

*This press release is not an offer but instead mediate information from the board of directors' proposal to the annual general meeting regarding proposed redemption of shares. This press release is not intended for parties whose participation in the redemption process necessitates additional information or registration measures, or other actions in addition to those stipulated by Swedish law. This press release is not intended for publication in such countries that require additional information or measures as stated in the previous sentence, or in countries where publication contravenes applicable rules or ordinances. The onus is on each recipient to comply with the restrictions that ensue from foreign law. Disputes relating to the redemption process, as reviewed in this press release, will be determined by Swedish law and in a Swedish court of law exclusively. The Swedish language original version of this press release is available on Betssons' Website, [www.betsson.se](http://www.betsson.se).*

## PRESS RELEASE

Betsson AB (publ)  
Stockholm, 14 April 2008

# BETSSON PROPOSES SHARE REDEMPTION OF SEK 5.00 PER SHARE, CALL FOR ANNUAL GENERAL MEETING

The earnings trend in Betsson AB has been very strong during the past years. In order to efficiently transfer funds to the shareholders and to achieve an appropriate capital structure the Board of Directors of Betsson suggests that the AGM resolve to approve a share redemption scheme of SEK 5.00 per share, of which SEK 3.50 refers to the year 2007 and SEK 1.50 is an extra distribution.

### Proposed redemption process in brief

- Subject to a resolution by the AGM on 12 May 2008, each Betsson share (both class A and B) will be split into two shares (share split 2:1) of which one will be termed redemption share in the book-entry system operated by the Swedish Central Securities Depository (VPC).
- The redemption share will then be redeemed automatically against a cash redemption payment of SEK 5.00.
- The redemption process is automatic; no action is required by shareholders.
- The record day<sup>1</sup> for the share split and right to redemption shares is 20 May 2008.
- The final day of trading in Betsson shares cum rights to redemption shares will be 15 May 2008.
- Trading in redemption shares will be conducted between 22 May and 4 June 2008.
- The record day for the redemption of the redemption shares is 10 June 2008.
- The payment date for the redemption amount is scheduled for 13 June 2008.

### Information brochure and other documentation

An information brochure reviewing the proposed redemption in more detail including will be distributed to all shareholders registered in their own name with a current valid address, with the limitations as a result of this press release, and who are included in VPC's share register on 25 April 2008, and to all nominee-registered shareholders with a current valid address who are registered with the relevant nominee on 18 April 2008.

The Board's complete proposal will be available at Betsson's offices at the following address: Betsson AB, Regeringsgatan 30-32, 111 53 Stockholm, Sweden, and on the group Website: [www.betsson.se](http://www.betsson.se) from 28 April 2008 at the latest and will be mailed to shareholders that so request and provide a postal address.

<sup>1</sup> The day shareholders must be recorded in the share register maintained by VPC.

## INVITATION TO AGM

### Invitation to the Annual General Meeting of Betsson AB (publ)

**The shareholders of Betsson AB (publ) are invited to the Annual General Meeting on Monday, May 12, 2008, starting at 3 pm, at Regeringsgatan 30-32, Stockholm (Delphi attorneys).**

#### Registration

Shareholders who wish to attend the Annual General Meeting of Shareholders must

- be entered in the register of shareholders held by the Swedish Securities Register Center (VPC AB) by Tuesday, May 6, 2008,
- and notify the Company of their intention to participate by 12 noon on Friday, May 9, 2008.

Shareholders who wish to attend the AGM must notify the Company in writing at this address: Betsson AB, Regeringsgatan 30-32, 111 53, Stockholm, Sweden. Notification may also be made by telephone +46 8-506 403 00, fax +46 8-735 57 44 or email: [info@betsson.se](mailto:info@betsson.se). When giving notice of attendance, shareholders must state their name, social security number/corporate registration number, address, telephone number and shareholding. Shareholders who are represented by proxy should include a letter of attorney with their notification to attend the Annual General Meeting of Shareholders. Those shareholders who wish to be represented by proxy can download a Power of Attorney form from the Company's website [www.betsson.se](http://www.betsson.se).

Shareholders who have registered their shares in trust must temporarily re-register their shares in their own names with the Swedish Securities Register Centre (VPC) to be entitled to participate in the Meeting. Shareholders who wish to re-register shares in this manner are advised to notify their trustees of this well in advance of May 6, 2008.

#### Proposed Agenda

1. Opening of the Meeting
2. Election of a Chairman of the AGM
3. Preparation and approval of the register of shareholders entitled to vote at the Meeting
4. Approval of the agenda
5. Election of one or two persons to check the minutes
6. Determination of whether the Meeting has been duly convened
7. Statement by the Chief Executive Officer
8. Presentation of the Annual Report, the Audit Report, the consolidated financial statements and the Audit Report for the Group
9. Resolution to adopt the Income Statements and Balance Sheets of the Group and the Parent Company
10. Resolution on allocations concerning Company earnings in accordance with the approved balance sheet
11. Resolution to discharge the members of the Board of Directors and the Chief Executive Office from liability
12. Determination of the number of members and deputy members of the Board of Directors
13. Determination of the fees to be paid to the members of the Board of Directors and the auditors
14. Election of Chairperson and members of the Board of Directors and auditors
15. Establishment of a Nomination Committee
16. Resolution concerning guidelines for the remuneration of senior executives
17. Share split and automatic redemption procedure, to include
  - a) resolution to implement a share split,
  - b) resolution to reduce share capital through an automatic redemption of shares, and
  - c) resolution to increase share capital through the issue of bonus shares
18. Resolution to reduce the statutory reserve
19. Resolution to authorise the Board of Directors to decide on the repurchase and transfer of the Company's own shares

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Regeringsgatan 30-32, 111 53 Stockholm, Sweden	+46 8 735 57 44	Sweden	<a href="http://www.betsson.se">http://www.betsson.se</a>	SE556090425101

20. Authorisation for the Board of Directors to decide on the issue of shares, subscription warrants or convertible preference shares
21. Closing of the Meeting

## Proposals

### Item 2

#### **Election of a Chairman of the AGM**

The Nomination Committee, comprised of Rolf Blom (Board member of Betsson AB) and Magnus Briggert (Publicistgruppen Magnus Briggert AB), both appointed by Lars Kling and Per Hamberg, and also Niclas Eriksson (Vasastaden Holding AB), appointed by the Lundström family and the Knutsson family, and also John Wattin (Chairman of the Board of Betsson AB), propose that John Wattin be appointed to chair the AGM.

### Item 10

#### **Dividends**

The Board proposes that no dividend be paid for the 2007 financial year. The Board has instead proposed a procedure for the redemption of shares in accordance with Item 17 below.

### Items 12-14

#### **Election of the Board, etc.**

The Nomination Committee proposes that the Board shall consist of six members without deputies for the period until the next Annual General Meeting. The Nomination Committee proposes that John Wattin, Per Hamberg, Kicki Wallje-Lund and Patrick Svensk be re-elected to the Board and that Carl Lewenhaupt and Lars Linder Aronson be elected as new members. The Nomination Committee proposes that John Wattin be re-elected as Chairman of the Board. The proposed remuneration for the Board is SEK 1,500,000, of which the Chairman will receive SEK 500,000 and the other members elected by the AGM SEK 200,000 each. It is proposed that auditors' fees be paid according to approved invoices.

Furthermore, the Nomination Committee proposes the election of PricewaterhouseCoopers AB as the Company's auditors, with Michael Bengtsson as principal auditor, until the end of the AGM in 2012.

### Item 15

#### **Establishment of a Nomination Committee**

The shareholders who have been represented in the Nomination Committee, together accounting for more than 65% of the votes, propose that the Annual General Meeting of Shareholders approves the following procedure for preparation of the election of members of the Board of Directors. A Nomination Committee shall prepare and submit proposals for the election of a chairman of the 2009 Annual General Meeting, members of the Board and auditors (if auditors are to be elected) as well as their fees. The Chairman of the Board shall be a member of the Nomination Committee and will also act as its convenor. The Nomination Committee, which will consist of at least three members representing major shareholders in the Company, will be formed in October 2008 in consultation with the major shareholders in the Company at that time. The Nomination Committee is elected for a term of office until the next Annual General Meeting. The majority of the members of the Nomination Committee may not be members of the Board of Directors nor be employed by the Company. If a member of the Committee resigns before the work is concluded, a replacement member is to be appointed in the corresponding manner. The members of the Nomination Committee appoint the Chairman among themselves. The composition of the Nomination Committee must be announced not later than six months before the AGM.

### Item 16

#### **Resolution concerning guidelines for the remuneration of senior executives**

The Board of Directors proposes that the guidelines for remunerating senior executives that were adopted at the 2007 AGM continue to be applicable, in all essential respects, with the exception of the following proposals for alterations to variable remuneration. The Board proposes that variable remuneration should be paid provided that certain financial targets established by the Company's Board

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of Directors have been met. Variable remuneration varies depending on the extent to which the targets have been met or exceeded. If the financial targets are exceeded at the highest levels, the Group's cost for variable remuneration to the Group's senior executives is expected to amount to approximately SEK 12.1 million, including social security contributions.

#### **Item 17**

##### **Share split and automatic redemption of shares**

The Board of Directors proposes that the AGM resolve on a procedure for the automatic redemption of shares, in accordance with the proposal below. It proposes that the decisions are taken together as one decision.

##### *Resolution to implement a share split (Item 17a)*

The Board of Directors proposes that the Annual General Meeting of Shareholders resolves to implement a share split, whereby one share in Betsson is converted into two shares. One of these shares will be a so-called redemption share. The Board of Directors proposes that the record date for the share split shall be May 20, 2008. The share split will necessitate an amendment to the Articles of Association. For the purposes of this proposal, the third sentence of paragraph 5 shall be restated as follows: "A maximum of 11,000,000 shares from Series A and a maximum of 70,000,000 shares from Series B may be issued."

##### *Resolution to reduce share capital through an automatic redemption of shares (Item 17b)*

The Board of Directors proposes that the share capital be reduced by SEK 39,553,720 through the retirement of 5,420,000 Series A shares and 34,133,720 Series B shares for repayment to the shareholders. The shares to be retired are those shares which are referred to as redemption shares after shares have been split as hereinbefore described. The price to be paid for each redemption share shall be SEK 5. No redemption price shall be paid for any retired redemption shares of Series A or Series B that are held by the Company. The maximum redemption amount will thus be SEK 197,768,600. The Board of Directors proposes that trading in redemption shares shall take place from May 22 through June 4, 2008 and that the record date for the retirement of redemption shares shall be June 10, 2008. Payment is expected to be made through VPC on June 13, 2008.

##### *Resolution to increase share capital through the issue of bonus shares (Item 17c)*

In order to achieve a timely and efficient redemption procedure, without having to obtain permission from the Swedish Companies Registration Office (Bolagsverket) or a court of law, the Board proposes to revert the Company's share capital to its original amount by increasing the Company's share capital by SEK 39,553,720 through the issue of bonus shares via a transfer from the Company's unrestricted equity to the Company's share capital. No new shares will be issued in connection with the share capital increase.

For a valid resolution in accordance with the above proposal, a shareholder majority of at least two thirds of the votes and two thirds of the shares represented at the Annual General Meeting are required.

#### **Item 18**

##### **The proposal by the Board of Directors to reduce the statutory reserve**

The Board of Directors proposes that the Annual General Meeting of Shareholders reduces the Company's statutory reserve by SEK 253,278,500 from SEK 506,557,000 to SEK 253,278,500. The amount by which the statutory reserve is reduced will be transferred to unrestricted equity. The decision to reduce the statutory reserve is conditional upon permission being granted by the Swedish Companies Registration Office or, in the case of dispute, a court of law.

#### **Item 19**

##### **Authorisation for the Board of Directors to decide on the repurchase and transfer of the Company's own shares**

The Board of Directors proposes that the Annual General Meeting of Shareholders authorises the Board to resolve to acquire, on one or several occasions prior to the next Annual General Meeting, as many shares as may be acquired without the Company's holding at any time exceeding 10% of the total number of shares in the Company. The shares shall be acquired on a regulated market where shares in the Company are listed and only at a price within the price range registered at any given time, i.e. the

range between the highest bid price and the lowest offer price, or through a purchase offer to all shareholders, whereby the purchase shall be made at a price equivalent to the lowest quoted share price at the time and a maximum of 150 percent of the current quoted share price.

It is also proposed that the Board of Directors be authorised to pass a resolution on the sale of the Company's own shares, as payment upon the acquisition of companies or businesses, at a price equivalent to the quoted share price at the time of transfer. It shall also be possible to sell shares to finance such acquisitions and, in such cases, shares shall be sold on a regulated market where shares in the Company are listed at a price within the share price range registered at any given time.

The objectives of this authorisation are to give the Board of Directors greater scope to act when working with the Company's capital structure and to give the Company greater flexibility in the distribution of capital to its shareholders.

The decision of the Annual General Meeting of Shareholders to authorise the Board of Directors to decide on the purchase and sale of the Company's own shares requires a shareholder majority of at least two thirds of the votes and two thirds of the shares represented at the AGM.

#### **Item 20**

##### **Authorisation for the Board of Directors to decide on the issue of shares, subscription warrants and convertible preference shares**

The Board of Directors proposes that the Annual General Meeting of Shareholders authorises the Board to decide, on one or several occasions prior to the next Annual General Meeting, and with or without deviation from the preferential rights of shareholders, to issue shares, convertible preference shares and/or subscription warrants that involve the issue of, conversion to or new subscription for a maximum total of four 4 million Series B shares (corresponding to a dilution of about 10%) for a cash payment and/or a determination of subscription in kind or other offset, or any other conditions.

The objectives of this authorisation are to increase the financial flexibility of the Company and to enable the Company to use its own financial instruments to make payments for any business acquisitions the Company may undertake. The market value of the shares on each issue date will be used in determining the price at which shares will be issued.

##### **Number of shares and votes**

On April 14, there were 39,553,720 shares in the Company, representing a total of 88,333,720 votes, split into 5,420,000 Series A shares representing 54,200,000 votes and 34,133,720 Series B shares representing 34,133,720 votes. On the same date, the Company held 310,000 Series B shares, which may not be represented at the Annual General Meeting of Shareholders.

##### **Other**

The Board of Directors' complete proposals for resolution in accordance with the above, including reports and statements, and the 2007 Annual Report and Audit Report will be made available on the Company's website by April 28, 2008. These documents will also be sent to those shareholders who so request and provide their postal address. A leaflet containing information about the Board of Directors' proposals for a share split and automatic redemption of shares will also be sent to all shareholders in good time before the Annual General Meeting.

Stockholm, April 2008

#### **Board of Directors**

Betsson AB:s business consists of investing and administer companies within the gaming business. Betsson AB owns Betsson Malta Ltd which operates games to end customers, via the websites Betsson.com, CasinoEuro.com and CherryCasino.com. Betsson Malta Ltd offers poker, casino, betting exchange, sports betting, lottery, bingo, games and trader. The customers mainly originate from Scandinavia and other parts of Europe. Betsson is listed on the Nordic List in Stockholm, Mid Cap (BETS).

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