

Notes

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Note 1 Accounting and valuation policies

Conformity with standards and legislation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Union (EU) for application within the EU, subject to the exceptions indicated below. Also, the Annual Accounts Act and the recommendations of the Swedish Financial Reporting Board entitled RFR 1 "Additional Accounting Regulations for Groups", have been applied. The Parent Company applies RFR 2 "Accounting for Legal Entities", and applies the same accounting policies as the Group except as specified under "Parent Company's accounting policies".

Assumptions underlying preparation of the Parent Company and consolidated financial statements

The reporting currency of the Group and the functional currency of the Parent Company is SEK. All amounts, unless otherwise stated, are rounded to the nearest million.

Preparing the financial statements in conformity with IFRS requires executive management to make estimates, judgements and assumptions affecting the application of accounting policies and reported amounts. Estimates and assessments are based on past experience and reasonable expectations regarding future events. The outcome may diverge from these estimates and assessments. Estimates are regularly reviewed. Estimates that have an impact on the financial statements are described in Note 30.

Amendments to accounting policies

There have been no changes to accounting policies compared with the preceding financial year.

New and amended standards and interpretations, 2011

The following new and amended standards became statutory for the first time as of the financial year commencing 1 January 2011.

IAS 24 Related Party Disclosures

This reworked standard clarifies and simplifies the definition of related parties and eliminates the requirement for companies related to the State to provide details of all transactions with the State and other companies related to the State. The amendment does not give rise to any significant changes for Group disclosures.

IAS 32 – Financial instruments presentation

The amendment pertains to the classification of subscription rights, options and warrants in other functional currencies. As the Group does not hold any of these instruments, the amendment does not give rise to any change for the Group.

Upgrades of IFRS standards

Upgrades of IFRS standards: IFRS 1, Initial application of IFRS; IFRS 3, Business Combinations; IFRS 7 Financial Instruments: Disclosures; IAS 1, Presentation of Financial Statements, IAS 27 Consolidated accounting and separate financial reports; IAS 34, Interim Financial Reporting; and IFRIC 13 Customer Loyalty Programmes. The amendments have no material effect on the consolidated financial statements.

Amendments to IFRIC

The amendments to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" a IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments, do not affect the Group.

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New and amended standards and interpretations that have not yet become effective but which may eventually affect the Group*IFRS 7 Financial Instruments: Disclosures*

The amendments to IFRS 7 increase disclosure requirements in conjunction with the transfers of financial assets and apply to financial years commencing 1 July 2011 or later. The Group management has not yet conducted a detailed analysis of the effects of application and is thus unable to quantify the effects.

IFRS 7 Financial Instruments: Disclosures; and IAS 32 Financial instruments, Classification

The amendments to IFRS 7, which gain force as of 1 January 2013 or later, extend the disclosure requirements for the netting of financial assets and liabilities. Amendments to IAS 32, which gain effect as of 1 January 2014 or later, in respect of the netting of financial assets and liabilities clarify how netting rules are to be applied. Group executive management is of the opinion that the amendments of IAS 32 and IFRS 7 will not have any material effect on the Group.

IFRS 9, Financial Instruments

The amendment to IFRS 9 issued in December 2011 implies that IFRS 9 will apply to financial years commencing on 1 January 2015 or later. The most significant impact of IFRS 9 in terms of the classification and valuation of financial liabilities is related to changes in fair value attributable to changes in the credit risk of a financial liability (recognized at fair value in the income statement).

In the case of financial liabilities classified at fair value via the income statement, it applies that the change in the amount in fair value terms that is due to the change in credit risk for the liability shall, according to IFRS 9, be presented in other comprehensive income. Group executive management has not yet conducted a detailed analysis on the effects of the application of the amendments and is thus unable to quantify any such effects.

IFRS 13, Fair value measurement

The new standard, which is to be applied in a forwarding-looking manner as of 1 January 2013, deals with accounting and disclosure in respect of fair value. The standard clarifies how fair value is determined and the disclosures required. Group executive management has not yet conducted a detailed analysis on the effects of the application of the amendments to IFRS 13 and is thus unable to quantify any such effects.

IAS 1, Presentation of Financial Statements

The amendment, which comes into effect as of 1 July 2012, relates to how items are presented in the report for other comprehensive income. The Group will implement the changes required by the amendment.

New and amended standards and interpretations that have not become effective and which currently are not viewed as affecting the Group:

Standard	Effective
IAS 12, Income Taxes	1 January 2012
IFRS 10, Consolidated Financial Statements	1 January 2013
IFRS 11, Joint arrangements	1 January 2013
IFRS 12, Disclosures of Interests in Other Entities	1 January 2013
IAS 19, Employee Benefits	1 January 2013
IAS 27, Investments in Associates	1 January 2013
IAS 28, Consolidated Accounting and Separate Financial Reports	1 January 2013

Classification

Non-current assets and non-current liabilities consist substantially of the amounts expected to be recovered or paid more than 12 months after the balance sheet date. Current assets and current liabilities consist purely of amounts expected to be recovered or paid less than 12 months from the balance sheet date.

Assets and liabilities are recognised at cost, with the exception of certain financial assets and liabilities measured at fair value.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company AB Svenska Spel and all companies in which the Parent Company directly or indirectly holds more than 50 per cent of the voting rights, or otherwise exercises controlling influence. Controlling influence entails the right to develop the financial and operative strategies of a company with a view to gaining economic benefit.

A subsidiary's income and expenses and its assets and liabilities are consolidated in the consolidated financial statements as of the date when the Parent Company gains a controlling influence over the Company until the time that the controlling influence ceases. The consolidated financial statements have been prepared in accordance with the purchase method and with IFRS 3 (revised).

All Group companies have a calendar-based financial year and apply uniform accounting policies. Inter-company receivables and liabilities, inter-company transactions and related profits are eliminated in their entirety in the consolidated financial statements. Losses are eliminated in the same way as profits, provided there are no indications of impairment.

The delivery of services and products among companies in the Group are subject to commercial terms and market pricing.

Segment reporting

Svenska Spel's segment reporting is based on the same division of business areas that Group executive management uses to monitor operations. The Group executive management is also recognised as Svenska Spel's supreme decision-making body. The segments are based on Svenska Spel's offering of various forms of gaming and are divided into the following three operating segments: Gaming & Lotteries, Vegas and Casino Cosmopol, which also correspond to the Group's business areas.

Minor redistributions of joint costs were completed during the year. The figures for last year have been adjusted to reflect the new distribution model.

Transactions in foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing on the transaction dates. At the end of the month, assets and liabilities in foreign currency are translated at the closing exchange rate. Foreign exchange gains and losses on current receivables and liabilities are included in operating profit, but foreign exchange gains and losses on financial assets and liabilities are recognized among financial items. Payment flows in foreign currencies are limited.

Over the course of the year, exchange-rate differences are continuously recognized via the income statement. Over the year-end period, the Group had a minor option contract to purchase currencies at a price that is within a moving interval with a maximum value. The value on the closing date is affected by the relationship between the highest value and the daily value. The difference is recognized via the income statement.

Exchange rates

Currency	Closing rate 31 December 2011	Closing rate 31 December 2010
USD	6.9484	6.8275
EUR	8.9697	9.0270
GBP	10.7068	10.5775
CHF	7.3656	7.2455

Revenue recognition

Revenue from gaming operations is recognised net, meaning gross revenue less deductions for winners' shares and retailer commissions. In the income statement, the net amount is called "Net revenue from gaming operations, etc."

This method of recognition is used because Svenska Spel's operations are predominantly based on the allocation of received funds among gaming and lottery participants.

The timing of when the Group's various forms of gaming, lotteries, casinos and VLT products generate revenue varies. Revenue from gaming and VLTs is generated virtually at the time the stakes are paid, while revenue from lottery tickets arises when a retailer activates tickets for sale, which in principle represents the time of sale. In certain cases, multi-week gaming occurs, whereby the revenue is allocated to the week to which it pertains. Casino revenue arises when gaming tables or slot machines are closed.

All gaming, lottery and casino revenue is recognised on a daily basis. VLT revenue is recognised weekly, which means that when a week straddles the end of a month, the week is attributed to the month to which the greater part belongs. Poker revenue comprises the percentage share of the stakes credited to Svenska Spel, known as the rake, which is also recognised on a daily basis.

Since the Oddset betting games (Lången, Matchen, Bomben, Mixen and Powerplay) fulfil the definition of derivatives, they must be revalued regularly and recognised at fair value. However, since the Company lacks system support for such revaluation, settlement is made when the bet closes and is thus realised. The duration of the bet is short, which is why unsettled bets at the end of the period are immaterial in scope.

Other revenue consists mainly of sales revenue from restaurants, leasing income from retail terminals and premises, revenues for the responsible gaming tool Playscan™, registration fees and casino entrance fees. These revenues are recognised in the period to which they pertain.

Note 2 includes the distribution of net gaming revenue, commission paid and other revenues, which jointly constitute the item net revenue from gaming operations, etc.

Intangible assets

Costs that lead to improved gaming products or processes are recognised as assets in the balance sheet if the product or process is technology based and can be used commercially, and there are sufficient resources to complete development and then use and sell the intangible asset. The carrying amount includes material costs, direct salary costs and indirect costs that can be attributed to the asset in a reasonable and consistent manner. Other development costs are expensed against profit/loss as incurred. Development costs recognised in the balance sheet are charged at cost less accumulated amortisation and impairment.

The Group's intangible assets consist primarily of capitalised development costs for new gaming products and new gaming systems that are considered to be of material economic value for the business in coming years. Activities during feasibility study phases, as well as entertainment and education initiatives, are expensed on an ongoing basis, as is development work to enhance existing gaming and lottery products. Other intangible assets pertain to licences and goodwill.

Licenses are reported at their cost less deductions for depreciation/ amortisation and impairment. Goodwill is reported at the purchase value with deductions for accumulated impairment.

Principles underlying depreciation, amortization and impairment

Amortisation is applied on a straight-line basis over the expected useful life of the asset, starting from the date the asset is first put to use. The useful life and any residual value of assets are tested at each balance sheet date to establish whether there are any indications of impairment. If such indication arises, the asset's recoverable amount is calculated. The recoverable amounts for intangible assets with an indefinite useful life and intangible

assets not ready for use are tested annually. Impairment is recognised when the carrying amount of an asset exceeds the recoverable amount. Impairment losses are charged to profit or loss. Impairment is reversed if there has been a change in the assumptions underlying determination of the recoverable amount.

Depreciation periods	Number of years
New applications for gaming products	3 (3)
System platforms for new gaming products	5–10 (5–10)
Licences	5 (5)
Goodwill	annual review

Annual testing of the recoverable amount of intangible assets

On an annual basis, intangible assets are tested for impairment and the recoverable amount of individual assets is estimated. If the carrying amount of the asset exceeds the calculated recoverable value, the asset is impaired to this value. The recoverable amount represents value in use and is calculated by discounting future estimated cash flows pertaining to individual intangible assets. The recoverable amount of non cash-generating assets that are substantially independent of other assets is calculated for the cash-generating unit to which the asset belongs.

Property, plant and equipment

The item property, plant and equipment is recognised as an asset in the balance sheet insofar as it is probable that future financial benefits will accrue to the Group and that the cost of the asset can be calculated reliably. Property, plant and equipment is recognised in the Group at cost with deductions for accumulated depreciation as well as any impairment loss. The cost includes the purchase price and any costs directly attributable to getting the asset to the appropriate place in the appropriate condition for its intended use.

Additional costs are added to the carrying amount of the asset or recognised as a separate asset, whichever is most appropriate. If an additional cost pertains to payment for an already existing component, the recognised amount for the replaced components is derecognised from the balance sheet. Repairs and maintenance, plus any borrowing costs, are recognised as costs in the income statement for the period to which they pertain.

Property, plant and equipment comprising parts with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount for an item of property, plant and equipment is derecognised on disposal or sale, or when no future economic benefits are expected to arise from use of the asset. Profit or loss arising from the sale or disposal of an asset represents the difference between the selling price and the carrying amount of the asset, less direct selling costs.

Depreciation periods	Number of years
Buildings	50 (50)
Construction and extension, own property	5–50 (5–50)
Construction and extension, property held under lease	5–30 (5–30)
Land	No depreciation
Land improvements	20 (20)
Retailer terminals	5 (5)
Equipment	3–5 (3–5)
Computers	3–5 (3–5)

Depreciation, amortisation and impairment policies

Amortisation is applied on a straight-line basis over the expected useful life of the asset, starting from the date the asset is first put to use. The carrying amounts and useful life of the Group's assets are tested at each balance sheet date to establish whether there are any indications of impairment. If such indication arises, the asset's recoverable amount is calculated.

cont. note 1

Impairment is reported via the income statement when an asset's reported value exceeds the recoverable value. In the event of any change in the assumptions underlying the calculation of the recoverable value is reversed.

Corporate acquisitions

The acquisition of subsidiaries is reported according to the purchase method. The purchase price for the acquired operation is value at fair value on the acquisition date. Acquisition-related expenses are reported in the income statement as they arise. In conjunction with corporate acquisitions in which the purchase price exceeds the fair value on the acquisition date for identified, acquired net assets, the difference is reported as goodwill in the financial status report.

Leased assets

Leasing is classified in the consolidated financial statements as operating or finance. Finance leasing occurs when the economic risks and rewards of ownership are materially transferred to the lessee. Leasing fees related to operating leasing agreements are recognised as income/expense in the income statement in the period to which they belong.

All leasing agreements entered into by the Svenska Spel Group have been analysed and deemed to be operating leases. Leasing agreements under which the Group is the lessee relate essentially to leased premises. Leasing agreements under which the Group is the lessor relate primarily to leasing of retailer and lottery terminals.

Financial instruments

Financial instruments are every form of contract that causes a financial asset or liability to arise. Financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, trade receivables, shares and loan receivables.

Liabilities and equity mainly comprise trade payables and winnings-related liabilities.

Recognition and classification of financial instruments

Financial instruments are initially carried at cost, representing the fair value of the instrument, with transaction costs added for all financial instruments except those defined as a financial instrument recognised at fair value in the income statement, with transaction costs recognised in the income statement.

A financial asset or financial liability is recognised in the balance sheet when the Company becomes party to the contractual conditions of the instrument. Financial assets are derecognised when the right to receive cash flow from the instrument has expired or been transferred and the Group has transferred essentially all the risks and benefits associated with ownership. A financial liability is derecognised when the contractual undertakings have been fulfilled or are otherwise extinguished.

Financial instruments are classified in categories. Classification is based on the purpose for which the financial instrument was acquired. Classification of the instrument is determined by executive management on initial recognition and retested on each reporting date. The categories are as follows:

1) Financial assets and financial liabilities measured at fair value through the income statement.

This category consists of two sub-groups:

a) Financial assets and liabilities held for trading

Svenska Spel enters into currency forward contracts in compliance with the Group's finance policy to hedge the flow of foreign currencies. These derivative instruments also comprise contractual terms and conditions

that are embedded in other contracts. Embedded derivatives must be recognised separately unless they are closely related to the host contract. Svenska Spel mainly employs currency forward contracts to hedge purchases denominated in EUR and USD. Svenska Spel does not apply hedge accounting pursuant to IAS 39. Derivative instruments are recognised in the balance sheet on the contract date and are valued at fair value, both initially and in connection with subsequent revaluation. Gains or losses arising from revaluation are recognised in the income statement under financial income or financial expenses, respectively.

b) Financial assets and liabilities that on initial recognition are deemed to belong to this category

Svenska Spel has financial investments in bonds with a real rate of interest intended to provide funds for future payments of winnings in Triss Månadsklöver, these are shown in the balance sheet as "financial assets" and "current investments" respectively. Future payments to winners of Triss Månadsklöver are reported as a non-current and current liability, respectively, under unpaid winnings and belong to this category.

2) Loan and trade receivables

Trade and other receivables are classified under this category since they have determined or determinable payments and are not quoted on an active market. Recognition is at amortised cost less any allowance for any value decline. As the expected maturity is short, these assets are valued at the nominal amount expected to occur. Individual testing occurs if there is objective evidence of an impairment requirement. Impairment of trade receivables is recognised under operating costs.

Cash and cash equivalents are classified as loan receivables and consist of cash, immediately accessible bank balances and equivalent institutions and current investments with a maturity from the acquisition date of less than three months, which are exposed to an insignificant risk of value changes. Value changes are reported under financial items in the income statement.

3) Investments intended to be held to maturity

This category comprises financial assets with determined or determinable payments and determined maturity, which are held with the intention of being held to maturity.

In accordance with the Group's current finance policy, surplus liquidity is invested in zero coupon bonds and commercial papers. Investments with an original maturity of less than three months, which are subject to insignificant risk of value fluctuation and can easily be converted to bank funds, are classified and measured as cash and cash equivalents. Other investments with maturity of between three and twelve months are classified under this category in cases where they are intended to be held to maturity.

4) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets. Assets in this category are measured at fair value with changes in value charged to equity. The Group has no financial assets in this category.

5) Other financial liabilities measured at accrued cost

Trade and other payables have short expected due dates and are measured without discounting at the nominal amount. All Group funds are measured at accrued cost. Funds are accumulated for the jackpots of various types of games. Funded winnings may vary greatly over time depending on when winnings are actually paid.

Svenska Spel's settlement fund includes lottery and game winnings that are not claimed within the set period and also payment rounding amounts. The redemption period for winnings for the Vegas gaming form is 30 days, for other games 90 days and for lotteries up to 1.5 years. When the redemp-

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tion date has passed, unclaimed winnings are placed in the settlement fund in accordance with the Company's licence. Paid winnings are rounded down to the nearest SEK and the excess amount transferred to the settlement fund. The funds in the settlement fund are used to cover the future payments of winnings for approved claims, and can be used to return funds to winning participants by, for example, increasing the frequency of winnings or topping up certain winning categories during campaigns.

Taxes

The Parent Company, AB Svenska Spel, and its subsidiary, Casino Cosmopol AB, are exempt from liability to pay taxes on income from business operations and are also in principle not required to pay value added taxes. These companies are also exempt from lottery tax. However, all companies in the sub-group Svenska Spels Förvaltnings AB have a tax liability and are also in principle required to pay value added tax.

Income tax consists of current tax and deferred tax. Income taxes are charged directly to the income statement except where the underlying transaction is charged directly to equity, in which case the associated tax effect is recognized in other comprehensive income or equity. Current tax is tax that is to be paid or received pertaining to the current year with application of the tax rates in effect on the closing date.

Deferred tax is determined using the balance sheet method based on the temporary differences between the carrying amount and the value of assets and liabilities for tax purposes. Deferred income tax is calculated based on application of the tax rates in effect on the balance sheet date. Deferred tax assets relating to tax deductible temporary differences and tax loss carry-forwards are recognised only insofar as it is probable that they will be utilised.

Provisions

A provision is reported in the balance sheet term the group has an existing legal or informal obligation as a result of the occurrence of an event and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the effect of the payment timing is significant, provisions are calculated through the discounting of the anticipated future cash flow at a certain interest rate that reflects current market assessments of the time value of money. Most of these provisions are pension provisions.

Employee benefits

Employees in the Svenska Spel Group receive remuneration in the form of basic salary, benefits and occupational pension. Variable remuneration is paid to employees for work performed during, for example, unsociable working hours. No bonus-based remuneration or remuneration in the form of financial instruments is payable.

In addition to salary, employees receive benefits, which depend to some extent on the position in the Company held by the employee. All employees are entitled to a subsidised lunch and to certain compensation for fitness care and healthcare. Executive management and sales representatives are also entitled to a benefit in the form of access to a company car and subsidised fuel.

Pension plans

Salaried employees in the Svenska Spel Group are covered by the ITP plan administered by Collectum. Pension obligations after terminated employment are classified as either defined-contribution or defined-benefit plans. According to a statement from the Swedish Financial Reporting Board UFR 3, pension plans secured in accordance with the ITP plan are to be classified as defined-benefit plans. However, Collectum, which insures the ITP plan, has not been able to provide Svenska Spel or other companies with sufficient information to be able to determine the Company's share of the plan's total

assets and liabilities. Since these obligations can only be attributed to the insurance beneficiary, they are recognised under UFR 3 as a defined-contribution plan.

The Svenska Spel Group's employees who are collectively covered by agreements in the LO agreement area are affiliated to the defined-contribution pension plan named the SAF-LO Pension Agreement, which is administered by Fora.

Within the Parent Company Svenska Spel, there are a few older pension obligations to former employees. These obligations amount to insignificant sums and are secured in part through allocations to the Company's pension liability and in part through Svenska Spel's Pension Foundation. AB Svenska Spel pays ongoing pension payments pursuant to these obligations, whereupon annual crediting from Svenska Spel's Pension Foundation occurs.

Termination benefits

A provision is recognised in conjunction with termination of employment only if the Company is demonstrably committed to either terminating the employment of an employee before the retirement date or when termination benefits are provided to encourage voluntary redundancy. The provision is recognised when no service is required in return from the employee.

Government grants

Svenska Spel does not receive any Government or other financial grants.

Statement of cash flows

The statement of cash flows is prepared pursuant to the indirect method. Cash and cash equivalents in the statement of cash flows consist of cash and bank balances and investments with a maturity of less than three months, which are not subject to any material risk of value fluctuation.

Parent Company's accounting policies

The Parent Company has prepared its annual financial statements in conformity with the Annual Accounts Act (1995:1554) and the Recommendations of the standards of the Swedish Financial Reporting Board in RFR 2 Accounting for legal entities. This implies that in the annual financial statements of the legal entity, the Parent Company is to apply all EU-approved IFRSs and statements from IFRIC to the extent possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, and in consideration of the relationship between accounting and taxation. The recommendations state the exceptions to be made from, and supplements to, IFRS. The Parent Company applies the same accounting policies as the Group except as specified below.

Dividends

Dividends to the shareholders of the Parent Company are recognised as a liability in the financial reports of the Parent Company and the Group when the shareholders of the Parent Company adopt the distribution. The Parent Company anticipates dividends from subsidiaries. The Articles of Association state that all funds available for distribution as dividends shall be disposed of in the manner prescribed by the Government.

Participations in subsidiaries

Participations in subsidiaries are reported at cost in the Parent Company's financial reporting. Acquisition-related costs for subsidiaries, which are charged in the consolidated accounting, are included as part of the cost of participations in subsidiaries.

Note 2 Revenue per key category

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Sale of services				
Net revenue from gaming	9,687	9,624	8,484	8,434
Commissions	-1,973	-1,949	-1,973	-1,949
Sale of goods				
Revenue from restaurant operations	101	100	—	—
Cost of sales	-40	-41	-2	—
Leasing income				
Leasing of retailer terminals	48	49	48	49
Other	96	101	79	79
Total net revenue from gaming operations, etc.	7,919	7,885	6,636	6,614

Note 3 Reporting per segment

The Group's classification of segments, which correspond to the new organisation's division of business areas, is based on the executive management's monitoring of operations based on Svenska Spel's range of gaming form offerings.

The delivery of services and products among Group companies is subject to commercial terms and conditions and market pricing. Accounting reflects the distribution of revenues and costs, as well as assets and liabilities, for each operating segment.

The Parent Company, AB Svenska Spel, operates the business segments of Gaming & Lotteries, and Vegas. Two legal companies operate the business segment Casino Cosmopol.

Gaming & Lotteries operations comprise the gaming categories of number games, lotteries, sports games and Poker. The Vegas business area's revenue derives from VLT gaming pursued under the name Vegas.

Revenue in Casino Cosmopol consists of revenue from table games such as roulette, dice and card games as well as slot machines.

Other operations include non-distributed income statement and balance sheet items in the Parent Company, Svenska Spel, as well as operations that are pursued in the Group's small subsidiaries. Playscan AB, conducts the sale of the Playscan™ responsible gaming tool, while Casino Cosmopol's Fastighets AB owns the casino buildings in Stockholm, which are leased to another Group company. Other companies have highly limited operations or none at all.

Directly comparable income statement and balance sheet items are reported under each operating segment, other items have been distributed.

All revenue below and the reported results are attributable in their entirety to operations in Sweden.

Consolidation is pursuant to the same principles as those for the Group.

Operating segment

SEK million	Gaming & Lotteries		Vegas		Casino Cosmopol		Other operations		Elimination of internal items		Group Svenska Spel	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Income statement												
Net gaming revenue	6,401	6,395	2,083	2,039	1,203	1,190	—	—	—	—	9,687	9,624
Commissions	-1,111	-1,106	-861	-842	—	—	—	—	—	—	-1,973	-1,949
Other revenue	110	111	—	1	88	86	59	59	-52	-47	205	209
Net sales from gaming operations, etc.	5,399	5,400	1,222	1,198	1,291	1,277	59	59	-52	-47	7,919	7,885
Costs (incl. capitalised work)												
	-1,792	-1,853	-329	-363	-797	-807	-9	-20	-52	-47	-2,979	-3,090
Operating profit	3,607	3,547	893	835	494	469	50	39	-105	-95	4,940	4,795
Financial income	—	—	—	—	—	—	204	86	—	—	204	86
Financial expense	—	—	—	—	—	—	-138	-113	—	—	-138	-113
Profit after financial items	3,607	3,547	893	835	494	469	117	12	-105	-95	5,007	4,768
Balance sheet												
Investments	30	29	23	100	36	15	108	40	—	—	198	184
Other assets	783	756	224	221	830	849	7,601	7,152	-1,527	-1,676	7,909	7,302
Total assets	812	785	247	321	866	863	7,709	7,192	-1,527	-1,676	8,107	7,486
<i>Amortisation, depreciation and impairment</i>												
	82	98	100	116	57	80	47	52	—	—	286	346
Liabilities	2,582	2,233	—	—	859	862	1,186	1,301	-1,527	-1,676	3,100	2,719
Total liabilities	2,582	2,233	—	—	859	862	1,186	1,301	-1,527	-1,676	3,100	2,719

Note 4 Acquisition of operations

On 12 March 2010, Svenska Spel acquired all the shares of the newly formed company Playscan AB. The company is a subsidiary of Svenska Spels Förvaltnings AB and is run as an operationally active company with both internal and external customers. At the time of acquisition, the company's total assets amounted to SEK 1.1 million and mostly pertained to development costs for Playscan™. The purchase price was SEK 21.2 million, of which SEK 100,000 pertained to share capital. Following the implementation of an acquisitions analysis, the remainder of the purchase sum was classified as follows:

Goodwill

SEK 19.1 million pertained primarily to potential future sales and thus constituted goodwill. Since the period of use is indeterminable, assessments of the recoverable amount will be performed annually.

Employee expenses

The remaining portion of the purchase price of SEK 2 million pertained to sales-based employee expenses and will be paid out following the close of the 2012 financial year. Following a new assessment in 2011, the additional purchase consideration was impaired by SEK 0.6 million and employee expenses now amount to SEK 1.4 million. Shares and participations in Svenska Spels Förvaltnings AB were impaired by an equivalent amount.

Note 5 Employees, employee expenses and benefits

Average number of employees	2011		2010	
	Number of employees	of whom men, %	Number of employees	of whom men, %
Parent Company	755	63	744	62
Other Group companies	1,019	52	1,021	51
Total	1,774	57	1,764	56

Board of Directors, CEO and Group management	2011		2010	
	Number	of whom men	Number	of whom men
Board of Directors	11	5	11	6
CEO	1	1	1	1
Group management, excluding CEO	9	5	9	6

Pay, remuneration, and social security expenses, SEK 000s	2011		2010	
	Board, CEO and Group management	Other employees	Board, CEO and Group management	Other employees
Parent Company				
Pay and remuneration	16,468	331,736	24,270	322,498
Social security expenses	6,844	115,772	9,135	110,753
Pension costs	6,881	46,592	6,223	41,303
Total	30,193	494,100	39,628	474,554

Other Group companies*				
Pay and remuneration	2,529	324,774	1,687	319,110
Social security expenses	959	92,704	649	88,992
Pension costs	676	17,202	489	15,441
Total	4,164	434,680	2,825	423,543

* No special remuneration is paid for Board assignments in subsidiaries

Group				
Pay and remuneration	18,997	656,510	25,957	641,608
Social security expenses	7,803	208,476	9,784	199,745
Pension costs	7,557	63,794	6,712	56,744
Total	34,357	928,780	42,453	898,097

cont. note 5

Fees and other remuneration paid to the Board, SEK 000s	Board fees		Audit Committee		Remuneration Committee		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Anitra Steen, Board Chairman, from 19/4, 2011	167	—	—	—	10	—	177	—
Margareta Winberg, Board Chairman, to 18/4	83	250	—	—	5	15	88	265
Hans Bergenheim, Board member from 20/4	93	62	10	7	—	—	103	69
Stefan Borg, Board member from 18/4	31	93	—	—	—	—	31	93
Lena Borgström-Melinder, Board member to 18/4, 2011	31	93	7	20	—	—	38	113
Björn Fries, Board member	93	93	—	3	3	5	96	101
Catarina Fritz, Board member from 19/4, 2011	62	—	13	—	—	—	75	—
Eva-Britt Gustafsson, Board member	93	93	10	10	—	—	103	103
Lena Jönsson, Board member	93	93	—	—	3	8	96	101
Lars Otterbeck, Board member to 20/4, 2010	—	31	—	—	—	3	—	34
Michael Thorén, Board member from 19/4, 2011	—	—	—	—	—	—	—	—
Christer Åberg, Board member 19/4, 2011	62	—	—	—	5	—	67	—
Anders Andersson, Board member, employee rep.	—	7	—	—	—	—	—	7
Jenny Bengtsson, Board member, employee rep. from 19/4, 2011	—	—	—	—	—	—	—	—
Peter Cernvall, Deputy Board member, employee rep.	—	8	—	—	—	—	—	8
Loi Diep, Deputy Board member, employee rep. from 19/4, 2011	—	—	—	—	—	—	—	—
Patrik Lindell, Deputy Board member, employee rep. from 20/4, 2011	—	—	—	—	—	—	—	—
Roland Norbäck, Deputy Board member, employee rep. to 20/4, 2011	—	4	—	—	—	—	—	4
Martina Ravn, Board member, employee rep.	—	8	—	—	—	—	—	8
Total	808	835	40	40	26	31	874	906

Board fees

The Chairman and Directors of the Board receive fees in accordance with the resolution by the AGM. The same applies to the Chairman and Directors in the Audit Committee and the Remuneration Committee.

Board members who are employed by the Government Offices of Sweden and employee representatives are not paid Board or committee fees.

The remuneration presented above pertains to the Parent Company AB Svenska Spel. No fees were paid to the Directors of subsidiaries and sub-subsidiaries, since all Directors are employed in companies in the Svenska Spel Group.

The changes to the composition of Directors and employees on the Board are presented in the above table/compilation.

cont. note 5

	Salary		Other benefits		Other remuneration		Total salary and remuneration		Pensions costs	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Salary and other remuneration to senior executives, SEK 000s										
Lennart Käll, CEO and President, from 12/9 2011	1,089	—	2	—	—	—	1,091	—	343	—
Anders Hägg, interim CEO and President, from 23/6 2010–11/9 2011	2,436	1,251	65	32	—	—	2,501	1,283	3,264	1,518
Meta Persdotter, CEO and President, 1/2 2009–22/6 2010	—	2,643	—	71	—	3,600	—	6,314	—	859
Total	3,525	3,894	67	103	—	3,600	3,592	7,597	3,607	2,377
Other senior executives in Group management										
Marie Avander, Manager, Vegas business area	1,319	1,267	73	76	—	—	1,392	1,343	446	376
Anna Björklund, HR Manager	1,355	1,329	62	62	—	—	1,417	1,391	422	448
Annika Ferm, Communication Manager from 1/2 2011	1,062	—	39	—	—	—	1,101	—	274	—
Anders Granvald, Manager Development operating area	1,364	1,307	4	4	—	—	1,368	1,311	376	413
Anders Hägg, CFO through 22/6 2010	—	677	—	32	—	—	—	709	—	347
Per Jaldung, Manager, Casino Cosmopol business area	1,338	1,214	74	66	—	—	1,412	1,280	359	342
Marie Loob, CFO from 1/9 2010	1,280	424	5	2	—	—	1,285	426	347	84
Mattias Mildemborn, Interim Manager, Gaming & Lotteries business area from 11/5 2011	864	—	50	—	—	—	914	—	187	—
Jörgen Olofsson, Manager, Production operating area	1,207	1,125	8	8	—	—	1,215	1,133	310	280
Bengt Palmgren, Senior Legal Counsel	1,532	1,486	63	63	—	—	1,595	1,549	621	669
Håkan Sjöstrand, Manager, Gaming & Lotteries business area to 9/5 2011	1,554	1,380	87	86	—	—	1,641	1,466	270	305
Johan Tisell, Interim Information Manager from 15/3 2010–31/1 2011	74	707	1	5	—	—	75	712	21	144
Thomas Agrell, Marketing Manager from 1/9 2009 to 10/6 2010	—	1,337	—	26	—	600	—	1,963	—	368
Mikael Franzén, Manager, Internet business area to 26/10 2009	—	1,060	—	7	—	1,980	—	3,047	—	261
Andreas Jansson, Information Manager through 30/10 2009	—	717	—	—	—	—	—	717	—	151
Total	12,949	14,031	466	436	—	2,580	13,415	17,047	3,633	4,189
Other senior executives										
Peter Jannerö, Interim Market Manager, from 14/6 2010 to 31/8 2010	—	275	—	1	—	0	—	276	—	60
Ann-Sofie Olsson, Interim Information Manager to 10/3 2010	—	325	—	1	—	0	—	326	—	83
Ann-Sofie Olsson, CEO, Playscan AB from 15/3 2010	1 109	407	8	1	—	960	1,117	408	317	147
Total	1,109	1,008	8	3	—	960	1,117	1,011	317	289

Remuneration of senior executives

Senior executives

Those who at anytime are part of the team of "senior executives" are determined by the Remuneration Committee under the application of the provisions stipulated in Chapter 8, Section 51 of the Swedish Companies Act (2005:551). Senior executives at the Svenska Spel Group are the President of the Parent Company and all members of Group management, any managers who are not members of Group management yet directly subordinate to the President of the Parent Company, the presidents of the subsidiaries and the members of the subsidiaries' management teams.

Remuneration of senior executives – guidelines, nomination process, decisions and monitoring

The guidelines that apply to the remuneration of senior executives were adopted at the AGM on 19 April 2011 and apply to the entire Group. These guidelines are based on the guidelines issued by the Government on 20 April 2009 regarding employment terms for senior executives in State-owned companies. The policies specify that total benefits to senior executives are to be reasonable and well balanced. Remuneration should be competitive, have a ceiling, be appropriate and contribute to sound ethical and corporate culture. Remunerations should not be leading in relation to comparable companies but embody moderation. The decision on employment terms for the CEO is prepared by the Remuneration Committee and decided by the Board. Employment terms for other executives

are decided on by the CEO after the customary consultation with the Company's Remuneration Committee. The outcome of agreements reached is reported to the Board. Before decisions are made regarding individual remuneration, written documentation is to be presented showing the Company's overall costs. The Board ensures that remuneration follows the guidelines by comparing remuneration for equivalent roles in other comparable State-owned and private companies operate only in Sweden in terms of parameters such as size, complexity, and revenue.

Remuneration of the CEO and the Company's senior executives consists of fixed basic salaries, benefits and pensions. Svenska Spel does not compensate senior executives with variable or bonus-based remuneration or any remuneration in the form of financial instruments.

Decisions concerning employment terms and conditions for senior executives of subsidiaries are made by the presidents of the subsidiaries following consultations with the subsidiaries' Boards. Remuneration to senior executives of the subsidiaries is recognized in the annual reports for the subsidiaries.

Changes in the executive management team and other senior executives

Effective 12 September 2011, Lennart Käll was appointed CEO and President of AB Svenska Spel. In conjunction with Lennart Käll assuming his position, Ander Hägg stepped down from his position as Interim President and CEO of AB Svenska Spel and made his services available to the Company through 31 December 2011 when he resigned from AB Svenska Spel.

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Annika Ferm assumed her position as Communication Manager on 1 February 2011. In conjunction with Annika Ferm assuming her position as Communication Manager, Johan Tisell's assignment as Interim Communication Manager concluded on 31 January 2011.

On 29 April 2011, Håkan Sjöstrand, Manager of the Gaming & Lotteries business area, announced that he would be stepping down from his position at the company as of 30 September 2011. Mattias Mildernborn assumed the position of Interim Manager of the Gaming & Lotteries business area on 10 May 2011.

Remunerations and terms for senior executives within executive management

CEO
Lennart Käll, the President and CEO of AB Svenska Spel, received salary and benefits of SEK 1,091,000 in 2011. Lennart Käll's pension premiums amounted to SEK 343,000 in 2011. Lennart Käll is not part of the ITP plan and is entitled to pension premiums corresponding to 30% of his pensionable monthly salary in accordance with his agreement.

During 2010, Anders Hägg, in his role as interim CEO as well as interim President for AB Svenska Spel, received salary and remuneration totalling SEK 2,501,000 in 2011. Costs for standard pension contributions in accordance with the ITP plan totalled SEK 943,000 for Anders Hägg during 2011. Anders Hägg is entitled to ITP pension as of the age of 65. Anders Hägg is entitled to extra retirement pension from 1 January 2010 until the age of 65. During 2011, the Company recognised an accrued cost of SEK 2,321,000 for this commitment. In addition to a fixed monthly salary from his position as CFO, in his capacity as Interim CEO, Anders Hägg received a

salary supplement of SEK 80,000 per month, as well as extra pension premiums for the salary supplement of SEK 24,000 per month.

Remunerations and terms for other senior executives in Group executive management

For other senior executives within executive management, pensions are paid in accordance with the ITP plan, with the age of retirement at 65. On notice of termination, a mutual notice of six months applies. In the event that notice is given from the Company's side, severance pay is paid out for a maximum of 18 months, corresponding to the monthly salary with no supplement for benefits. When new employment has been secured or on receipt of income from business activities, severance pay from the company that initiated the termination will be reduced in the amount of the new income during the period in which severance pay is paid.

Remunerations and terms for other senior executives

For other senior executives, remuneration is paid in the form of basic salaries, benefits and pension under collective agreement in accordance with the ITP plan, with retirement at the age of 65.

Remuneration of other employees

Employees of the AB Svenska Spel Group receive remuneration in the form of basic salaries, benefits and pension under collective agreement. Variable remuneration is provided to employees for work during inconvenient working hours. Bonus-based remuneration or remuneration in the form of financial instruments is not paid.

Note 6 Auditors' fees

Auditors' fees, SEK 000	Group		Parent Company	
	2011	2010	2011	2010
Auditing assignments				
Deloitte AB	1,489	—	1,085	—
PwC AB	—	1,690	—	1,007
Swedish National Audit Office	—	281	—	281
Auditing activities other than auditing assignments				
Deloitte AB	682	364	682	364
PwC AB	217	205	217	205
Tax consultation				
Deloitte AB	103	—	103	—
PwC AB	—	388	—	—
Other services				
Deloitte AB	53	—	53	—
PwC AB	872	1,478	872	1,432
Total	3,417	4,405	3,012	3,289

Audit assignments pertain to auditing of the annual report and accounts as well as the administration of the Board and CEO.

Note 7 Financial income and expenses

Financial income, SEK million	Group		Parent Company	
	2011	2010	2011	2010
Interest income from bank balances	36	11	40	15
Exchange-rate gains on futures contracts	8	39	7	39
Change in value of assets, Triss Månadsklöver	138	35	138	35
Other financial income	21	2	21	2
Total	204	86	206	90

Financial expenses, SEK million	Group		Parent Company	
	2011	2010	2011	2010
Interest expenses	-0	-0	-0	-0
Exchange-rate losses on futures contracts	-2	-43	-0	-43
Change in value of liabilities, Triss Månadsklöver	-136	-69	-136	-69
Total	-138	-113	-136	-113

Net gains/losses, SEK million	Group		Parent Company	
	2011	2010	2011	2010
Result from futures contracts	7	-5	6	-5
Triss Månadsklöver, financial assets and liabilities valued at fair value via the income statement	3	-35	3	-35
Investments held to maturity	21	2	21	2
Loan and trade receivables	0	1	0	1
Other financial liabilities	0	0	0	0
Total	31	-37	30	-37

The Parent Company's interest income includes intra-Group income in the amount of SEK 12.9 million (6.5).

Note 8 Taxes

Reported in the income statement, SEK million	Group		Parent Company	
	2011	2010	2011	2010
Current tax expense (-)/tax income				
Tax expense for the period	—	—	—	—
Adjustment of tax attributable to previous years	—	-1	—	—
Deferred tax (-)/tax income				
Deferred tax pertaining to temporary differences	0	-1	—	—
Total reported tax charge	0	-2	—	—

The Svenska Spel Group has tax loss carry-forwards in the amount of SEK 176 million (167). Deferred tax assets have not been reported in cases where it is unlikely the Group will utilise them to offset future taxable winnings.

Note 9 Intangible assets

Group, SEK million	Capitalised development-costs	Other	Ongoing projects	Total, Parent Company	Goodwill	Licenses	Other	Total Group
Accumulated cost								
Opening balance, 1 January 2010	447	19	60	526	—	18	—	544
Acquisitions	5	—	4	9	19	—	1	29
Conversions	46	—	-46	0	—	1	—	1
Disposals	-51	-19	—	-70	—	—	—	-70
Closing balance, 31 December 2010	447	—	18	465	19	19	1	504
Opening balance 1 January 2011	447	—	18	465	19	19	1	504
Acquisitions	25	—	10	35	—	—	—	35
Conversions	18	—	-18	0	—	—	—	0
Disposals	-3	—	—	-3	—	—	—	-3
Closing balance 31 December 2011	488	—	10	498	19	19	1	537
Accumulated depreciation, amortisation and impairment								
Opening balance, 1 January 2010	-271	-19	—	-289	—	-8	—	-297
Depreciation for the year	-45	—	—	-45	—	-4	-0	-49
Impairment for the year	—	—	—	—	—	—	—	—
Disposals	51	19	—	70	—	—	—	70
Closing balance 31 December 2010	-264	—	—	-264	—	-12	-0	-276
Opening balance, 1 January 2011	-264	—	—	-264	—	-12	-0	-276
Depreciation for the year	-51	—	—	-51	—	-3	-0	-54
Impairment for the year	—	—	—	—	—	—	—	—
Disposals	3	—	—	3	—	—	—	3
Closing balance 31 December 2011	-313	—	—	-313	—	-15	-1	-328
Carrying amount 31 December 2010	183	—	18	201	19	7	1	228
Carrying amount 31 December 2011	175	—	10	185	19	4	0	209

Capitalised development projects

Intangible assets primarily comprise capitalised development expenditures, where the following represent the major items:

GEM

GEM is a gaming platform for the Gaming & Lotteries business area. The carrying amount of GEM is SEK 109.4 million (136.1). The estimated depreciation period is ten years and the investment will be completely depreciated in 2016. The ten-year depreciation period is applied since IT platforms of the type represented by GEM are typically utilised over a period of at least ten years.

Vegas central system

During 2010, a new central system for Svenska Spel's Vegas VLTs began to be commissioned. The carrying value for the central system amounts to SEK 12.9 million (14.1). The depreciation period is estimated at five years.

Online products

In 2009, Svenska Spel developed a new service that enables subscription to the Lotto product. The service has been available as of 1 January 2010 and the carrying amount at year-end was SEK 2.6 million (5.1). The depreciation period for the asset is deemed to be three years.

svenskaspel.se

Svenska Spel launched a new website on 15 September 2008. The changes involve a new appearance, improved overview, more interactivity and compulsory weekly budget. The carrying amount of the asset is SEK 0.0 million (5.7). The depreciation period for the asset is deemed to be three years.

Datawarehouse

A new datawarehouse was created and commissioned during 2010. Its carrying amount was SEK 21.7 million (36.2) and it is estimated to have a depreciation period of three years.

Mobile web

Capitalised projects pertain to the development of games and services and for smart phones. The carrying amount totals SEK 14.0 million (0.0) and have an estimated depreciation period of three years.

Gift codes

2011 saw the launch of digital gift codes for Triss for Svenska Spel's corporate customers. The carrying value totals SEK 14.5 million (4.1) and the depreciation period is deemed to be three years.

Costs for capitalised development projects

The total amount of development project costs that have been expensed during the year is SEK 40 million (70) and relates to Parent Company and Group projects. Capitalised development projects consist primarily of cost for feasibility studies and projects that do not meet the criteria for an intangible asset.

Other

Other intangible assets comprise corporate acquisitions of the seven bingo halls that Svenska Spel acquired in 2007. The acquisition was fully amortised during 2009 and divested in 2010.

cont. note 9

Ongoing projects

SEK 9.8 million pertains to development projects designed to create a platform for managing sports and gaming information.

For the preceding year, ongoing projects referred to a new central system for Vegas, in the amount of SEK 14.1 million, while SEK 4.1 million pertained to the development project for the launch of gift codes. Both of these projects were capitalised during 2011.

Goodwill

On 12 March 2010, the Svenska Spel Group acquired shares of the company Playscan AB, whose operations comprise the development, maintenance and sale of the responsible gaming tool, Playscan™. The total purchase consideration of the acquisition was SEK 21.2 million. Based on an acquisition analysis, SEK 19.1 million was classified as goodwill.

In the case of intangible assets whose useful life is indeterminable, assessments of the recoverable amount are performed annually. Impairment is reported when an asset's carrying value exceeds the recoverable value. The impairment is charged to the income statement. The impairment is reversed when there are changes in the assumptions underlying the estimate of the recoverable value.

Licences

Licences reported in the balance sheet pertain to system licences for Casino Cosmopol. The carrying amount is SEK 4.2 million (7.0) and the amortisation period is five years.

Assessments

The significant assessments underlying the estimated cash flows are primarily estimated sales for each IT platform and a calculated margin based on experience.

The sales assessment has been completed by means of internal analyses of the available market and the attained market penetration for the games and lotteries from the particular systems platforms.

Testing shows that no impairment requirement exists: the recoverable value exceeds by an ample margin the reported value for all tested cash-generating units. Sensitivity analyses completed show that considerable changes in the cost of capital, for example, also take into account the risk-free rate of interest and market risks.

The cost of capital calculated by the company takes the risk free interest rate and market risks into account. In addition to these, there are a number of operationally specific risks; risks of variations in future cash flows, liquidity risk and company size. For 2011, the cost of capital was 8.8 per cent (8.8), based on the aforementioned factors.

Note 10 Property, plant and equipment

Group, SEK million	Buildings and land	Construction and extensions, own property	Construction and extensions, property held under lease	Construction in progress	Equipment and computers	Total
Accumulated cost						
Opening balance, 1 January 2010	244	227	264	8	1,730	2,474
Acquisitions	—	4	2	—	169	174
Reversals	—	—	8	-8	-1	-1
Disposals	—	—	-1	—	-192	-193
Closing balance, 31 December 2010	244	231	273	0	1,706	2,455
Opening balance, 1 January 2011	244	231	273	0	1,706	2,455
Acquisitions	1	0	1	—	160	162
Reversals	—	—	-1	0	0	-1
Disposals	—	-1	0	—	-83	-84
Closing balance, 31 December 2011	245	231	273	0	1,783	2,532
Accumulated depreciation, amortisation and impairment						
Opening balance, depreciation, 1 January 2010	-26	-46	-73	—	-1,128	-1,272
Depreciation for the year	-2	-9	-12	—	-274	-298
Disposals	—	—	0	—	185	186
Closing balance, 31 December 2010	-28	-55	-85	—	-1,217	-1,384
Opening balance, impairment, 1 January 2010	—	—	-68	—	-7	-75
Impairment for the year	—	—	—	—	—	—
Disposals	—	—	0	—	0	0
Closing balance, 31 December 2010	—	—	-68	—	-6	-74
Opening balance depreciation, 1 January 2010	-28	-55	-85	—	-1,217	-1,384
Depreciation for the year	-3	-9	-12	—	-208	-232
Disposals	—	1	0	—	79	80
Closing balance, 31 December 2011	-31	-63	-97	—	-1,345	-1,536
Opening balance, impairment, 1 January 2011	—	—	-68	—	-6	-74
Impairment for the year	—	—	—	—	—	—
Disposals	—	—	1	—	—	1
Closing balance, 31 December 2011	—	—	-67	—	-6	-73
Carrying value, 31 December 2010	216	176	120	0	484	996
Carrying value, 31 December 2011	214	168	109	0	432	923

cont. note 10

Group, SEK million	Buildings and land	Construction and extensions, own property	Construction and extensions, property held under lease	Construction in progress	Equipment and computers	Total
Accumulated cost						
Opening balance, 1 January 2010	36	45	6	—	1,314	1,402
Acquisitions	—	0	0	—	155	156
Reversals	—	—	—	—	—	—
Disposals	—	—	—	—	-178	-178
Closing balance, 31 December 2010	36	46	6	—	1,292	1,380
Opening balance, 1 January 2011	36	46	6	—	1,292	1,380
Acquisitions	1	0	—	0	124	125
Reversals	—	—	—	—	—	—
Disposals	—	—	—	—	-71	-71
Closing balance, 31 December 2011	36	46	6	0	1,345	1,435
Accumulated depreciation, amortisation and impairment						
Opening balance, depreciation, 1 January 2010	-13	-20	-2	—	-850	-885
Depreciation for the year	-1	-5	-1	—	-208	-214
Disposals	—	—	—	—	172	172
Closing balance, 31 December 2010	-14	-24	-3	—	-886	-927
Opening balance, impairment, 1 January 2010	—	—	—	—	—	—
Impairment for the year	—	—	—	—	—	—
Disposals	—	—	—	—	—	—
Closing balance, 31 December 2010	—	—	—	—	—	—
Opening balance, impairment, 1 January 2011	-14	-24	-3	—	-886	-927
Depreciation for the year	-1	-4	-1	—	-164	-170
Disposals	—	—	—	—	67	67
Closing balance, 31 December 2011	-14	-28	-5	—	-982	-1,029
Opening balance, impairment, 1 January 2011	—	—	—	—	—	—
Impairment for the year	—	—	—	—	—	—
Disposals	—	—	—	—	—	—
Closing balance, 31 December 2011	—	—	—	—	—	—
Carrying value, 31 December 2010	22	21	3	—	406	453
Carrying value, 31 December 2011	22	17	2	0	363	405

Note 11 Financial risk management**Financial risk management**

The Group is exposed to various financial risks through its operations: currency risk, interest risk, credit risk and liquidity risk. Ongoing risk management is managed by a central finance department pursuant to adopted policies and guidelines. The finance department evaluates and hedges financial and other risks in collaboration with other Group operating units. The Board has prepared policies for overall risk management and financial management.

Currency risk

The Group is active only in Sweden but is exposed to currency risks that arise from currency exposures pertaining to the purchasing of specialised equipment and printing of lottery tickets, as well as the sale of licenses for the

responsible gaming tool Playscan™. The exposure is to EUR, USD, as well as CHF and GBP. Currency risk arises only through future business transactions when the Group does not have any assets or liabilities in currencies other than SEK nor any net investments in foreign operations.

The Group's finance policy requires that it handle currency risk against the functional currency by using currency futures. This means that 100 per cent of the contracted currency flows is to be hedged when the contract is signed. Moreover, contractual flows are hedged when the exact magnitude of the future payment flow is not set in conjunction with the hedging occasion, but can be forecast with considerable certainty. Planned investments that involve significant insecurity, such as with regard to the currency and size of the flow, are not to be hedged before the contract is signed.

cont. note 11

The Group's transaction exposure expressed in the equivalent amounts in SEK million is allocated among the following currencies:

Currency	2011	2010
EUR	109.0	132.3
USD	12.6	8.8
CHF	1.1	1.0
GBP	6.3	1.5
Total	129.0	143.6

As more or less all consolidated revenue and expenses consist of payments in SEK and the currency risk pertaining to future business transactions is covered by futures, the remaining currency risk is negligible. Changes in the value of the Group's functional currency in relation to other currencies have thus not had any short-term impact on the Group's earnings.

The Group gauges and follows up currency risks through the control and reporting of net exposure in each currency.

A sensitivity analysis of a momentary change in exchange rates by $\pm 10\%$ vis-à-vis SEK would entail a momentary negative impact on profit of SEK 14 million.

Currency	Net position 31 Dec. 2011	Value change -10 %	Value change +10 %
EUR	109.0	98.1	119.9
USD	12.6	11.3	13.9
CHF	1.1	1.0	1.2
GBP	6.3	5.7	6.9
Total	129.0	116.1	141.9

Interest-rate risk

The Group's interest risks pertain to interest rate fluctuations related investments in index-linked treasury bonds and surplus liquidity investments. Index-linked treasury bonds are used to hedge the Group's commitments to winners in the Triss Månadsklöver lottery. Svenska Spel pays a nonrecurring amount to an independent administrator for every win. This payment is based on a present value calculation of future winnings payments at the current rate of interest on the Swedish index-linked treasury bond market. The payment is adjusted to cover future payments to the winner. The liability to winners is upwardly adjusted annually according to the Consumer Price Index, CPI, trend. To manage interest rate risk relating to index-linked treasury bonds, it is the responsibility of the manager to ensure that the interest rate sensitivity of an investment in the asset, index-linked treasury bonds, is the same as the liability to the winner, and that the portfolio's interest rate sensitivity to index-linked treasury bonds corresponds to that of the liability as far as possible. The Group's overall interest risk associated with assets and liabilities in index-linked treasury bonds is deemed to be negligible.

A small portion of the Group's cash and cash equivalents is invested in financial instruments that largely comprise zero-coupon bonds and prime commercial paper, which are held to maturity.

Credit risk

Credit risk refers to the risk that business partners cannot meet their financial obligations.

As gaming may not be pursued using credit, which means consolidated revenue consists exclusively of cash transactions, credit risk in Group operations is limited. Exposure to credit risk arises in funds generated on an ongoing basis at retailers, associations and restaurants who sell the Group's range of games and lotteries on an assignment basis. credit risk also arises

in the investment of the Group's surplus liquidity in bank accounts or in the purchase of interest-bearing securities. Exposure to the Swedish State arises in conjunction with the value hedging of future winnings for the Triss Månadsklöver lottery as a result of the holding of Swedish index-linked treasury bonds and in connection with advance payment of forecast annual dividends to the Swedish National Debt Office.

There are detailed procedures for the approval of gaming retailers and restaurants, and they are based on stringent requirements for and the risk assessment of retailers. Funds are collected weekly by autogiro. Svenska Spel also has a well-developed system for controlling abnormal cash flows among retailers. In the case of retailers who do not pay on time, measures are taken to hedge payment flows by requesting collateral during the period of the retailer agreement and imposing short invoice-to-payment periods on the retailer. There is a set limit structure for the investment of surplus liquidity that entails that investment may be made with counterparties with a credit rating equal to or higher than A according to Standard & Poor's credit rating. Instructions also limit the size of the investment with each institution.

Maximum credit exposure	31 Dec. 2011	31 Dec. 2010
Index-linked treasury bonds, Swedish State	1,685	1,525
Lending to credit institutions	2,264	2,273
Bonds and commercial paper	1,146	654
Accounts receivable and other receivables	681	611
Set-off, Swedish National Debt Office	1,200	1,200
Total	6,976	6,262

Liquidity risk

Liquidity risk is defined as the risk that the Group will not have access to cash and cash equivalents to be able to make timely payments of foreseen and unforeseen commitments or that financing can only be gained at considerable cost. Liquidity risk has historically been low and each year the Group accumulates substantial amounts of cash and cash equivalents and non-restricted equity that is paid annually in its entirety to the owner.

Financial liabilities consist of unpaid profits, funded winnings and supplier liabilities. The liquidity risk in financial liabilities pertains to the Group having insufficient cash and cash equivalents to be able to pay unpaid winnings due to winners. This risk is considered negligible as most games and lotteries are based on an allocation of funds among participants in the game. As gaming may not be pursued using credit, the funds to be allocated among participants in the game or lottery are available in the form of cash at the time the game or lottery closes. Winnings in the Triss Månadsklöver are paid for up to 25 years, apart from certain campaigns that may lead to winnings being paid out for up to 50 years. This lottery is administered by a third party and based on funds being paid for each win to the administrator to cover future payments to the winner.

To minimise liquidity risk, the Group works proactively in matching asset maturities with anticipated payout dates.

The table below shows the maturity structure for Group liabilities for the Triss Månadsklöver lottery winnings and currency futures. The amounts shown in the table are the contractual, undiscounted cash flows.

31 Dec. 2011	Within 3 months	Within 3 months -1 year	Within 1-5 years	Later than 5 years
Liabilities, Triss Månadsklöver	39	118	560	855
Currency futures	—	1	—	—

Note 12 Financial instruments

The following table shows the allocation of financial instruments based on the following categories in accordance with IFRS 7: Financial assets at

fair value through the income statement, investment held to maturity, loan trade receivables, and available-for-sale financial assets.

Financial assets, Group

SEK million, 31 Dec. 2011	Financial assets valued at fair value via the income statement		Investments held to maturity	Loan and trade receivables	Financial assets available for sale	Total fair value
	Holdings for trading	Classified on the initial reporting date				
Index-linked treasury bonds	—	1,685	—	—	—	1,685
Investments in zero-coupon bonds and commercial papers	—	—	1,145	—	—	1,145
Currency futures	1	—	—	—	—	1
Accounts receivable and other receivables	—	—	—	537	—	537
Set-off, National Debt Office	—	—	—	1,200	—	1,200
Cash and cash equivalents	—	—	—	2,264	—	2,264
Total						6,832

SEK million, 31 Dec. 2010	Financial assets valued at fair value via the income statement		Investments held to maturity	Loan and trade receivables	Financial assets available for sale	Total fair value
	Holdings for trading	Classified on the initial reporting date				
Index-linked treasury bonds	—	1,525	—	—	—	1,525
Investments in zero-coupon bonds and commercial papers	—	—	654	—	—	654
Currency futures	—	—	—	—	—	—
Accounts receivable and other receivables	—	—	—	495	—	495
Set-off, National Debt Office	—	—	—	1,200	—	1,200
Cash and cash equivalents	—	—	—	2,273	—	2,273
Total						6,146

Financial liabilities, Group

SEK million, 31 Dec. 2011	Financial assets valued at fair value via the income statement		Other financial liabilities	Total fair value
	Holdings for trading	Classified on the initial reporting date		
Accounts payable and other liabilities	—	—	625	625
Unpaid winnings, Triss Månadsklöver	—	1,572	—	1,572
Other current and non-current, non-interest bearing liabilities	—	—	903	903
Total				3,100

SEK million, 31 Dec. 2010	Financial assets valued at fair value via the income statement		Other financial liabilities	Total fair value
	Holdings for trading	Classified on the initial reporting date		
Accounts payable and other liabilities	—	—	568	568
Unpaid winnings, Triss Månadsklöver	—	1,437	—	1,437
Other current and non-current, non-interest bearing liabilities	—	—	714	714
Total				2,719

For financial investments in the categories investments held to maturity, loan receivables and accounts receivable, as well as financial assets available for sale, the fair value is deemed to match the carrying value.

cont. note 12

Financial instruments recognised at fair value

Svenska Spel measures its real interest-rate bonds and currency futures at fair value in profit or loss. Under IFRS 7, real interest-rate bonds are classified in the

value hierarchy 1 since they are measured at market prices, and currency futures are classified in the value hierarchy 2 since they are measured at observable market data.

Assets, SEK million	Level 1	Level 2	Level 3	Total
Real interest-rate bonds	1,684	—	—	1,684
Currency futures	—	1	—	1
Cash and cash equivalents	2,264	—	—	2,264

Assets, SEK million	Level 1	Level 2	Level 3	Total
Unpaid winnings Triss Månadsklöver	—	1,572	—	1,572

Security holdings, Triss Månadsklöver

Total security holdings concerning Triss Månadsklöver amounted to SEK 1,684,000 (1,546,000), of which SEK 1,493,000 (1,525,000) comprises the non-current portion and SEK 191 million (21) the current portion. Acquisitions

and sales, as well as net realised and unrealised value changes for Triss Månadsklöver amounted to a loss of SEK 15 million (gain: 6) and the value change of the asset was SEK 138 million (62).

Interest risk Instruments (measurement principle)	Nominal value	Maturity date	Coupon rate, %
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Real interest-rate bonds

Swedish Government's real interest-rate bonds			
1572	39	2012-03-21	6.00
3106	133	2012-04-01	1.00
3001	78	2014-04-01	0.00
3105	241	2015-12-01	3.50
3107	286	2017-06-01	0.50
3102	151	2020-12-01	4.00
3108	248	2022-06-01	0.25
3104	128	2028-12-01	3.50

Interest risk Instruments (measurement principle)	Nominal value	Maturity date	Coupon rate, %
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Investments in zero-coupon bonds, commercial papers and deposits

Within 180 interest days	447	2012-01-11	2.38
	46	2012-01-23	2.68
	54	2012-01-26	2.69
	100	2012-02-01	2.55
	48	2012-02-28	Variable (Stibor, 3 months)
	450	2012-05-02	2.41

Total	1,145		
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Cash and cash equivalents	2,264		1.94
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Interest risk Instruments (measurement principle)	Nominal value	Present value weighted real discount rate, %
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Winnings fund for Triss Månadsklöver lottery

Within 1 year	158	0.133
Between 1 and 5 years	561	0.072
More than 5 years	866	0.043
Total	1,585	

Note 13 Trade and other receivables

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Trade receivables				
Receivables, gaming and lottery retailers	321	293	321	293
Receivables, restaurants	27	27	27	27
Other trade receivables	14	15	10	7
Total	362	334	358	327
Other receivables				
Other current receivables	176	161	166	153
Total	176	161	166	153
Total trade and other receivables	538	495	524	479

All trade receivables are due within 30 days. Doubtful trade receivables amount to SEK 1.7 million (2.1); costs for losses on trade receivables amounted to SEK 1.0 million (1.0).

Stock is reported at the lower of cost and net sales value. Cost is deter-

mined through the application of the first in, first out (FIFO) method. This consists almost exclusively of foodstuffs for restaurant operations conducted in the Group. Stock is reported in the balance sheet among trade receivables and other receivables.

Note 14 Prepaid expenses

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Prepaid retailer commissions	7	13	7	13
Other interim receivables	136	103	107	74
Total	143	116	114	87

Note 15 Cash and cash equivalents

Cash and cash equivalents, SEK million	Group		Parent Company	
	2011	2010	2011	2010
Cash and cash equivalents/cash and bank	2,264	2,273	2,023	2,185
of which collateral on deposit from retailers	9	12	9	12

Note 16 Reclassification of cash and cash equivalents

Changes have occurred in respect of the Company's classification of cash and cash equivalents, which have entailed reclassification for the Group and Parent Company.

Current investments with a maturity of less than three months, which are subject to insignificant risk of value fluctuations and can easily be converted

into bank funds are now reported as cash and cash equivalents. The funds on gaming accounts that Svenska Spel's customers hold are reported as a current receivable. As a result of the changes in classification, adjustments have been made for previous periods in the table below.

SEK million	31 December 2010			1 January 2010		
	Amount reported in 2010 annual report	Amount reported in 2011 annual report	Reclassification	Amount reported in 2010 annual report	Amount reported in 2011 annual report	Reclassification
Group						
Current receivables	1,664	1,811	147	1,754	1,901	147
Current investments	107	654	547	953	208	-745
Cash and cash equivalents	2,966	2,273	-693	2,451	3,049	598
Parent Company						
Current receivables	2,159	2,306	147	2,273	2,419	146
Current investments	1,153	654	-499	980	208	-772
Cash and cash equivalents	1,832	2,185	353	2,294	2,920	626

Reclassification has also been conducted in respect of funds loaned to the State, which have been reclassified from current operations to financing

operations in the amount of SEK 100 million for the period 1 January–13 December, 2010.

Note 17 Equity

Group

Share capital

The registered share capital was 2,000 ordinary shares at 31 December 2010, at a par value of SEK 100 per share. Holders of ordinary shares are entitled to dividends that are retrospectively determined.

Statutory reserve

The Group has statutory reserves amounting to SEK 82,000 (82), of which SEK 40,000 (40) pertains to the Parent Company.

Accrued earnings

Retained earnings, including profit for the year, include profit in the Parent Company and its subsidiaries.

Distribution of surplus

The Government disposes of the Parent Company's profit after tax. The Company's profit for the financial year is loaned interest-free to the Swedish State.

Payments are made on a quarterly basis: 30 April, 31 July, 31 October and 15 February. Funds loaned are deducted from the dividend flowing a decision of the Company's AGM. For the 2010 profit, SEK 4,766 million (4,977) was paid to the owner, the Swedish State, following the decision of the 2011 AGM. In conjunction with payment, advances paid to the owner during 2010, amounting to SEK 1,200 million (1,300) were deducted. Over the course of 2011, SEK 1,200 million, relating to the profit for 2011, was loaned to the State.

Parent Company

AB Svenska Spel is 100-per cent owned by the Swedish State and is under the administration of the Ministry of Finance.

Non-restricted equity

This consists of non-restricted equity from the preceding year after any provisions are made to statutory reserves and profit distribution. Non-restricted equity is the amount available for distribution to shareholders.

Note 18 Earnings per share

The calculation of earnings per share for 2011 is based on profit for the year attributable to equity holders of the Parent Company in the amount of SEK 5,007 (4,766) divided by the average number of shares outstanding. Earnings

per share for 2011 totalled SEK 2,503 (2,383). The number of shares outstanding did not change during the year. No equity instruments have been issued that could cause dilution of equity.

Note 19 Unpaid winnings

Svenska Spel's liabilities consist of current and non-current winnings in accordance with an established prize scheme. Winnings that are due within 1 year are current and consist of Triss Månadsklöver and Tia Kalas-vinsten, which are paid during the year on an ongoing basis, as well as winnings in other games and lotteries.

Non-current liabilities comprise unpaid winnings that belong to the winners of Triss Månadsklöver that are paid out for up to 25 years in accordance with the standard prize scheme, and with certain campaign winnings may be paid out for up to 50 years. Tia Kalas was discontinued during the year, but there are payments to be made to winners for up to 10 years.

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Current liabilities				
Unpaid winnings, traditional games and lotteries	344	245	344	245
Unpaid winnings, Triss Månadsklöver <1 year	157	149	157	149
Total	501	395	501	395
Non-current liabilities				
Unpaid winnings, Triss Månadsklöver 1–5 years	560	526	560	526
Unpaid winnings, Triss Månadsklöver >5 years	855	762	855	762
Unpaid winnings, Tia Kalas 1–5 years	4	5	4	5
Total	1,419	1,293	1,419	1,293

Note 20 Other non-current liabilities

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Provisions for pensions	11	12	10	12
Subordinated debentures	15	15	15	15
Retailer collateral	9	12	9	12
Other non-current liabilities	1	1	—	—
Total	36	40	34	39

Subordinated loan consists of funds provided by the owner in conjunction with the construction of the Company's property in Visby. There is no specified settlement date for the settlement of the liability.

In certain cases, AB Svenska Spel requires retailer collateral based on individual assessment of each retailer which is held for the duration the retailer is active, hence making it noncurrent liability.

Pension provision

Pension provisions are calculated in the Parent Company according to the Pension Obligations Vesting Act and reported in the balance sheet as a non-current liability.

Alecta manages large portions of the ITP plans, which are insured via Collectum. Alecta's consolidation level was 113% (146) on 31 December 2011. The consolidation level is determined as the fair value of managed assets as a percentage of liabilities based on Alecta's actuarial assumptions. Alecta's calculation does not currently conform with the basis of calculation in IAS 19. In 2011, costs for the Group's pension insurance amounted to SEK 76.6 million (66.3), of which those taken out with Alecta amounted to SEK 34.6 million (38.5).

The funds at the disposal of Svenska Spel's Pension Fund do not fully cover Svenska Spel's pension commitments. The difference is recognised as a non-current liability in the balance sheet.

Note 21 Trade payables and other current liabilities

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Trade payables	295	276	224	225
Other liabilities	246	209	218	184
Employee-related expenses	85	83	—	—
Total	625	568	442	409

Accrued costs for the Parent Company are presented in Note 24.

Note 22 Settlement funds and funded winnings

Unclaimed winnings and payment rounding amounts are placed in the settlement fund for games and lotteries. Withdrawals from the settlement fund are used for payment of claimed winnings (claims), repayment to winning participants in various games and to increase winnings frequency

in lotteries. Funded winnings consist of current winnings per product and game. In the case of games, profits are allocated to the fund after the completion of games and series; while in the case of lotteries, profit is allocated when the lottery ticket is activated, meaning when the lottery starts.

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Settlement funds				
Provision at the beginning of the year	125	160	125	160
Change for the year	11	-35	11	-35
Provision at the end of the year	136	125	136	125
Funded winnings				
Provision at the beginning of the year	143	415	95	381
Change for the year	142	-272	132	-286
Provision at the end of the year	285	143	227	95

Note 23 Maturity structure for liabilities

Maturity dates, SEK million	Unpaid winnings	Trade payables	Settlement funds	Funded winnings	Other non-current liabilities	Total
Within 1 year	501	625	136	285	—	1,547
Within 1–5 years	560	—	—	—	21	581
More than 5 years	859	—	—	—	15	874
Total	1,920	625	136	285	36	3,001

Index-linked treasury bonds	
Maturity date	
Within 1 year	172
Within 1–5 years	319
More than 5 years	812

Note 24 Deferred income

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Prepaid stakes for multiple-week games	99	156	99	156
Other items	—	—	37	14
Employee-related expenses	—	—	48	47
Total	99	156	185	216

The Group's expenses for salaries, social security expenses and changes in holiday pay liability, etc. are recognised under Other liabilities, see Note 21.

Note 25 Leasing

Operating lease agreements

Group/Parent Company as lessee

All leasing agreements entered into by Svenska Spel are of an operational nature. Leasing agreements mainly relate to rent of office and casino premises. The Group's rental costs amount to SEK 78.4 million (68.4), of which SEK 71.5 million (61.0) pertains to rent on premises. The Parent Company's leasing costs for 2011 amounted to SEK 42.3 million (42.1), of which SEK 35.3 million (34.6) pertains to rent on premises. The Parent Company's rental costs for 2011 are SEK 42.3 million (42.1), of which SEK 35 million (34.6) pertains to rent of premises.

The casino in Sundsvall has a 30-year lease, while the leases for the casinos in Gothenburg and Malmö extend over 20 years. The leases contain an indexing clause for the annual calculation of rental payments. The Parent Company's rental costs pertain to office premises in Sundbyberg. The rental period is 10 years.

Operating lease agreements – Group/Parent Company as lessee, SEK million	Group		Parent Company	
	2011	2010	2011	2010
Within 1 year	58	60	31	33
Within 1–5 years	235	239	122	130
More than 5 years	283	306	35	68
Total	577	606	188	231

Operating lease agreements

Group/Parent Company as lessee

These agreements relate to the renting out of gaming and lottery terminals to retailers. After 5 years, the annual revenue from operational leasing

agreements, pertaining to the renting out of terminals to gaming and lottery agents, is assessed as amounting to about SEK 50 million annually.

Operating lease agreements – Group/Parent Company as lessee, SEK million	Group		Parent Company	
	2011	2010	2011	2010
Within 1 year	48	49	48	49
Within 1–5 years	192	197	192	197
Total	240	247	240	247

cont. note 25

	Group		Parent Company	
	2011	2010	2011	2010
Leased retailer terminals, SEK million				
Opening cost	146	146	146	146
Purchases for the year	—	—	—	—
Sales for the year	-1	—	-1	—
Closing cost	145	146	145	146
Opening depreciation	-137	-108	-137	-108
Depreciation for the year	-8	-29	-8	-29
Sales for the year	1	—	1	—
Closing depreciation	-144	-137	-144	-137
Carrying amount	1	9	1	9

Note 26 Contingent liabilities, pledged assets and future obligations

	Group		Parent Company	
	2011	2010	2011	2010
Contingent liabilities, SEK million				
Guaranteed amount on corporate acquisitions	—	4	—	—
Total	—	4	—	—

	Group		Parent Company	
	2011	2010	2011	2010
Pledged assets, SEK million				
Credit guarantees	1	2	1	1
Total	1	2	1	1

	Group		Parent Company	
	2011	2010	2011	2010
Future obligations concerning purchase of property, plant and equipment and other contracted commitments, SEK million				
Within 1 year	285	558	284	538
Within 1–5 years	126	174	126	169
More than 5 years	—	—	—	—
Total	410	731	410	707

The contractual commitments relate to sponsoring agreements and other major agreements with business partners.

Note 27 Affiliates**Group companies**

Internal pricing is implemented in accordance with the fundamental principle that prices are to be set as if the transactions were carried out between two independent companies. In 2011, the Parent Company purchased services from other companies in the Group at a value of SEK 0.0 million (0.0) and sold services to other companies in the Group at a value of SEK 7.2 million (7.5).

State-owned companies

During the year, the Group purchased services for substantial amounts from the following State-owned companies:

TeliaSonera AB	SEK 58.4 million (59.0)
Posten AB	SEK 30.6 million (28.5)

Swedish State

According to a licence issued by the Government on 22 December 2004 to organise lotteries, under Other provisions, item 8.5, the Company's profit during the financial year shall be lent to the Swedish State (National Debt Office). Payments are to be made on a quarterly basis on 30 April, 31 July, 31 October and 15 February. Advance funds are deducted from dividends following the resolution of the AGM for the year. On 5 October 1998, Svenska Spel was granted exemption from the provisions in Chapter 21, section 1 of the Swedish Companies Act with respect to the prohibition on loans. At year-end, funds on loan to the National Debt Office totalled SEK 1,200 million (1,200).

Note 28 Participations in Group companies

Parent Company's participations in Group companies, SEK thousand	2011	2010
Opening cost	141,466	141,466
Sale	—	—
Returned shareholders' contributions	—	—
Closing accumulated cost	141,466	141,466
Opening impairment*	-70,000	-70,000
Impairment for the year*	—	—
Closing accumulated impairment	-70,000	-70,000
Carrying amount	71,466	71,466

* Refers to the impairment of shares and participations in Svenska Spels Förvaltnings AB due to the carrying amount exceeding the consolidated net value.

Parent Company's participations in subsidiaries	Corp. reg. no.	Reg. office	Share of equity, %	Number of shares	Carrying value SEK 000s 31 Dec. 2011	Carrying value SEK 000s 31 Dec. 2010
Svenska Spels Förvaltnings AB	556597-7278	Visby	100	1 000	71,066	71,066
Keno AB (dormant)	556485-4304	Visby	100	1 000	100	100
Triss AB (dormant)	556485-4312	Visby	100	1 000	100	100
Bellman Casino AB (dormant)	556574-1682	Stockholm	100	1 000	100	100
Casino Cosmopol AB	556485-4296	Stockholm	100	1 000	100	100

Parent Company's participations in indirectly owned subsidiaries	Corp. reg. no.	Reg. office	Share of equity, %	Number of shares
CC Casino Restaurang AB	556586-7016	Stockholm	100	1,000
Casino Cosmopols Fastighets AB	556598-3409	Stockholm	100	1,000
AB Svenska Spels Servicecenter	556240-7881	Visby	100	1,000
AB Svenska Spels Internetservice	556485-4320	Visby	100	1,000
Playscan AB	556801-1935	Göteborg	100	1,000

Note 29 Profit from participations in Group companies

SEK million	Group		Parent Company	
	2011	2010	2011	2010
Anticipated dividend from Casino Cosmopol AB	—	—	554	536

Note 30 Uncertainty in estimates and assessments

Sources of uncertainty in estimates

Executive management has analysed significant uncertainties for the Group's development as well as core accounting policies. The following is a list of certain key risk factors that could affect Svenska Spel's business, financial position and profit.

Recoverability of capitalised development expenditures

At year-end, the Svenska Spel Group had capitalised development expenditures totalling SEK 185 million (2010). The expenditures pertain to several systems platforms for games operated by Group companies such as restaurant games of the Vegas type, as well as Triss, Stryktipset, Lotto, and Bingo, etc. Naturally, the ability to recover current capitalised development expenditure is dependent on future sales prospects for these games associated

with particular gaming platforms and the incomes they generate. The carrying amount of the platforms involved may be significantly affected should the income-generating opportunities for these platforms and their lifetime not prove reasonable.

Provision for future profit

Certain products such as Lotto and Joker, etc. have winnings schedules based on statistical probability calculations for the payout of winnings. Chance is a factor that affects the actual outcome. The follow up of outcomes is conducted continually and the statistical calculations are scrutinised in the event of the emergence of major deviations.

Note 31 Information about the Parent Company

AB Svenska Spel is a limited liability company registered in Sweden with Corporate Reg No.: 556460-1812. Its registered office is in Visby, Sweden. The Ministry of Finance manages the shares in the Parent Company.

The address of the head office is Norra Hansegatan 17, 621 80 Visby, Sweden. Svenska Spel's 2011 Annual Report was approved for publication by the Board of Directors on 16 March 2012.