

Svenska Spel's operations and structure

Svenska Spel's operations are based on the mandate from the owner, the Swedish State. During the year, the Company's mission and values were reformulated. A new organisation was established, with effect from 1 September 2010.

Owner relationship

AB Svenska Spel was founded in 1997 following a merger between AB Tipstjänst (formed in 1934) and Svenska Penninglotteriet AB (formed in 1897), and is 100 % owned by the Swedish State.

Articles of Association

Svenska Spel's Articles of Association state the business purpose as: "The Company's business is, under licence from the government, to arrange lotteries for money and bookmaking in conjunction with competitions and pursue other compatible operations."

Current licences

The government issues various forms of licences to Svenska Spel. The current licences are the following:

Lotteries and bookmaking at sporting events

The government licensed AB Svenska Spel to arrange public lotteries and bookmaking for

money for the period 1 January 2011 to 31 December 2011.

Video Lottery Terminals (VLTs)

The government licensed AB Svenska Spel to arrange public gaming on VLTs for the period 1 January 2011 to 31 December 2011.

Casino gaming

The government licensed AB Svenska Spel or its wholly owned subsidiaries to arrange public casino games including cash machines and other gaming machines as specified under section 6 of the Lotteries Act (1994:1000) for the period 1 January 2010 to 31 December 2011.

Internet poker

The government licensed AB Svenska Spel or its wholly owned subsidiaries to arrange and supply poker gaming on the Internet for the period 1 January 2011 to 31 December 2011.

The owner's financial requirements

Section 4 of AB Svenska Spel's Articles of Association specifies that no dividend is to be made to shareholders when available profits are distributed. All profit available for distribution is to be allocated as specified by the government.

The government licence for AB Svenska Spel to arrange lotteries states that as much of the Company's profits as possible be loaned to the National Debt Office of the Swedish State during the financial year. Payments are to be made quarterly, not later than 30 April, 31 July, 31 October and 16 February. Profits available for distribution are to be offset against AB Svenska Spel's receivables from the Swedish National Debt Office. Remaining profits available for distribution after the offset of receivables, statutory funding, allocations determined by Parliament and government, and other generally accepted dispositions, are to be paid to the Swedish State.

Public Procurement Act at Svenska Spel

On 16 February, the Supreme Administrative Court decided not to grant Svenska Spel leave to appeal in a case involving re-examination of public procurement. The decision meant that the Company is compelled to adjust its operations to the rules governing public procurement. During 2010, Svenska Spel conducted a detailed review of all contracts and procurement processes. The objective was to introduce an overall procurement process throughout the Group.

Legal and operational structure

The Svenska Spel Group comprises the Parent Company AB Svenska Spel and subsidiaries Svenska Spels Förvaltnings AB and Casino Cosmopol AB. Svenska Spels Förvaltnings AB forms a sub-group with the subsidiaries AB Svenska Spels Internetservice, Casino Cosmopols Fastighets AB, CC Casino Restaurang AB, AB Svenska Spels Servicecenter and Playscan AB. In addition, there are a number of dormant companies, see Note 27 on page 92.

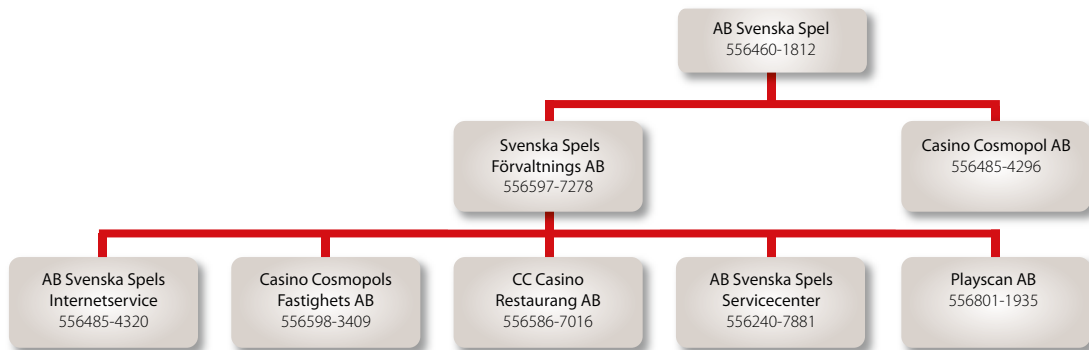
Svenska Spel's organisation in 2010

During 2009, a review was conducted of all operations, which resulted in a renewal of vision, values, mission and strategy. Changes in executive management during the year included the resignation of the CEO, Meta Persdotter, and the Market Manager, Thomas Agrell. Following the resignation of Ms Persdotter in June, the former CFO, Anders Hägg, was appointed as interim CEO. Subsequently, the executive management decided on an organisational adjustment to improve the conditions for adjusting operations and

completing the reorganisation that has been in progress since 2009. Since 1 September, Svenska Spel has had a new organisation with three business areas: Gaming & Lotteries, Vegas and Casino Cosmopol, two operational areas – Development and Production – and four staff units (Finance, Information & CSR, HR and Legal), whose managers report to the CEO.

The major change is that the former Market and Sales operational areas are now included in the Gaming & Lotteries business area.

Svenska Spel's legal structure



Svenska Spel's operational structure

Svenska Spel's organisation, with effect as of 1 September 2010

