

# Economic responsibility

For Svenska Spel, economic responsibility means responsibility to ensure that commercial operations always integrate the company's sense of responsibility. Svenska Spel seeks to be the player's first choice.

**S**venska Spel works towards giving customers a sustainable gaming experience. This involves offering games that customers demand, at the same time as the company specifically integrates responsible gaming into the business operations.

Company responsibility will be an increasingly important factor in the future when customers select the gaming company with which they wish to play. Consequently, responsible gaming is a key feature of Svenska Spel's efforts to be the player's first choice. Svenska Spel will continue to work on strengthening its brand by communicating its efforts throughout all business areas.

Svenska Spel is not compelled to maximise profit, thus offering the company good potential to focus its resources on responsible gaming and to promote a healthy gaming market. Proceeding on the basis of customer perspective and having an attractive gaming offering are prerequisites for working long-term on the Swedish gaming market

## Strategies

During 2011, Svenska Spel will focus on and prioritise operations using a number of strategies. The strategy framework clarifies how business operations and social responsibility are integrated. Read more about Svenska Spel's strategies on page 17.

The trend throughout the Swedish gaming market is that fewer people play, but spend larger amounts – a pattern that Svenska Spel wants to change. The company's development is to be based on healthy gaming behaviour and a sound gaming market. This means that success is based on a broad player base – with more people playing for moderate amounts.

Gaming is largely a positive experience, but there are risks. Svenska Spel's mandate from the owner is to conduct responsibility programmes to counteract the emergence of gambling addiction. The social sense of responsibility is another key feature to commercial success.

## Economic risks and possibilities

Svenska Spel works proactively in assessing risks and possibilities that affect the conditions for competing and working long term in the Swedish gaming market. One challenge for Svenska

### Creation of financial value in accordance with GRI<sup>1</sup>

SEK million	2010	2009
a) Revenues	7,897	8,118
b) Operating costs	-1,750	-1,869 <sup>4</sup>
c) Remuneration to employees	-989	- 971
d) Payments to financiers <sup>2</sup>	—	—
e) Payments to the State <sup>2</sup>	-4,979	-5,108
f) Community investments <sup>3</sup>	-5	-7
<b>Remaining with the Company</b>	<b>174</b>	<b>163<sup>4</sup></b>

1. EC1 indicator. The income statement in accordance with IFRS is on page 64.

2. Svenska Spel is owned by the State and the funds at the Group's disposal are allocated as prescribed by the government. These figures pertain to payments that were made during the year. 3. Hjärnfonden.

4. Adjusted due to incorrect figure in the 2009 Annual Report.

Spel is the increasing advertising expenditure by foreign-based Internet companies. Svenska Spel's gaming advertising declined from 46 % in 2004 to 24 % in 2010. This occurred despite the promotion ban stipulating that foreign gaming companies are not allowed to advertise in the Swedish media. To be able to compete on the same terms, and offer new, fast games that players demand, Svenska Spel must receive new licences, a point that is currently being questioned at various levels.

### Review of competition regulations

In 2010, after a report was filed, the Swedish Competition Authority initiated a review of whether Casino Cosmopol operates competition impeding operations. Following discussions with the Swedish Competition Authority, Svenska Spel has drafted an action plan to rectify the renewed competition issues. In January 2011, as a result of the actions that Svenska Spel shall implement, the Swedish Competition Authority decided to not further pursue the matter.

### Research

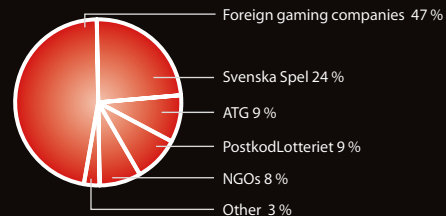
#### Swedish Brain Foundation

Svenska Spel has collaborated with the Swedish Brain Foundation since autumn 2008. Over a period of five years, the company will pay out a total of SEK 25 million to finance the Brain Foundation's basic research into dependency illnesses.

#### Research council

Svenska Spel has established a research council in an effort to increase insight into preventive programmes against gambling problems. The decision to do so was made in 2009, and during 2010 the council's articles of association were formulated and its seven members selected. In addition to a representative from the Board of Svenska Spel, the council consists of representatives from the research world, the National Institute of Public Health, and the Swedish Association of Local Authorities and Regions. The objective is to contribute SEK 5 million annually to university-based research in the field. ■

## Media investments in the Swedish market 2010 (Share of voice)



During 2010, the gaming industry's advertising expenditure declined by SEK 279 million and totalled SEK 1,181 million.

Compared with 2009, Svenska Spel's gross advertising expenditure decreased by SEK 55 million to some SEK 280 million.

Since 2004, Svenska Spel's share of the total media expenditure (Share of voice) on the known gaming market decreased from 46 % to 24 %.

Source: Svenska Spel's Market analysis based on SIFO's advertising surveys

## Personlig veckobudget på alla våra nätspel.

Hur mycket pengar vill du högst föra över till spelkontot varje vecka? Det frågar vi på Svenska Spel alla våra nätspelare innan det roliga börjar. Beloppet du väljer blir din egen maxgräns för nya insättningar som kan sänkas direkt men inte höjas förrän veckan därpå. För våra många nyjespelare betyder veckobudgeten ännu lite bättre spelkoll. För några få gränslöst spelsugna kan den vara ovärderlig. Hur mycket är lagom för dig? Bestäm själv på svenskaspel.se



SVENSKA SPEL 

### Personal weekly budget. For all our Internet gaming.

In its advertisements, Svenska Spel provides information on its mandatory weekly budget at svenskaspel.se, which is a distinct and specific approach to responsible gaming.



## “Healthy companies attract loyal customers”

**Svenska Spel is a member of the Ethical Council of the Gaming Industry (SPER), which shapes the guidelines for marketing and sale of gaming and is a discussion forum for ethical gaming. Kerstin Wallentin, Communications manager at ATG (horse racing company) is the Chairman of the Council.**

### **What is SPER doing to increase the exchange of know-how among gaming companies?**

“There is a great need for spreading know-how, in which we aim to play a key role. Many of our members are working successfully on ethical issues in their companies, but there is very little theory and research on what actually functions. We work best when we pursue a continuous dialogue and cooperation with all stakeholders to identify the best solution in maintaining the attraction of gaming.”

### **Why are these efforts so important?**

“There is considerable interest among members to cooperate in financing a long-term sustainable development of the industry. SPER seeks to create confidence in the industry’s own ability to assume responsibility. So, each gaming company must integrate responsible gaming as a natural feature of its day-to-day operations, and the industry’s image depends on how the ethical guidelines are observed and developed. A healthy company creates a healthy customer.”

### **What else do you plan to focus on in the future?**

“A key area is advertising, which must be legal, honest and truthful to gain high consumer confidence. Consequently, it is of interest to the industry to ensure that advertising is properly regulated.”