

Proposed distribution of profits

Svenska Spel's Articles of Association stipulate that the Group's available profits are to be distributed as prescribed by the Government.

The distribution of available funds is based on the 2010/11 budget proposal. The Swedish Parliament resolved on 20 December 2011 to approve the Government's budget bill 2012 (2011/12:1), which, among other points, means that Parliament authorises the Government to table a motion at the Svenska Spel 2012 AGM for a contribution corresponding to 1/26 of the Company's surplus in 2011 from Penninglotten to be made to art, theatre and other cultural purposes.

Non-restricted equity in the Parent Company amounted to SEK 5,018,180,579 (4,776,432,955), of which SEK 5,008,205,081 (4,770,490,120) represent net profit for the year and SEK 9,975,498 (5,942,835) are retained earnings.

Distribution is to take place following the adoption of the minutes of the AGM with dividends to the State made by 30 June 2012. Distribution for cultural purposes is to be made after requisition.

Non-restricted equity in the Parent Company

	SEK
Retained earnings	9,975,498
Net profit for the year	5,008,205,081
Total	5,018,180,579

The Board of Directors and the CEO propose that the above amount be distributed as follows:

	SEK	Prop	Expenditure area
For cultural* purposes	501,909	2011/12	17
To be paid to the Swedish State	5,006,022,985		
Carried forward	11,655,685		
Total	5,018,180,579		

* SEK 178,554 pertains to payment for the year; the remaining amount has been adjusted for inaccurate calculation from previous years.

Statement of the Board on proposed distribution of profits

Statement of the Board of AB Svenska Spel in accordance with Chapter 18 section 4 of the Annual Accounts Act (2005:551) with reference to the Board's proposed distribution of profits prior to the Company's AGM on 24 April 2012:

The Board has proposed that AB Svenska Spel's profit available for distribution for the 2011 financial year be distributed in accordance with the motion made to the AGM.

The proposed profit distribution does not affect AB Svenska Spel's restricted equity as shown in the latest balance sheet. After payment in accordance with the profit distribution, AB Svenska Spel will have non-restricted equity of SEK 11,655,685 (9,975,498) and total equity of SEK 11,895,685 (10,215,498), not including changes that occurred after the balance sheet date.

If changes after the balance sheet date are also included, non-restricted equity is affected by profit for a period of at least four months before payment of the proposed profit distribution. This means an increase in non-restricted equity of approximately SEK 1.5 billion (1.5).

The Parent Company's and the Group's equity ratio and liquidity will increase over time but are nevertheless considered secure because of the nature of the market in which the Company operates and the extremely strong cash flow it generates. The Parent Company and the Group will thus be able to comfortably meet their short and long-term obligations, even after the proposed profit distribution.

Even taking into account the proposed distribution of profits, the Parent Company and the Group will be able to make the necessary investments required for the Group's development and continued success.

Accordingly, the proposed profit distribution is also justifiable with respect to the demands imposed by the nature, scope and risks on equity in the Parent Company and Group, as well as with respect to the Parent Company and Group's consolidation requirements, liquidity and general position.

Events after balance sheet date

Effective January 2012, the Production and Development operating areas were merged to form a single IT unit.

The Sundsvall Casino was awarded the "Land-based Casino of the Year" at the Totally Gaming Awards gala held in London on 23 January 2012.

Marie Loob was appointed Vice President of Svenska Spel. This new role is added to Marie Loob's assignment as head of Group staff Finance & Security.

Johan Lindvall, formerly head of sponsorship at Svenska Spel, was appointed head of the Parent Brand. Johan Lindvall reports to the CEO and is a member of Executive management.

Peter Zäll takes over the position of head of the Sports games & Lotteries result area as of 3 April 2012, succeeding Mattias Mildeborn. Peter Zäll will be a member of Executive management and will report to the CEO.