

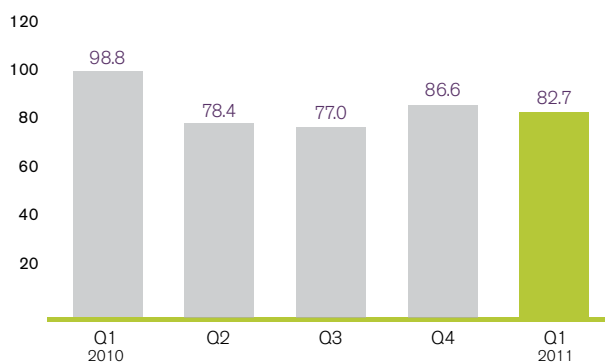
ENTRACTION HOLDING AB (PUBL)

## INTERIM REPORT, 1 JANUARY – 31 MARCH 2011

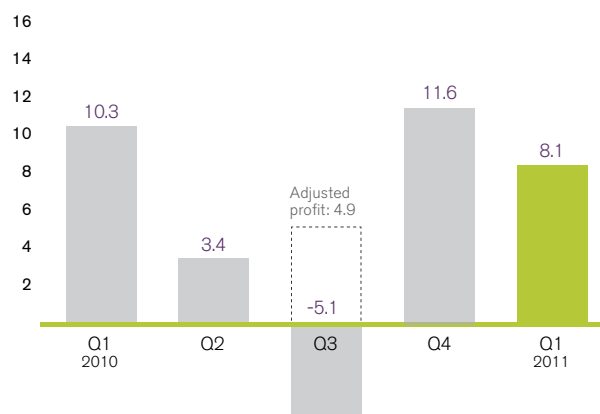
### Q1, JANUARY – MARCH

- Net sales amounted to SEK 82.7 (98.8) million, a decline of 16%. Disregarding the currency effect, the decline was 6%.
- EBITDA was SEK 11.3 (13.5) million, a decline of 16%.
- Operating profit amounted to SEK 8.1 (10.3) million. The weak euro had a negative impact of SEK 2.9 million.
- Profit after tax attributable to equity holders of the parent was SEK 7.8 (10.7) million. Earnings per share was SEK 0.76 (1.03).
- Cash flow amounted to SEK 13.4 (–7.7) million.

**NET SALES**  
SEK MILLIONS



**OPERATING PROFIT**  
SEK MILLIONS



## STATEMENT FROM THE CEO

# SOLID START TO THE YEAR

Our efforts to increase revenues are starting to pay off and in the first quarter, we increased our royalty income from standalone poker partners, while the negative trend in betting and casino was broken. We have also taken steps to increase revenue from turnkey poker and expect to see the effects of these at the end of the year. Among other things, we are strengthening the turnkey business area to produce a better result in sales to new segments such as land based casinos and media companies.

The action programme initiated in 2010 has been successful and has reduced operating costs significantly while maintaining our efficiency and ability to deliver. As previously stated, we shall be launching the new loyalty programme in 2011, as we have mentioned before. I am convinced that this will be a powerful tool in enabling our partners to increase player activity. In addition, we are planning a major remake of the poker software to enhance the gaming experience.

We are a strong supplier of products and services and are well positioned for profitable growth. The first quarter was solid, with healthy growth in poker for standalone partners and significant evidence that betting and casino are on track for a return to growth. We have already taken steps to improve our temporary problem area turnkey poker, and I have no doubt that the trend will pick up, perhaps even this year.

The spring has been very eventful in the poker market. In mid-April, U.S. federal authorities shut down the largest online poker operations in the U.S. This radically changes the gaming market in the U.S. and strengthens Entraction's opportunities for success when the U.S. market opens. It is unclear what impact the U.S. authorities' crackdown will have on these large poker sites' operations in Europe, but it is clear that all changes in the market favour Entraction and our partners.

**Peter Åström,**  
**President and CEO, Entraction**

## ABOUT ENTRACTION

Entraction is an international Group in the digital gaming industry. Entraction offers complete systems for Internet gaming and operates one of the largest poker networks in the world, through a licensed subsidiary. The Company offers customers software for poker, betting, casino and bingo, as well as additional services which include web design, gaming licences, operational tools, payment solutions, promotional tools and round-the-clock end

user support. All gaming operations are operated by subsidiaries in Malta which are licensed to market and engage in gaming operations and to supply gaming services to customers in the poker network.

Entraction Holding AB is listed on First North Premier and has approximately 6,000 shareholders. The Company's Certified Advisor is Remium AB. Read more at [www.entraction.com](http://www.entraction.com).

## **SIGNIFICANT EVENTS DURING THE PERIOD**

### **NEW AGREEMENTS**

Entraction has during the quarter signed agreements with three new turnkey partners as well as agreed to supply poker software to a new gaming network in China.

## **SIGNIFICANT EVENTS AFTER THE PERIOD**

There have not been any significant events after the period.

## FINANCIAL REVIEW

During the first quarter the action programme that was initiated last year came into effect and the operating cost during the quarter was reduced to SEK 25.5 (29.4) million. The decline in sales compared with the same period the previous year is largely due to the euro exchange rate together with the weak development in poker revenue, while the royalty income, as well as revenue from casino and betting has increased.

### SALES

Net sales for the first quarter amounted to SEK 82.7 (98.8) million, which is a decline of 16%. All the Group's income is in euros. Disregarding the negative euro exchange rate, the actual decline in net sales for the first quarter was 6% compared to the first quarter last year.

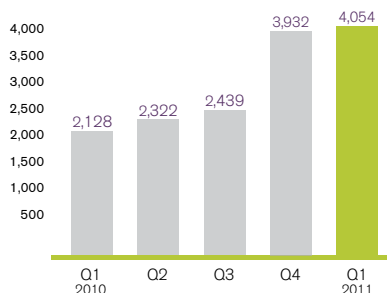
### EARNINGS

Operating profit (EBIT) for the first quarter amounted to SEK 8.1 (10.3) million. Currency effects had a negative impact of SEK 2.9 million on operating profit for the quarter compared with the same period previous year. Profit attributable to equity holders of the parent company for the year was SEK 7.8 (10.7) million.

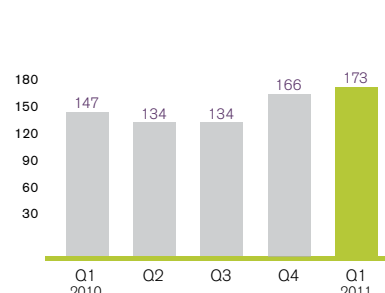
### DEVELOPMENT OF NUMBER OF PLAYERS

The number of registered players at the end of the period was 4,053,970 (2,128,587), an increase of 90%. The increase is primarily attributable to the migration of Victor Chandler's players to the Entraction poker network. The number of active players during the quarter was 172,801 (146,665), an increase of 18%.

**NUMBER OF REGISTERED PLAYERS THOUSANDS**



**NUMBER OF ACTIVE PLAYERS THOUSANDS**



### GAMING SURPLUS, TURNKEY

Gaming surplus for the quarter amounted to SEK 94.0 (114.3) million, which is a decline of 18%, compared to the same period last year. The decline is largely due to an unfavourable euro rate and the weak development in poker. Expressed in euros, gaming surplus fell by 8% for the quarter.

The majority of bonuses to players are covered by Entraction's customers themselves, although Entraction shares the costs of certain network bonus programmes and sponsorship of poker tournaments.

Customer commission for the quarter amounted to SEK 42.3 (51.8) million, which is a decline of 18%, which is a natural consequence of the decline in gaming surplus.

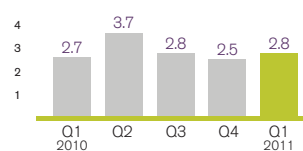
consolidation and is expected to result in less, but stronger turnkey partners in the network. Entraction's turnkey offer is also very attractive to new customers in the gaming market, such as land based casinos and media companies. Also, a new loyalty programme to players will increase revenues from all turnkey products.

### BETTING

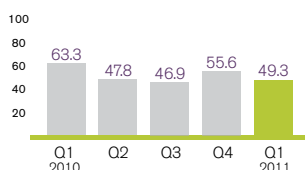
Gaming surplus for the first quarter amounted to SEK 3.4 (2.9) million, an increase of 17%. Net sales for the quarter was in line with the same quarter previous year and amounted to SEK 2.8 (2.7). Expressed in euros, net sales for the quarter increased by 15%.

Entraction's risk management remains efficient and the betting margin in the first quarter amounted to 10.3% (9.6).

**NET SALES BETTING SEK MILLIONS**



**NET SALES POKER SEK MILLIONS**



### POKER

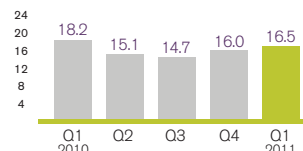
Gaming surplus for the first quarter amounted to SEK 72.2 (91.4) million, which is a decline of 21% on the same period the previous year. Poker net sales for turnkey partners, i.e. rake less bonuses, for the quarter amounted to SEK 49.3 (63.3) million, a decline of 22%. Expressed in euros, net sales fell by 13% for the quarter.

The decline in poker revenues is partly due to that Entraction's turnkey partners are relatively small gaming operators with less marketing resources. The increased competition in the poker market drives

### CASINO

Gaming surplus for the first quarter amounted to SEK 18.2 (19.6) million, which is a decline of 7% on the same period the previous year. Net sales for the quarter amounted to SEK 16.5 (18.2) million, which is a decline of 9%. Expressed in euros, net sales increased by 2% for the quarter.

**NET SALES CASINO SEK MILLIONS**

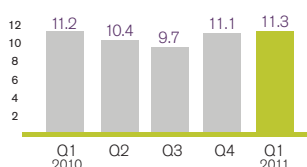


Entraction see great potential in the casino product and attempts to increase sales from all turnkey products, including casino.

#### BINGO

Bingo net sales for the quarter amounted to SEK 0.1 (0.1) million.

#### NET SALES ROYALTY SEK MILLIONS



#### ROYALTY

Royalty is entirely attributable to customers which have integrated Entraction's poker into their own gaming platform. Royalty income, which provides a high contribution to fixed costs, was SEK 11.3 (11.2) million during the first quarter. Expressed in euros, royalty income for the quarter increased by 13%.

The increase is attributable both to organic growth and newly launched partners in the network. The new partner Victor Chandler was launched in the network in December 2010, which has affected both royalty positively and makes Entraction an even more attractive network for large gaming operators.

#### OTHER INCOME

Other income consists of set-up fees for new customers, withdrawal charges, exchange fees in the cashier and income associated with European Masters of Poker (EMOP). Other income amounted to SEK 2.7 (3.3) million during the quarter.

#### INVESTMENTS

Investments for the first quarter totalled SEK 2.9 (6.0) million. SEK 2.6 (6.0) million of this figure related to intangible assets mostly in the form of capitalised development expenses, and SEK 0.3 (1.0) million to equipment in the form of investments in hardware.

#### CASH FLOW, CASH & CASH EQUIVALENTS

Cash flow for the first quarter was SEK 13.4 (-7.7) million.

Cash at bank and on hand amounted to SEK 150.9 (179.2) million at the balance sheet date. This figure includes restricted funds of SEK 16.0 (14.1) million allocated as security for amounts deposited via credit cards and into e-wallets. Gaming liabilities were SEK 103.1 (124.1) million at the end of the period, which means the Group's own cash at bank and on hand (cash at bank and on hand less gaming liabilities) amounted to SEK 47.8 (55.1) million.

#### TAX

The Group's tax expense for the quarter was approx. SEK -0.3 (-0.3) million. This is calculated according to a standard rate of 5%, which is the tax the Group pays on its Maltese profits. The Parent Company, Entraction Holding AB, has accumulated tax losses of approximately SEK 146 million. These have not been recognised in the balance sheet.

#### EQUITY

Group equity amounted to SEK 69.3 (90.0) million, corresponding to SEK 6.69 (8.69) per share.

#### PERSONNEL

The number of employees in the Group at the end of the first quarter was 99 (119). The average number of employees was 97 (121).

#### THE ENTRACTION SHARE

Entraction is listed on Nasdaq OMX First North Premier. The Company's Certified Advisor is Remium AB. Entraction Holding AB had 6,017 shareholders at 31 March 2011. The share's liquidity is good, and there was trading in the share on every trading day. The share price at 31 March 2011 was SEK 43.70, corresponding to a market capitalisation of SEK 453 million.

#### PARENT COMPANY

The Parent Company, Entraction Holding AB, manages the shares in the underlying companies, and does not engage in any other business activities. Profit/loss for the first quarter amounted to SEK -0.6 (-0.9) million.

#### RELATED -PARTY TRANSACTIONS

There were no related-party transactions during the first quarter.

#### DIVIDEND

The Board proposes that no dividend is paid for the fiscal year 2010.

#### **ACCOUNTING POLICIES AND ADDITIONAL INFORMATION**

All figures refer to the Group unless otherwise stated. Comparative figures in this interim report refer to the corresponding period in 2010. Poker sales are reported on a net basis as rake less bonuses etc. Casino, betting and bingo sales are reported on a net basis as the difference between bets and winnings less bonuses. Royalty comprises the monthly licence fee paid by customers with an integrated solution to Entraction's network. The royalty is based on the sales generated by the integrated customers' players.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. Unless otherwise specified, the accounting policies applied for the Group and Parent Company are the same as those applied in the preparation of the most recent annual report, which is available at [www.entraction.com](http://www.entraction.com) or from the head office in Stockholm.

#### **RISK OCH UNCERTAINTIES**

The Group's significant risks and uncertainties are mainly of a legal and political nature. The Entraction Group is dependent on the legal situation for the gaming industry, particularly in the EU, where the majority of its customers' players are active. The Group does not at present offer services to players resident in the USA.

The Group's earnings are exposed to changes in exchange rates, mainly in relation to the Euro. All income and direct costs are in Euro. As the Company's functional currency is SEK, earnings and equity are affected by exchange rate movements when the assets and liabilities of foreign subsidiaries are translated to SEK. No use of derivatives has been made to address these fluctuations.

<b>CONSOLIDATED INCOME STATEMENT CONDENSED,</b> SEK THOUSANDS	Q1 2011	Q1 2010	FULL YEAR 2010
<b>Net sales</b>	<b>82,659</b>	<b>98,795</b>	<b>340,777</b>
Direct costs of gaming operations	-45,870	-55,926	-190,731
<b>Gross profit</b>	<b>36,789</b>	<b>42,869</b>	<b>150,046</b>
Personnel expenses	-12,406	-15,486	-63,026
Other external costs	-13,080	-13,888	-53,062
Depreciation and amortisation	-3,202	-3,154	-13,772
<b>Operating profit/loss</b>	<b>8,101</b>	<b>10,341</b>	<b>20,186</b>
Financial items	27	645	1,116
<b>Profit/loss before tax</b>	<b>8,128</b>	<b>10,986</b>	<b>21,302</b>
Income taxes	-292	-320	-367
<b>Profit/loss for the period</b>	<b>7,836</b>	<b>10,666</b>	<b>20,935</b>
<b>EPS calculated from profit/loss for the period attributable to equity holders of the parent</b>			
Earnings per share before dilution (SEK)	0.76	1.03	2.02
Earnings per share after dilution (SEK)	0.76	1.03	2.02
<b>Number of shares</b>			
Average number of shares before dilution (thousands)	10,362	10,362	10,362
Average number of shares after dilution (thousands) <sup>1)</sup>	10,362	10,362	10,362

1) No outstanding warrants since November 2009.

<b>STATEMENT OF COMPREHENSIVE INCOME</b> SEK THOUSANDS	Q1 2011	Q1 2010	FULL YEAR 2010
<b>Profit/loss for the period</b>	<b>7,836</b>	<b>10,666</b>	<b>20,935</b>
<b>Other comprehensive income</b>			
Exchange differences in equity	-161	-3,412	-6,628
<b>Other comprehensive income for the period, net after tax</b>	<b>-161</b>	<b>-3,412</b>	<b>-6,628</b>
<b>Total comprehensive income for the period</b>	<b>7,675</b>	<b>7,254</b>	<b>14,307</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Parent	7,675	7,254	14,307
Minority interest	0	0	0

<b>CONSOLIDATED BALANCE SHEET, CONDENSED</b> SEK THOUSANDS	31 MAR 2011	31 MAR 2010	31 DEC 2010
<b>ASSETS</b>			
Intangible assets <sup>(1)</sup>	37,667	31,740	37,700
Property, plant & equipment	3,211	6,479	3,473
Other non-current assets	621	327	625
<b>Total non-current assets</b>	<b>41,499</b>	<b>38,546</b>	<b>41,798</b>
Current receivables	28,804	46,911	45,969
Short-term investments	52	124	74
Cash at bank and on hand	150,936	179,198	138,105
<b>Total current assets</b>	<b>179,792</b>	<b>226,233</b>	<b>184,148</b>
<b>Total assets</b>	<b>221,291</b>	<b>264,779</b>	<b>225,946</b>
<b>EQUITY AND LIABILITIES</b>			
Equity <sup>(2)</sup>	69,297	90,007	61,622
Non-current liabilities/provisions <sup>(2)</sup>	0	274	27
Gaming liabilities	103,141	124,092	106,421
Other current liabilities <sup>(2)</sup>	48,853	50,406	57,876
<b>Total liabilities</b>	<b>151,994</b>	<b>174,772</b>	<b>164,324</b>
<b>Total equity and liabilities</b>	<b>221,291</b>	<b>264,779</b>	<b>225,946</b>
Number of shares (thousands)	10,362	10,362	10,362
Equity per share (SEK)	6.69	8.69	5.95

1) Of which goodwill SEK 6,264 (6,319) thousand.  
2) Of which interest-bearing liabilities 0 (0).

<b>STATEMENT OF CHANGES IN EQUITY</b> SEK THOUSANDS	Q1 2011	Q1 2010	FULL YEAR 2010
<b>Opening balance</b>	<b>61,622</b>	<b>82,753</b>	<b>82,753</b>
Redemption of shares	0	0	-35,438
Total comprehensive income for the period	7,675	7,254	14,307
<b>Closing balance</b>	<b>69,297</b>	<b>90,007</b>	<b>61,622</b>

<b>CONSOLIDATED CASH FLOW STATEMENT, CONDENSED (CONTINUING AND DISCONTINUED OPERATIONS)</b> SEK THOUSANDS	Q1 2011	Q1 2010	FULL YEAR 2010
Cash flow from operations before changes in working capital	8,311	12,127	35,031
Changes in working capital	7,821	-20,490	-33,826
<b>Cash flow from operations before changes in restricted funds</b>	<b>16,132</b>	<b>-8,363</b>	<b>1,205</b>
Changes in restricted funds	241	6,585	4,502
<b>Cash flow from operating activities</b>	<b>16,373</b>	<b>-1,778</b>	<b>5,707</b>
Cash flow from investing activities	-2,943	-5,964	-19,159
Cash flow from financing activities	0	0	-35,438
<b>Cash flow for the period</b>	<b>13,430</b>	<b>-7,742</b>	<b>-48,890</b>
<b>Cash &amp; cash equivalents at beginning of period</b>	<b>121,901</b>	<b>175,858</b>	<b>175,858</b>
Cash flow for the period	13,430	-7,742	-48,890
Exchange differences	-358	-3,039	-5,067
<b>Cash &amp; cash equivalents at end of period</b>	<b>134,973</b>	<b>165,077</b>	<b>121,901</b>
Restricted funds	15,963	14,121	16,204
<b>Cash at bank and on hand</b>	<b>150,936</b>	<b>179,198</b>	<b>138,105</b>



<b>GAMING OPERATIONS</b> SEK THOUSANDS	Q1 2011	Q1 2010	FULL YEAR 2010
Gaming surplus poker	72,248	91,375	316,362
Repayments in the form of bonuses etc.	-22,986	-28,081	-102,738
<b>Net sales poker</b>	<b>49,262</b>	<b>63,294</b>	<b>213,624</b>
Gaming surplus betting	3,417	2,941	12,316
Repayments in the form of bonuses etc.	-644	-228	-622
<b>Net sales betting</b>	<b>2,773</b>	<b>2,713</b>	<b>11,694</b>
Gaming surplus casino	18,203	19,612	70,645
Repayments in the form of bonuses etc.	-1,696	-1,431	-6,629
<b>Net sales casino</b>	<b>16,507</b>	<b>18,181</b>	<b>64,016</b>
Gaming surplus bingo	85	379	730
Repayments in the form of bonuses etc.	-3	-243	-314
<b>Net sales bingo</b>	<b>82</b>	<b>136</b>	<b>416</b>
<b>Total gaming surplus as stated above</b>	<b>93,953</b>	<b>114,307</b>	<b>400,053</b>
<b>Total repayments as stated above</b>	<b>-25,330</b>	<b>-29,983</b>	<b>-110,303</b>
Royalty	11,287	11,188	42,318
Other income	2,749	3,283	8,709
<b>NET SALES, GROUP</b>	<b>82,659</b>	<b>98,795</b>	<b>340,777</b>
Commission to customers	-42,267	-51,810	-176,305
Licence fees to gaming suppliers	-2,947	-2,889	-10,776
Gaming licences and taxes	-384	-899	-2,560
Other gaming expenses	-272	-328	-1,090
<b>TOTAL DIRECT COSTS OF GAMING OPERATIONS</b>	<b>-45,870</b>	<b>-55,926</b>	<b>-190,731</b>
<b>GROSS PROFIT</b>	<b>36,789</b>	<b>42,869</b>	<b>150,046</b>

<b>GAMING OPERATIONS, EURO</b> EUR THOUSANDS	Q1 2011	Q1 2010	FULL YEAR 2010
Poker	5,555	6,365	22,390
Betting	313	273	1,226
Casino	1,861	1,828	6,709
Bingo	9	14	43
Royalty	1,273	1,125	4,435
Other income	310	330	913
<b>Net sales, Group</b>	<b>9,321</b>	<b>9,935</b>	<b>35,716</b>
<b>Total direct costs of gaming operations</b>	<b>-5,172</b>	<b>-5,624</b>	<b>-19,993</b>
<b>Gross profit</b>	<b>4,148</b>	<b>4,311</b>	<b>15,723</b>

**FINANCIAL SUMMARY, GROUP**

SEK THOUSANDS

	<b>Q1</b>	FULL	Q4	Q3	Q2	<b>Q1</b>	FULL	Q4	Q3	Q2
	<b>2011</b>	YEAR	2010	2010	2010	<b>2010</b>	YEAR	2009	2009	2009
Net sales	<b>82,659</b>	340,777	86,561	76,976	78,445	<b>98,795</b>	435,364	108,714	98,818	106,761
Operating profit	<b>8,101</b>	20,186	11,576	-5,113	3,383	<b>10,341</b>	51,980	12,026	12,635	11,022
Profit for the period	<b>7,836</b>	20,935	11,990	-5,415	3,694	<b>10,666</b>	79,358	12,434	12,150	38,894
Gaming surplus	<b>93,953</b>	400,053	101,952	90,562	93,233	<b>114,307</b>	526,069	130,235	119,991	127,396
Return on equity (%)	<b>12.0</b>	29.1	21.2	-7.5	4.1	<b>12.4</b>	107.6	14.2	13.7	46.9
Equity/assets ratio (%)	<b>31.3</b>	27.1	27.1	24.3	36.0	<b>34.0</b>	29.5	29.5	32.9	29.3
Equity per share (SEK)	<b>6.69</b>	5.95	5.95	4.80	8.91	<b>8.69</b>	7.99	7.99	8.90	8.19
Earnings per share (SEK)	<b>0.76</b>	2.02	1.16	-0.52	0.36	<b>1.03</b>	7.04	1.20	1.18	3.10
Gross margin (%)	<b>44.5</b>	44.0	43.6	43.9	45.4	<b>43.4</b>	41.6	42.0	40.8	41.0
Operating margin (%)	<b>9.8</b>	5.9	13.4	-6.6	4.3	<b>10.5</b>	11.9	11.1	12.8	10.3
Profit margin (%)	<b>9.5</b>	6.1	13.9	-7.0	4.7	<b>10.8</b>	18.2	11.4	12.3	36.4
Cash flow from operating activities	<b>16,373</b>	5,707	12,113	-1,507	306	<b>-1,778</b>	72,591	30,147	-3,393	12,064
Cash at bank and on hand	<b>150,936</b>	138,105	138,105	133,953	176,595	<b>179,198</b>	196,564	196,564	196,266	210,528
Average number of employees	<b>97</b>	118	113	119	120	<b>121</b>	110	110	107	104
Sales per employee	<b>852</b>	2,888	766	647	654	<b>816</b>	3,958	988	924	1,027
Operating profit per employee	<b>84</b>	171	102	-43	28	<b>85</b>	473	109	118	106
Stock exchange price at end of period (SEK)	<b>43.70</b>	25.50	25.50	21.90	30.10	<b>50.25</b>	62.00	62.00	58.75	42.70
Market cap at end of period	<b>452,819</b>	264,231	264,231	226,928	311,896	<b>520,691</b>	642,444	642,444	608,768	442,457

<b>INCOME STATEMENT - PARENT COMPANY, CONDENSED</b>	Q1	Q1	FULL YEAR
SEK THOUSANDS	2011	2010	2010
Net sales	4,695	4,600	23,386
Other income	2	0	4,625
Personnel expenses	-2,458	-2,830	-13,229
Other external costs	-2,644	-2,607	-11,999
Depreciation and amortisation	0	0	0
<b>Operating profit/loss</b>	<b>-405</b>	<b>-837</b>	<b>2,783</b>
Financial items	-236	-52	-330,966 <sup>(1)</sup>
<b>Profit/loss before tax</b>	<b>-641</b>	<b>-889</b>	<b>-328,183</b>
Income taxes	0	0	0
<b>Profit/loss for the period</b>	<b>-641</b>	<b>-889</b>	<b>-328,183</b>

1) Mainly write-down of shares in Entraction Solutions AB to reporting date market value.

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	Q1	Q1	FULL YEAR
SEK THOUSANDS	2011	2010	2010
Profit/loss for the period	-641	-889	-328,183
Other comprehensive income for the period	0	0	0
<b>Total comprehensive income for the period</b>	<b>-641</b>	<b>-889</b>	<b>-328,183</b>

<b>BALANCE SHEET - PARENT COMPANY, CONDENSED</b>	31 MAR	31 MAR	31 DEC
SEK THOUSANDS	2011	2010	2010
<b>ASSETS</b>			
Financial assets	312,031	642,571	312,031
<b>Total non-current assets</b>	<b>312,031</b>	<b>642,571</b>	<b>312,031</b>
Current receivables	3,349	2,462	3,675
Short-term investments	52	124	74
Cash at bank and on hand	3,163	2,743	2,845
<b>Total current assets</b>	<b>6,564</b>	<b>5,329</b>	<b>6,594</b>
<b>Total assets</b>	<b>318,595</b>	<b>647,900</b>	<b>318,625</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	206,319	569,268	206,960
Non-current liabilities/provisions	101,043	70,459	101,043
Current liabilities	11,233	8,173	10,622
<b>Total liabilities</b>	<b>112,276</b>	<b>78,632</b>	<b>111,665</b>
<b>Total equity and liabilities</b>	<b>318,595</b>	<b>647,900</b>	<b>318,625</b>

**Stockholm May, 5 2011**

BÖRJE FORS  
Chairman of the Board

HENRIK KVICK

PETER ÅSTRÖM  
President and CEO

JON JONSSON

RICHARD TOUR

This interim report has not been audited or reviewed by the Company's auditors.

## DEFINITIONS

### ACTIVE PLAYER

Each unique player who has bet money on poker, betting, casino, bingo or participated in a competition requiring a stake in the form of bonus points during the period (the last 90 days).

### AVERAGE NUMBER OF SHARES

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

### BETTING MARGIN

Gaming surplus divided by total bets.

### CASH & CASH EQUIVALENTS

Cash at bank and on hand (not including restricted funds).

### DIRECT COSTS OF GAMING OPERATIONS

Expenses for gaming activities directly attributable to the corresponding income.

### EARNINGS PER SHARE

Profit after tax attributable to equity holders of the parent divided by the average number of shares.

### EQUITY/ASSETS RATIO

Equity including minority interest divided by total assets.

### EQUITY PER SHARE

Equity divided by number of shares at the end of the period.

### GAMING SURPLUS

Net of stakes and winnings payments in betting, bingo and casino, and rake from turnkey poker.

### GROSS MARGIN

Profit after direct costs of gaming operations divided by net sales.

### INTEGRATED SOLUTION

A customer with an integrated solution purchases access to the poker network and its associated administration tools, and licenses the poker and betting software.

### NET SALES

Net revenues from all gaming operations of Entraction's turnkey customers, royalty income from external integrated solution customers and other income minus direct discounts to players in the form of bonuses, VIP points and tournament sponsorship.

### NET SALES PER EMPLOYEE

Net sales divided by average number of employees.

### NET SALES PER SHARE

Net sales divided by average number of shares.

### OPERATING MARGIN

Operating profit divided by net sales.

### OPERATING PROFIT PER EMPLOYEE

Operating profit divided by average number of employees.

### PROFIT MARGIN

Profit for the period divided by net sales.

### RAKE

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

### REGISTERED PLAYER

A player with a registered username in the network.

### RETURN ON EQUITY

Net profit after tax divided by average equity.

### ROYALTY

The licence fee paid by customers with an integrated solution.

### TURNKEY SOLUTION

Gives customers access to the Company's gaming portfolio and a complete range of additional services such as payment solutions, promotional tools, customer support, operational tools, web design and gaming licences. Customers are responsible only for marketing and acquisition of customers.

### CONTACTS

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PIA ROSIN, COMMUNICATIONS DIRECTOR

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### CALENDAR

12 MAY 2011

Annual General Meeting

25 AUGUST 2011

Interim Report January–June 2011

10 NOVEMBER 2011

Interim Report January–September 2011

23 FEBRUARY 2012

2011 Year-end Report