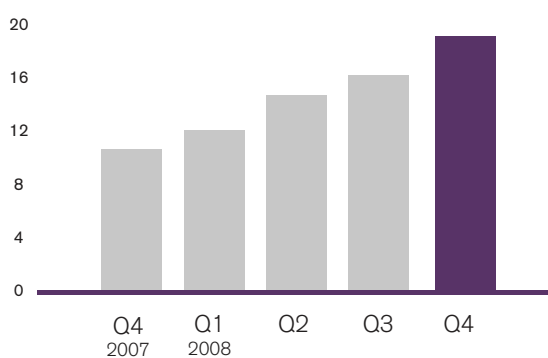
### PROFIT/LOSS

Operating profit, EBIT, continued to steadily improve in the fourth quarter and amounted to SEK 15.8 M before annual bonuses to personnel, which amounted to SEK 4.4 M. Including pay-

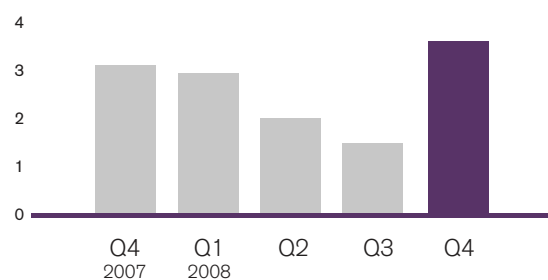
NET TURNOVER POKER  
SEK M



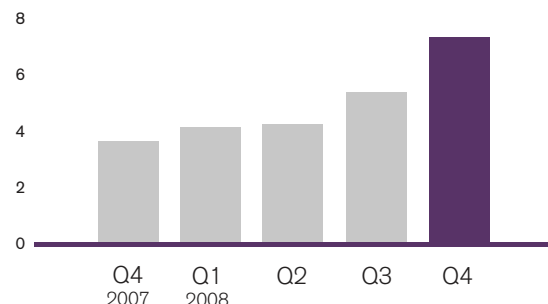
NET TURNOVER CASINO  
SEK M



NET TURNOVER BETTING  
SEK M



ROYALTY INCOME  
SEK M



roll overheads, the cost for personnel bonuses was SEK 5.8 M. All employees in Sweden and abroad have received bonuses, with the exception of employees in Casablanca Gaming Group. Operating profit after deductions for bonuses in the fourth quarter amounted to SEK 10.0 M (-6.4). Operating profit for the entire year amounted to SEK 40.1 M (-18.5), including the personnel bonuses previously mentioned. Net financial income for the entire year was SEK -2.2 M as a result of an allocation for accrued, non paid, interest of SEK 2.6 M made in view of a judgement in the compulsory purchase case with a minority shareholder in Entraction Solutions AB, which is still in progress. The judgement has been appealed to the district court. Interest income on liquid assets amounted SEK 2.5 M (1.0). The company has no interest-bearing debts.

#### INVESTMENTS

Investments in 2008 amounted to SEK 6.4 M (31.0), of which SEK 3.7 M (29.9) referred to intangible assets in the form of balanced development costs and SEK 2.7 M (1.1) to tangible assets.

#### CASABLANCA GAMING GROUP

Casablanca Gaming Group is the owner of the sites 24hPoker.com and Martinspoker.com. The Entraction Group owns 57 per cent of the shares and Epicure Ventures owns the remaining 43 per cent. Profit after tax for the Casablanca Gaming Group amounted in 2008 to SEK 2.8 M, compared to SEK 2.7 M for the period October to December 2007.

#### CASH AND CASH EQUIVALENTS

At the end of the reporting period cash and bank balances amounted to SEK 185.0 M (99.7), of which SEK 21.9 M (15.6) was blocked as security for funds deposited via credit cards and to e-wallets. The player liability amounted at the end of the period to SEK 116.0 M (67.7), which means that the company's own cash and cash equivalents amounted to SEK 69.0 M (32.0).

#### CASH FLOW

The cash flow for the fourth quarter from operating activities, after changes in working capital but before changes in blocked funds, amounted in the fourth quarter to SEK 39.5 M (20.5). Total cash flow, according to the same definition, for the entire year amounted to SEK 86.3 M (31.5).

#### TAX

The parent company Entraction Holding AB has an accumulated tax deficit of approximately SEK 157 M. This has not been taken up as a value in the balance sheets. The tax expense to the group for the year amounted to SEK 1.4 M. The effective tax in the group was therefore 3.6 per cent.

#### EQUITY

Equity in the group amounted to SEK 64.8 M (32.5), corresponding to SEK 0.13 per share (0.06). The return on equity was 75.1 per cent (-89.9).

#### PERSONNEL

The number of employees in the group at the end of the period was 112 (99). The average number of employees during the year was 103 (106).

#### ENTRACTION'S SHARE

Entraction Holding AB is listed on First North Premier. The company's Certified Advisor is Remium AB.

Entraction Holding AB had 7,773 shareholders as of December 31, 2008. The share showed favourable liquidity and trading has taken place at all times. The share price on December 30 was quoted at SEK 0.64, corresponding to a market capitalisation of SEK 332 M for the company.

#### RELATED PARTY TRANSACTIONS

Entraction Holding AB had an outstanding loan at the year end of SEK 1 M to Connected Table AB, which is owned by Linda Hildebrand who is also an owner in Entraction Holding AB and the wife of board member Per Hildebrand. The loan and all due interest has been redeemed in full in January 2009. Entraction Holding AB will also rent premises to Connected Table AB until December 31, 2009. There are no other related transactions with owners, members of the board, or leading executives.

#### PARENT COMPANY

The parent company Entraction Holding AB manages the shares in the underlying groups Entraction Solutions AB and Casablanca Gaming Group AB, and otherwise does not operate any business activities. The result for 2008 after tax amounted to SEK 53.7 M, and was mainly attributable to the write-back of shares in the subsidiary Entraction Solutions AB.

#### PROPOSED ALLOCATION OF DIVIDENDS

The Board of Directors does not propose any dividend for the year 2008.

The Board of Directors proposes that the AGM resolve on a redemption procedure whereby each share will be split into two shares (2-for-1 split) of which each share, regardless of class, will be redeemed for SEK 0.023. The Board's complete proposal for decision will be presented upon summoning the AGM. Through the redemption procedure, a total of approx. SEK 12 M will be distributed to the shareholders.

The proposal is in accordance with the company's dividend policy to issue approx. 30 per cent of net profit to shareholders.

NET TURNOVER PER PRODUCT SEK 000's	FULL YEAR 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	FULL YEAR 2007	Q4 2007
Poker	237,596	68,925	58,371	51,911	58,389	180,167	50,504
Casino	61,748	19,214	16,191	14,559	11,784	23,396	10,479
Sportsbetting	10,001	3,636	1,465	2,059	2,841	7,954	3,118
Bingo	727	727	-	-	-	-	-
Royalty income	21,134	7,268	5,423	4,256	4,187	11,770	3,743
Other income 1	14,926	3,022	4,738	4,829	2,337	11,338	3,859
<b>Net turnover per period</b>	<b>346,132</b>	<b>102,792</b>	<b>86,188</b>	<b>77,614</b>	<b>79,538</b>	<b>234,625</b>	<b>71,703</b>

1 Refers to set-up fees, withdrawal charges and exchange fees.

**SECTOR REPORT, Q4 2008**

SEK 000'S	ENTRACTION SOLUTIONS	CASABLANCA GAMING GROUP	UNDISTRIBUTED/ELIMINATED	TOTAL GROUP
External income	104,484		-1,692	102,792
Internal income from other sector 1	61	8,670	-8,731	0
<b>Total income</b>	<b>104,545</b>	<b>8,670</b>	<b>-10,423</b>	<b>102,792</b>
Direct expenses gaming activities	-61,781	-1,980	10,420	-53,341
Other operating expenses	-28,074	-7,907	248	-35,733
Depreciation/amortisation of tangible and intangible assets	-3,267	-949	533	-3,683
<b>Operating profit</b>	<b>11,423</b>	<b>-2,166</b>	<b>778</b>	<b>10,035</b>

1 Casablanca Gaming Group's income consists exclusively of commissions from Entrac-tion Solutions.

**SECTOR REPORT, FULL YEAR 2008**

SEK 000's	ENTRACTION SOLUTIONS	CASABLANCA GAMING GROUP	UNDISTRIBUTED/ELIMINATED	TOTAL GROUP
External income	348,858		-2,726	346,132
Internal income from other sector	194	30,646	-30,840	0
<b>Total income</b>	<b>349,052</b>	<b>30,646</b>	<b>-33,566</b>	<b>346,132</b>
Direct expenses gaming activities	-204,310	-6,461	33,430	-177,341
Other operating expenses	-97,324	-17,175	418	-114,081
Depreciation/amortisation of tangible and intangible assets	-13,096	-3,551	2,008	-14,639
<b>Operating profit</b>	<b>34,322</b>	<b>3,459</b>	<b>2,290</b>	<b>40,071</b>

**Solna, February 25, 2008**

Board of Directors

This report has not been subject to inspection by the company's auditors.

**CONSOLIDATED INCOME STATEMENT  
IN SUMMARY**

SEK 000's	Q4 2008	Q4 2007	FULL YEAR 2008	FULL YEAR 2007
<b>Net turnover</b>	<b>102,792</b>	<b>71,703</b>	<b>346,132</b>	<b>234,625</b>
Direct expenses gaming activities	-53,341	-34,769	-177,341	-112,193
<b>Gross profit</b>	<b>49,451</b>	<b>36,934</b>	<b>168,791</b>	<b>122,432</b>
Personnel expenses	-19,912	-13,027	-57,742	-47,377
Other external expenses	-15,821	-15,458	-56,339	-70,659 <sup>2</sup>
Depreciation/amortisation	-3,517	-3,183	-13,145	-11,242
Write-downs and depreciation of customer agreements, Betdaq	-166	-11,668	-1,494	-11,668
<b>Operating profit</b>	<b>10,035</b>	<b>-6,402</b>	<b>40,071</b>	<b>-18,514</b>
Financial items	-2,687	-286	-2,166	753
<b>Profit/loss before tax</b>	<b>7,348</b>	<b>-6,688</b>	<b>37,905</b>	<b>-17,761</b>
Income tax	-62	-15,575	-1,359	-15,415
<b>Profit/loss for the period</b>	<b>7,286</b>	<b>-22,263</b>	<b>36,546</b>	<b>-33,176</b>
<b>Attributable to:</b>				
Parent company shareholders	8,395	-23,375	35,350	-34,288
Minority interest	-1,109	1,112	1,196	1,112
Average number of shares, before dilution (thousands)	518,094	518,094	518,094	518,094
Average number of shares, after dilution (thousands) <sup>1</sup>	652,194	549,416	652,194	531,203
Earnings per share, before dilution, (SEK)	0.02	-0.05	0.07	-0.07
Earnings per share, after dilution, (SEK) <sup>1</sup>	0.01	-0.05	0.05	-0.07

<sup>1</sup> Outstanding warrants amount to 134,100,000.

<sup>2</sup> Including write-down of receivables of SEK 10 M.

**CONSOLIDATED BALANCE SHEET IN SUMMARY**

SEK 000's	DEC 31 2008	DEC 31 2007
<b>ASSETS</b>		
Intangible fixed assets <sup>1</sup>	35,297	41,744
Tangible fixed assets	4,574	4,724
Financial fixed assets	1,031	1,765
<b>Total fixed assets</b>	<b>40,902</b>	<b>48,233</b>
Current receivables	40,202	8,020
Short-term investments	128	0
Cash and bank balances	184,969	99,700
<b>Total current assets</b>	<b>225,299</b>	<b>107,720</b>
<b>Total assets</b>	<b>266,201</b>	<b>155,953</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	64,773	32,527
Long-term liabilities/Provisions <sup>2</sup>	23,486	13,261
Player liabilities	116,087	67,741
Other current liabilities <sup>2</sup>	61,855	42,424
<b>Total liabilities</b>	<b>201,428</b>	<b>123,426</b>
<b>Total equity and liabilities</b>	<b>266,201</b>	<b>155,953</b>
Number of shares (thousands)	518,094	518,094
Equity/share (SEK)	0.13	0.06

<sup>1</sup> Of which Goodwill SEK 6,879 K (6,716).

<sup>2</sup> Of which interest-bearing liabilities 0 (0).

<b>CHANGE OF EQUITY</b> SEK 000's	FULL YEAR 2008	FULL YEAR 2007
<b>Opening balance</b>	<b>32,527</b>	<b>40,330</b>
Transactions reported directly in equity <sup>1</sup>	-10,278	-
Other capital contributions <sup>2</sup>	-	25,260
Exchange differences	5,978	113
Profit/loss for the period	36,546	-33,176
<b>Closing balance</b>	<b>64,773</b>	<b>32,527</b>

<sup>1</sup> Increase of provisions for compulsory redemption of shares in subsidiary company due to an appealed arbitration.

<sup>2</sup> Option contract Betdaq, contribution from minority together with establishment of Casablanca Gaming Group and personnel options.

<b>CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY</b> SEK 000's	Q4 2008	Q4 2007	FULL YEAR 2008	FULL YEAR 2007
Cash flow from activities before changes in working capital	13,252	8,933	53,242	12,040
Changes in working capital	26,251	11,527	33,081	19,499
<b>Cash flow from operating activities before change in blocked funds</b>	<b>39,503</b>	<b>20,460</b>	<b>86,323</b>	<b>31,539</b>
Change in blocked funds	-2,345	4,126	-6,232	16,178
<b>Cash flow from operating activities</b>	<b>37,158</b>	<b>24,586</b>	<b>80,091</b>	<b>47,717</b>
Cash flow from investment activities	-2,089	-667	-5,516	-5,642
Cash flow from financing activities	0	193	0	193
<b>Cash flow for the period</b>	<b>35,069</b>	<b>24,112</b>	<b>74,575</b>	<b>42,268</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>123,842</b>	<b>60,183</b>	<b>84,061</b>	<b>42,316</b>
Cash flow for the period	35,069	24,112	74,575	42,268
Exchange differences in cash and cash equivalents	4,187	-234	4,462	-523
<b>Cash and cash equivalents at end of period</b>	<b>163,098</b>	<b>84,061</b>	<b>163,098</b>	<b>84,061</b>
Blocked funds	21,871	15,639	21,871	15,639
<b>Cash and bank balances</b>	<b>184,969</b>	<b>99,700</b>	<b>184,969</b>	<b>99,700</b>

#### ACCOUNTING PRINCIPLES AND ADDITIONAL INFORMATION

All figures refer to the Group, unless otherwise stated. Comparisons in the interim reports have, unless otherwise stated, be made with the corresponding period for the financial year of 2007. Income for poker is reported net as rake, with deductions for bonuses and cashbacks. For Casino and Sportsbetting income is reported net as the difference between contributions and paid profits, with deductions for paid bonuses. The commission (revenue share) paid to turnkey partners is included in the direct production expenses.

Royalty is the monthly income from the integrated poker partners in Entraction's network. The royalty is based on the rake generated by the integrated partners.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and RR 31 Interim Financial Reporting for Groups, as well as RR 32 Accounting for Legal Entities in respect of the parent company.

The changes and interpretations of the accounting recommendations introduced as of January 1, 2008 have had no effect on the financial position and financial results of the company. In general the same accounting principles have been used as in the Annual Report for 2007.

#### SIGNIFICANT RISKS

The Group's significant risk and instability factors are mainly legal and political in character. The Entraction Group is dependent upon the legal situation for the gaming industry primarily within the EU, where the majority of the company's players are active. The Group does not offer any services to customers resident in the USA. As all gaming takes place in EUR there is a certain currency risk in relation to this currency. The Group's operations are based in Malta and have been exempted from VAT. Following pressure from within the EU the Maltese authorities are reviewing the regulation that all services required for gaming are exempted from VAT, while other expenses such as consulting and marketing services shall be subject to VAT. The Maltese company pays a license fee to the parent company in Sweden for the use of the gaming platform developed by this company. If at a later stage this licence fee should be subject to VAT, the profits of the company will be adversely affected. If this should be the case the company will investigate moving gaming activities to another jurisdiction.



<b>FINANCIAL SUMMARY - GROUP</b> SEK 000's	FULL YEAR 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	FULL YEAR 2007	Q4 2007
Net turnover	346,132	102,792	86,188	77,614	79,538	234,625	71,703
Growth in turnover compared with previous quarter/full year (%)	48	19	11	-2.5	15.6	12.5	25.9
Operating profit	40,071	10,035	13,510	8,819	7,707	-18,514	-6,402
Profit/loss for the period	36,546	7,286	13,469	8,366	7,425	-33,176	-22,263
Gamewin	403,705	124,722	98,238	88,272	92,482	292,260	83,749
Return on equity (%)	75.1	15.0	28.3	20.8	20.6	-89.9	-61.1
Equity/assets ratio %	24.3	24.3	30.3	27.7	24.1	20.8	20.8
Equity/share (SEK)	0.13	0.13	0.12	0.09	0.08	0.06	0.06
Earnings per share (SEK)	0.07	0.02	0.02	0.02	0.01	-0.07	-0.05
Gross margin (%)	48.8	48.1	49.6	50.5	47.0	52.2	51.5
Operating margin (%)	11.6	9.8	15.7	11.4	9.7	-7.7	-8.9
Profit margin (%)	10.6	7.1	15.6	10.2	8.3	-14.6	-32.6
Cash flow from operating activities	86,323	39,503	29,429	7,621	7,753	31,539	21,102
Cash and bank balances	184,969	184,969	143,368	113,597	106,673	99,700	99,700
Average number of employees	103	103	100	98	96	106	105
Turnover per employee	3,361	998	862	792	829	2 213	683
Operating profit per employee	389	97	135	90	80	-171	-61
Price quoted on stock exchange at end of period (SEK)	0.64	0.64	0.58	0.48	0.56	0.51	0.51
Stock exchange value at end of period	331,580	331,580	300,495	248,685	290,133	264,228	264,228

<b>PARENT COMPANY INCOME STATEMENT IN SUMMARY</b> SEK 000's	Q4 2008	Q4 2007	FULL YEAR 2008	FULL YEAR 2007
Net turnover	4 785	1 197	12 019	1 208
Personnel expenses	-4 751	-1 012	-10 146	-1 637
Other external expenses	1 371	-1 067	-2 612	-5 520
Depreciation/amortisation	0	0	0	0
<b>Operating profit</b>	<b>1 405</b>	<b>-882</b>	<b>-739</b>	<b>-5 949</b>
Financial items	54 520	-65 848	54 450 <sup>2</sup>	-65 918 <sup>1</sup>
<b>Profit/loss before tax</b>	<b>55 925</b>	<b>-66 730</b>	<b>53 711</b>	<b>-71 867</b>
Income tax	0	0	0	0
<b>Profit/loss for the period</b>	<b>55 925</b>	<b>-66 730</b>	<b>53 711</b>	<b>-71 867</b>

<sup>1</sup> Principally write-down of shares in Entraction Solutions AB at exchange value on balance sheet date.

<sup>2</sup> Principally write-back of shares in Entraction Solution AB to market capitalisation at year end.

<b>PARENT COMPANY INCOME STATEMENT IN SUMMARY</b> SEK 000's	DEC 31 2008	DEC 31 2007
<b>ASSETS</b>		
Financial fixed assets	331 715	264 347
<b>Total fixed assets</b>	<b>331 715</b>	<b>264 347</b>
Current receivables	164	140
Short-term investments	128	0
Cash and bank balances	299	1 007
<b>Total current assets</b>	<b>591</b>	<b>1 147</b>
<b>Total assets</b>	<b>332 306</b>	<b>265 494</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	288 165	234 455
Long-term liabilities/Provisions	34 195	23 800
Current liabilities	9 946	7 239
<b>Total liabilities</b>	<b>44 141</b>	<b>31 039</b>
<b>Total equity and liabilities</b>	<b>332 306</b>	<b>265 494</b>

## DEFINITIONS

### ACTIVE PLAYER

Each unique player during the period (past 90 days) that has bet money in Poker, Sportsbetting or Casino or participated in a competition where a stake in the form of bonus points was required.

### RETURN ON EQUITY

Net profit divided by average equity.

### RETURN ON CAPITAL EMPLOYED

Result after financial itmes plus financial expenses (excluding exchange differences) divided by average capital employed.

### GROSS MARGIN

Profit after direct expenses for gaming operations in relation to net turnover.

### DIRECT EXPENSES FOR GAMING ACTIVITIES

Expenses for gaming activities directly attributable to the corresponding income.

### EQUITY PER SHARE

Equity in relation to the number of shares at the end of the period.

### AVERAGE NUMBER OF SHARES

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

### INTEGRATED SOLUTION

A partner with an integrated solution buys access to the poker network and licences the poker software.

### CASH AND CASH EQUIVALENTS

Cash and bank deposits, excluding blocked funds.

### NET TURNOVER

Net turnover from all gaming activities at turnkey partners, royalties from external partners who have an integrated solution in Entraction's poker network, and other income with deductions for direct discounts to players in the form of bonuses, cashbacks, VIP points, tournament sponsorship and Bad Beat Jackpot.

### REGISTERED PLAYER

A player who has registered a user name in the network.

### EARNINGS PER SHARE

Profit after tax attributable to the parent company's shareholders in relation to the average number of shares.

### RAKE

Portion of the pot that the gaming operator charges as a fee for the game.

### OPERATING MARGIN

Operating profit in relation to net turnover.

### OPERATING PROFIT PER EMPLOYEE

Operating profit in relation to the average number of employees.

### EQUITY/ASSETS RATIO

Equity including minority interest in relation to total assets.

### GAMEWIN

Net turnover in gaming activities, excluding royalties and other income, and before repayments in the form of bonuses and cashbacks.

### CAPITAL EMPLOYED

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

### TURNKEY SOLUTION

A complete solution for companies that want to offer online gaming. The company provides software, access to the poker network, and functions like support, payment systems and back office operations.

### PROFIT MARGIN

Profit/loss for the period in relation to net turnover.

### CONTACT US

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### ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 4:00 p.m. on 7 May 2009 at the company's office on Gårdsvägen 18 in Solna, Sweden.

### CALENDAR

MAY 7, 2009

Interim report for the period January – March 2009

AUGUST 26, 2009

Interim Report January – June 2009

NOVEMBER 5, 2009

Interim report January – September 2009

FEBRUARY 18, 2010

Full year report January – December 2010

The annual report will be available at the company's head office in Solna and at [www.entraction.com](http://www.entraction.com) starting on 23 April 2009. All financial reports are published on [www.entraction.com](http://www.entraction.com)