

Annual Report 2009



SVENSKA SPEL





Financial Calendar 2010

AGM 20 April

The Svenska Spel AGM will be held on Tuesday 20 April in Visby, Gotland.

Interim reports

January–March	19 April
January–June	16 July
January–September	22 October

6–76

Annual Report

The Board and CEO of AB Svenska Spel, corporate registration number 556460-1812, with registered office in Visby, hereby submit the Annual Report and the Consolidated Financial Statements for the financial year 1 January–31 December 2009 presented on pages 6–76.

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Corporate Social Responsibility (CSR) report

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Corporate Governance Report

This describes Svenska Spel's corporate governance, management and administration and the manner in which the Board assures the quality of financial reporting and collaborates with the Company's independent auditors.

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Glossary

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2009 in summary



Meta Persdotter New CEO

Svenska Spel's new CEO, Meta Persdotter, started on 1 February 2009.

Read the CEO commentary on page 4.



Development of svenskaspel.se

Work has continued on the new design with a new lottery arena and improvements to Keno and Lotto. KenoXpress, "community functions" and live broadcasts from sporting arenas were launched in 2009.

Read more about the business areas on page 30.

Payback raised on Stryktipset

In 2009, Svenska Spel was authorised to raise the payback on Stryktipset from 46 to 65%. **Read more about Svenska Spel's gaming forms on page 26.**

Excellent year for numerous gaming forms

Net gaming revenue in 2009 for Lotto, Oddset and Vegas was amongst the best ever. **Read more about Svenska Spel's gaming forms on page 26.**

Key indicators, Svenska Spel

SEK million	2009	2008
Gross gaming revenue	22,175	22,559
Net gaming revenue	9,905	9,804
Net sales from gaming operations, etc.	8,096	8,071
Operating profit	4,921	4,985
Operating margin, %	21.9	21.9
Income for the year	4,977	5,108
Average number of employees	1,748	1,720

Response to Gaming Inquiry submitted

On 1 April 2009 Svenska Spel submitted its response to the Gaming Inquiry. Svenska Spel recommends alternative 1.

Read more about the Gaming Inquiry on page 12.

BingoLive halls closed

In December 2008 it was decided Svenska Spel would terminate its involvement in the seven BingoLive halls. In spring 2009 a contract was signed with a new operator, and since 1 July 2009 all former BingoLive halls are run by new operators. The Bingo Halls sales area was then closed. The BingoLive gaming form continues to exist on svenskaspel.se.

Read more about the business areas on page 30.



New Spelkort customer loyalty card launched

The new Spelkort loyalty card was introduced in autumn 2008, and completely replaced the former card in 2009. The new card is an initial step towards a future corporate-wide customer loyalty card with potential for broader content.

Read more about Spelkort on page 25.

Responsibility and sustainability

The process of integrating responsibility and sustainability issues into the business as a whole continued in 2009.

- Svenska Spel was one of the first operators in Europe to fulfil the responsible gaming requirements of European Lotteries.
- The Playscan tool ("Spelkoll") on svenskaspel.se now has some 40,000 users (35,000). Agreements were signed with French gaming company Française des Jeux and Swedish Miljonlotteriet regarding use of Playscan.
- The number of internet players has increased, while many have reduced their stakes after introduction of the weekly budget.
- Age verification was introduced in all Vegas gaming locations.
- Svenska Spel launched the Support Contact service in conjunction with Spelinstitutet.
- In 2010, Svenska Spel will provide SEK 3 million in finance for Spelinstitutet's Support Contact responsible gaming tool and self-help programme. In return, Svenska Spel receives valuable statistics and information from Spelinstitutet that can be used in developing responsible gaming tools.

Corporate Social Responsibility Report 2009

Svenska Spel's Corporate Social Responsibility (CSR) Report for 2009 starts on page 77. It is also available on svenskaspel.se.

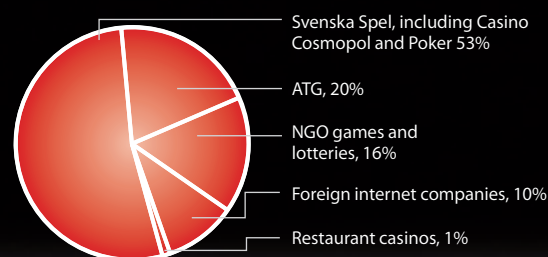
- Further retailers and business partners have been trained in responsible gaming.
- Increased control of retailer and business partner conformity to age-limit rules and identification checks.

18-year limit for lotteries introduced in 2010

In 2009 it was decided to introduce an 18-year limit for purchasing Svenska Spel lotteries in 2010. The 18-year limit is well established on other gaming forms (casinos have a 20-year limit). **Read more in the CSR Report on page 77.**

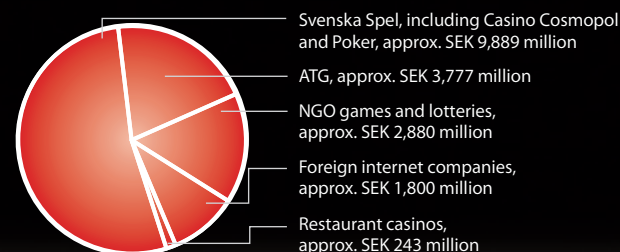
The total known Swedish gaming market 2009

Net market share %



Source: Preliminary statistics from the Swedish Gaming Board and Svenska Spel estimates of the net gaming revenue of foreign internet companies. These sources estimate the size of the total Swedish net gaming market to be approximately SEK 18,600 million (17,800) in 2009.

Net gaming revenue, SEK million



When consideration and profitability go hand-in-hand we've succeeded

Svenska Spel's mandate is something of a balancing act between profitability and social responsibility and were you to sum up the year in a single statement, it would be that it was a fascinating lesson in the art of selling in moderation to create winners – not losers.

My first year as CEO of Svenska Spel has been a meeting with an extremely exciting and solid company with many strong brands and with experienced and knowledgeable employees.

It has also been a meeting with a market leader whose unique position implies a leadership role in terms of responsibility as well as development.

Looking back at a year of new challenges

Svenska Spel's response to the Gaming Inquiry presented in December 2008 dominated the first quarter of 2009. In general, we support the Inquiry's proposal to tighten regulations on the gaming market.

The year has otherwise been dominated by a thorough value-base process that is becoming increasingly important for the Company. All employees have taken part and as we now go into 2010 we stand stronger than ever. The previous keynote idea of "responsibility ahead of profit" has been changed to "consideration for our customers with continued strong profitability". Svenska Spel is a unique player in the gaming market. An actor large enough and diverse enough to have values that reflect and-or, rather than either-or. We are convinced we will provide a credible offer of attractive, secure and entertaining games while also taking a strong gaming responsibility.

Svenska Spel wants to be the best sporting partner

In May last year the government made a decision on its "sporting proposition", which in part involved ending Svenska Spel's direct contribution to sports financing and replacing it with a government grant. Svenska Spel's sponsorship of sports will continue, however. As the good sporting partner

we wish to be, we will go on helping children and youth to continue to take part in sports as they grow older.

The essential art of selling in moderation

How do you encourage gaming that's fun and exciting at the same time as you discourage people from over-consuming? How do you deselect unhealthy revenues? Svenska Spel's business is a balancing act that occasionally comes under question. As it should be. Although gaming dependency is largely a problem amongst a small group of players, our commitment to counteracting gaming dependency is as strong as it is important. We regularly receive awards for our efforts but Svenska Spel can, and intends to be, even better. The wellbeing of our customers is fundamental to us.

This is why we are helping customers keep an eye on their gaming, using tools such as Playscan and by getting them to specify personal limits in terms of stakes and time on internet. It's why we're backing Spelinstitutet's Support contact operation, and why we are spreading information about where players with dependency problems and their relatives can get help. It's why we're broadening the benefits of Spelkort loyalty card and introducing an 18-year limit on purchase of lotteries in 2010. And it's why we're making more checks of retailers and business partners to prevent minors from gaming. We call this our gaming responsibility programme, a never-ending task.

We're looking forward to 2010

Svenska Spel is today a profitable company that views the future with confidence. However, we are also faced with major challenges. A potential deregulation of the market

would increase competition. More operators vying for attention from the same customers means each one has to shout louder than the next. And intensified marketing and a broader product range means more people risk having problems. Svenska Spel has four key objectives and as in any enterprise they are interrelated:

We want to be the first and best choice of players

To grow in terms of revenue and maintain a stable market share we want more people who game for moderate amounts to choose us. To succeed we have to offer innovative and attractive gaming experiences, while making it simple for people to join in and to share the experience with their friends. We want to be the first choice of customers in all segments.

An ongoing dialogue with customers helps us learn what they most appreciate, look forward to and consider important. Individual product brands are to be subordinate to the parent brand, Svenska Spel. From a competition perspective it is important that it is Svenska Spel – and not the games themselves – that delivers the most gaming pleasure, stands for the greatest customer consideration and is the primary mainstay for sports.

We will be the “decent company”

Svenska Spel is to be an exemplary, decent company and an integrated part of the community. We work in a deliberate and structured manner towards sustainable development, with strong business ethics and corporate governance, a high level of security and professional risk management, with consideration for the environment, customers, employees, owners, retailers and other partners.

We shall be the best alternative on the market in terms of reducing risk for gaming dependency by providing tools that help customers in time to become more aware of their gaming behaviour and potential risks involved. Gaming responsibility is to be as much a part of marketing as it is of the gaming operation itself.

We shall have good revenues, cost control and strong profit – even in the long term

Part of our mandate is to create a caring and responsible environment for gaming. If we are to succeed in this, we must maintain a high market share.



A supplement to the mandate from our owner, the Swedish State, states that the operation is to be run cost-effectively. It is our responsibility to maintain our costs on a reasonable level and operate our business as efficiently as possible. The investments we make and the money we spend should be done wisely and with consideration. Svenska Spel is to be a cost-effective organisation.

Our employees are to develop and enjoy their work

A company that is profitable in the long-term has professional and creative employees that enjoy their work, know what is expected of them and receive clear feedback on their efforts.

In a change process such as Svenska Spel is now facing, this makes leadership one of the most important success factors. Our leaders should inspire their employees to develop themselves, their colleagues and as a result, Svenska Spel. Together we will create a secure and sustainable environment where unconventional thoughts and ideas are not only welcomed but also encouraged, all under the one Svenska Spel banner.

We are well on the way, so a huge thank you to all employees for the great work you are doing and the enthusiasm you are spreading!

Visby, February 2010

Meta Persdotter

Chief Executive Officer

Annual Report

Directors' Report

The Board and CEO of AB Svenska Spel, corporate registration number 556460-1812, with registered office in Visby, hereby submit the Annual Report and the Consolidated Financial Statements for the financial year 1 January–31 December 2009 presented on pages 6–76.

If not otherwise indicated, all amounts are reported in SEK millions. Information in parentheses pertains to the previous year.

Significant events in 2009

First quarter

- On 1 February 2009 Meta Persdotter took up the position of new CEO for Svenska Spel.
- Following the Board decision in December 2008 to close the BingoLive halls, negotiations were held with representatives for the alliances and proposed operators. The contract with the alliances was terminated.
- In its response to the governmental Gaming Inquiry, Svenska Spel recommended alternative 1 – the proposal for a tightening of gaming regulations.
- On svenskaspel.se, the Spelstatus Poker service was launched along with community functions and live broadcasts of sporting events on Sportarenan.

Second quarter

- Svenska Spel became one of the first gaming companies in Europe to meet the responsible gaming requirements of European Lotteries.
- New vision and values for Svenska Spel were determined.
- A contract was signed with a new operator to take over the operation of all BingoLive halls from 1 July 2009. The Bingo Halls sales area was then closed.

Third quarter

- The government proposed in its budget proposal (2009/10:1) that Parliament ratify the 2010 Svenska Spel AGM's approval of funding to the sporting movement in the form of a SEK 500 million grant to the Idrottslyft sporting programme.
- It was decided the new organisation would take effect on 1 January 2010.
- The launch of Oddset XL – an expanded range of gaming objects in the programme.
- The Oddset Powerplay gaming form was launched.

Fourth quarter

- It was decided to introduce an 18-year limit on purchase of Svenska Spel's lotteries in 2010.
- Authorisation was received to increase the payback on Stryktipset to 65%.
- Svenska Spel decided to provide SEK 3 million in finance for Spelinstitutet's responsible gaming tool Support Contact and self-help programme in 2010.
- Key management presented a new business plan for Svenska Spel 2010–2012.

Svenska Spel's mandate

In conjunction with the AGM on 15 April 2009, the owner presented an information document for the Board of Svenska Spel. It included the owner's mandate for Svenska Spel. The following addition was made to the mandate in 2009: "The business is to be run cost-effectively based on its mandate." The mandate is otherwise unchanged from 2008.

- AB Svenska Spel is to arrange gaming and lotteries under licence from the government.
- AB Svenska Spel shall respond to consumer interest in terms of offering a reliable alternative to illegal gaming operations.
- A broad service is to be provided in both urban and rural areas.
- Social welfare is to be prioritised in the development of gaming forms and in the business as a whole.
- Risk of fraud and illegal gaming is also to be observed.
- Security in gaming management is to be maximised.
- Regulators should be able to maintain efficient and independent control.
- AB Svenska Spel shall adopt a prudential approach to new games and new markets.
- The Company is to maintain a responsible positioning in its marketing which reflects social engagement and prevents it being perceived as overly assertive.
- The business is to be run cost-effectively based on its mandate.

Svenska Spel's **operations and structure**

A comprehensive market analysis was made in 2009 along with a review of the business as a whole. This has resulted in a reformulated vision and value base, new strategies and an organisation that reflects the new base.

Owner relationship

AB Svenska Spel was founded in 1997 and is 100% owned by the Swedish State.

Articles of Association

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

Current licences

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

Lotteries and bookmaking at sporting events

The government licensed AB Svenska Spel to arrange public lotteries and bookmaking for money for the period 1 January 2010 to 31 December 2010.

Video Lottery Terminals (VLTs)

The government licensed AB Svenska Spel to arrange public gaming on VLTs for the period 1 January 2010 to 31 December 2010.

Casino gaming

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

Internet poker

The Government licensed AB Svenska Spel or its wholly owned subsidiaries to arrange and supply poker gaming on internet for the period 1 January 2010 to 31 December 2010.

Financial requirements from the owner

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

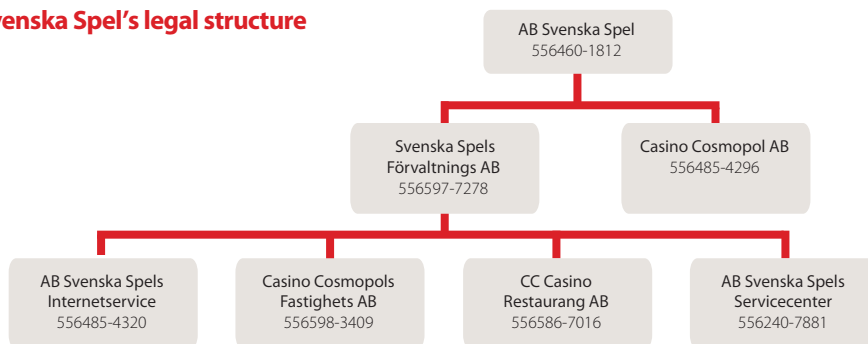
The government licence for AB Svenska Spel to arrange lotteries states that as much of the Company's profits as possible be loaned to the National Debt Office of the Swedish State during the financial year. Payments are to be made quarterly, not later than 30 April, 31 July, 31 October and 16 February.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

Legal and operative structure

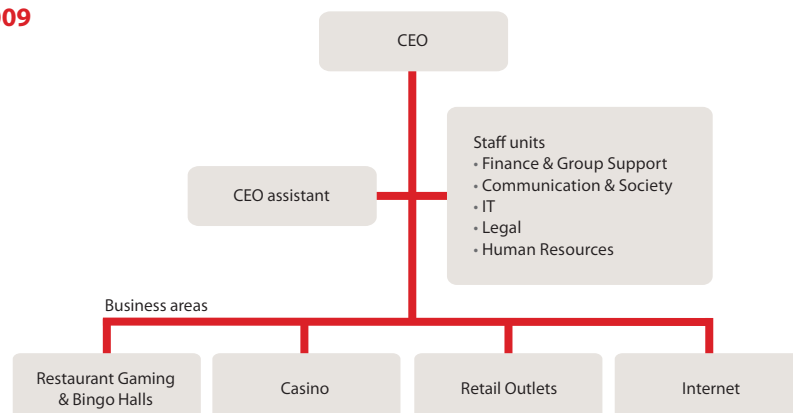
The Svenska Spel Group comprises the Parent Company AB Svenska Spel and subsidiaries Casino Cosmopol AB and Svenska Spels Förvaltnings AB.



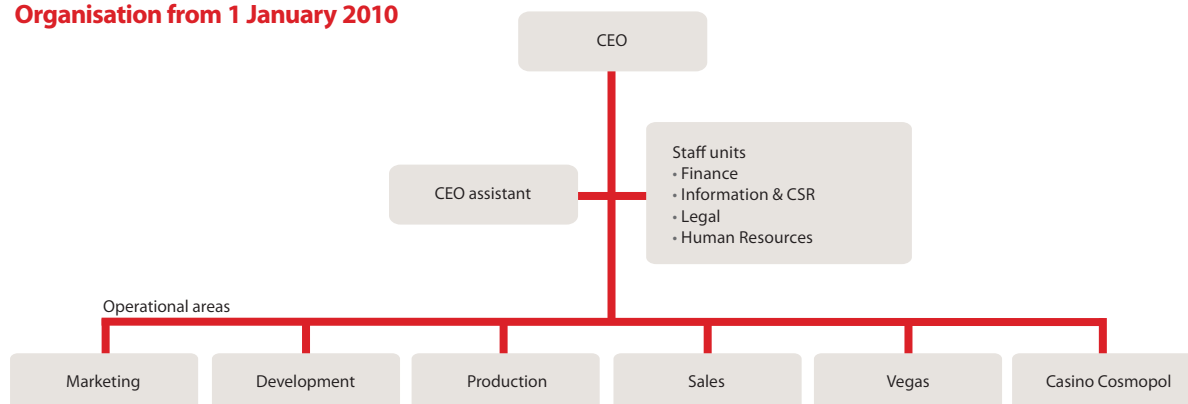
Svenska Spel's legal structure



Organisation 2009



Organisation from 1 January 2010





Svenska Spels Förvaltnings AB forms a subgroup comprising the subsidiaries AB Svenska Spels Internet-service, Casino Cosmopols Fastighets AB, CC Casino Restaurang AB and AB Svenska Spels Servicecenter. In addition, there is a number of dormant companies, see Note 27 on page 72.

Svenska Spel's organisation 2009

The organisation consisted of four business areas in 2009, some of which included sales areas, and five staff units. Business area managers and staff unit managers reported directly to the CEO.

New organisation from 2010

Key management conducted a review of the total business in 2009 that resulted in a renewed vision, values and mission and strategy. The Company is to become more process-oriented and this is reflected in a new organisation.

The new organisation which is effective 1 January 2010 no longer has any business areas, and instead has six operational areas and four staff units whose managers report directly to the CEO. ■

Svenska Spel's values

• Gaming pleasure and Working pleasure

We spread positive gaming experiences and enjoy our work.

• Consideration and Profitability

Our consideration for people and the environment leads to long-term profitability and sustainable development.

• Action and Reflection

We make smart decisions on a daily basis in line with our objectives and values.

Employees

The number of employees at the end of 2009 was 2,230 (2,312). This represents an average of 1,748 (1,720) employees during the year. The employee mix is 56% (56) men and 44% (44) women.

Salaries are individual and differentiated. Salary and salary development is based on work assignments, competency and performance. An annual salary review is made to analyse and identify any deviations from the adopted guidelines. Action plans have been developed as needed as a result of the reviews.

The outcome of Svenska Spel's 2009 employee survey shows that 89% are satisfied with working for Svenska Spel (86).

The health level, defined as the percentage of employees who have in the last 24 months had absence due to illness of less than 3.5%, amounts to 74.9% (76.6). Absence due to illness is 3.8% (3.8). Further information about employees is in Note 5 on page 59. ■

The Swedish gaming market

Gaming is becoming increasingly international, with internet companies based in foreign countries and cross-border cooperation. The growth in internet-based gaming companies in recent years has created disarray on the gaming market in a number of European countries, including Sweden.

In Sweden it is illegal for the general public to arrange gaming for money. For social welfare reasons and to check illegal gaming however, the government makes certain exceptions. Operators currently licensed to run gaming operations are the government via AB Svenska Spel, the horse racing business via AB Trav och Galopp (ATG) and NGOs, of which the primary operators are Folkspel (including Bingolotto), Bingo and Svenska Postkodlotteriet. Restaurant casino table gaming represents a minor part of the regulated gaming market. Numerous laws and regulations govern gaming arrangers and the Swedish Gaming Board (LI) is the central supervisory authority.

Games are sold via retailers, such as supermarkets, betting agencies, warehouses, petrol stations and non-profit associations. Restaurants, pubs and bingo halls are sales locations for Svenska Spel's Vegas VLTs. Gaming companies also have their own webshops. ATG has its own race tracks, sports clubs have bingo halls throughout the country, and Svenska Spel has casinos in Stockholm, Gothenburg, Malmö and Sundsvall.

Legislation bypassed on internet

Regulated gaming companies are encompassed by the same gaming regulations. However there are hundreds of foreign internet-based gaming companies, some of which are listed on the stock market, which target Swedish customers and bypass Swedish gaming legislation. Their product range is similar to that of the regulated gaming companies: betting on horses, poker, bingo, sports betting, number games and

lotteries. Some internet companies also offer casino games (card games, roulette, slot machines) in their webshops, which on the regulated market are strictly restricted to Svenska Spel's casinos and restaurant casinos.

The biggest foreign internet actors on the Swedish market are Ladbrokes, based in England, and Unibet, Expekt and Betsson which are based in Malta.

Illegal games may have billions in revenue

On the outskirts of the gaming market is the illegal market, the scope of which for obvious reasons is unknown. A 2003 estimate by the Swedish Gaming Board put the number of illegal gaming machines in Sweden at between 3,000 and 5,000 with a turnover of several billion SEK, and despite numerous crackdowns by police on gaming machines and providers, these illegal operations continue.

Governmental gaming inquiry presented in 2008

It is obvious that current Swedish legislation is inadequate to create order in the gaming market. The need for changed gaming regulation to strengthen social protection and counteract gaming dependency and criminality has increased as internet grows as a sales channel for gaming. The government therefore appointed a governmental gaming inquiry in 2007 to propose a sustainable Swedish gaming regulation that would also take EU legislation into account. In May 2008, a supplementary directive was added with the purpose of investigating the assumptions for partial sale of Svenska Spel. The final report, "A future





78%

of the adult population agrees fully or partially with the statement that state-owned gaming companies show greater responsibility for gaming dependency than private ones. The remaining 22% disagree completely.

Source: Svenska Spel's gaming survey, 2009



gaming regulation (SOU 2008:124)", was presented in December 2008 and distributed to the parties concerned which were to submit their responses not later than 1 April 2009.

The Inquiry presented three alternatives for a future gaming regulation, but recommended two of them for the government's consideration:

Alternative 1

The alternative is based on retaining and further tightening current gaming regulations, with no opening of the market to new operators. Maintaining the regulation necessitates a gaming policy with the overall purpose of counteracting gaming dependency and criminality.

Alternative 2

To address the problem of unregulated gaming on foreign websites, the Gaming Inquiry proposes a partially new model that permits new operators to arrange odds and pools gaming with the exception of horse betting. This new licence model would be regulated under the Lotteries Act and thus covered by other legislative regulations.

Response

In its response to the proposal Svenska Spel recommended Alternative 1. The Company emphasised the pressing need for new legislation and recommended a tightening of gaming regulations. Svenska Spel meanwhile rejected the market being opened to new operators, as this would potentially increase gaming and risk a greater incidence of gaming dependency problems. The alternative proposal to remove odds and pools betting from Svenska Spel was rejected for the same reasons.

Competition on internet hardens

The Lotteries Act makes it illegal for foreign gaming companies to market themselves in Sweden. It does not prevent internet companies from advertising in Swedish mass media and foreign TV channels that broadcast in Sweden. A 2009 study by Svenska Spel shows that some 50 gaming

85%

of Swedes are fully or partially positive to the current regulation of the gaming market.

Source: Svenska Spel's gaming survey, 2009

The source of the figures for gaming in Sweden is Svenska Spel's gaming survey, 2009: From 2 February to 2 April, a major postal survey was implemented of randomly selected Swedish residents aged between 16 and 75. The response frequency was over 54%. The number of survey responses was 3,190.

companies advertise in Swedish media and that they represent most of the increase in gaming advertising in recent years.

Svenska Spel's estimate of the total gaming market on internet shows an increase of 4.2% to approximately SEK 4,180 million in 2009. Market share for svenskaspel.se has declined to 29% (31).

Fewer and older players

Growing competition and the increasingly aggressive advertising campaigns of private operators have not caused the player base to increase. Svenska Spel's surveys show the base has steadily decreased over the past five years while the average age of customers has increased. That the gaming market has shown financial growth in this period is due to individual players spending more money on gaming than previously. Despite this, both the Svenska Spel survey and the 2009 survey by the Swedish National Institute of Public Health show that the proportion of players with gaming problems has remained at 1–2% over the past ten years.

The number of players on svenskaspel.se has increased in contrast to the overall gaming market (see the section on the Internet business area on page 37).



The known gaming market grew in 2009

The recession that prevailed in 2009 does not appear to have affected gaming very much. Net gaming revenue for the regulated gaming companies totalled SEK 16,789 (15,970) in 2009 according to the annual statistics of the Swedish Gaming Board.

If you add the foreign internet companies' share of net gaming revenue from the Swedish gaming market, the total known Swedish gaming market in 2009 amounts to some SEK 18,600 million (17,800).

Svenska Spel estimates 2009 net gaming revenue of the foreign gaming companies to be around SEK 1,800 million (1,800) which represents a market share of some 10% (10). Svenska Spel is market leader by 53% (55), ATG has 20% (20), NGOs 16% (14) and restaurant casinos 1% (1).

Svenska Spel has continued to promote the Spela Lagom concept, which encourages gaming in moderation, and started the football cooperation "Supporter team" 2009. Improved tools and aids to help customers control their gaming have also been added during the year.

EU affects the gaming industry

Governmental gaming inquiries have also been undermined in other European countries and the situation has not been addressed at an overall EU level. There are therefore no directives or regulations in EU legislation to regulate the gaming legislation or gaming policies of member countries.

To mutually address these gaming market issues, an initiative was taken during the French chairmanship in autumn 2008 to form a task force, the Gaming advisory council. The council's work has continued during the Swedish chairmanship.

The European Commission has previously stated that the Swedish Lotteries Act, and the legislation of a number of other member countries, is an offence against freedom of movement within the EU. The Commission has introduced a breach of treaty case (breach against the Treaty of Rome) against Sweden involving VLTs, sports betting and internet poker. The Swedish government has submitted its response

and the matter is on hold while the result of the governmental Inquiry is awaited. If the government's response is not accepted the cases may be taken up at the European Court of Justice.

The European Parliament took a different stance in March 2009 with a positive response to the Schaldemose Report (named after the Danish parliamentarian Christel Schaldemose who made the proposal). An overwhelming majority – 544 to 36 – backed the decision which primarily affects internet gaming, stating that gaming companies in the EU are to follow the legislation that applies in the country they do business and where the customers live. The European Parliament also presented initiatives to counteract problem gaming, such as advertising restrictions. The decision is however not legally binding but is rather a guideline for the European Commission and its member countries.

Assessments for 2010

In summary, it appears that the trends of recent years have also dominated the gaming market in 2009 and can be expected to continue in 2010:

- Social responsibility in focus for Swedish gaming politics with higher demands on gaming responsibility.
- Gaming companies' brands and responsibility are growing in importance as gaming forms lack differentiation.
- Continuing decline in the customer base on the total known Swedish gaming market.
- Increasingly strong competition.
- Continuation of unclear rules and conditions for operators in the industry.
- Growing number of unregulated foreign gaming companies establishing in Sweden and gaining public acceptance.
- Gaming is becoming increasingly international with cross-border ventures.

In the short term, Svenska Spel can maintain its leading market position in Sweden. In the longer term, a gaming regulation is necessary that comprises all operators of the Swedish market and creates order on the market. ■

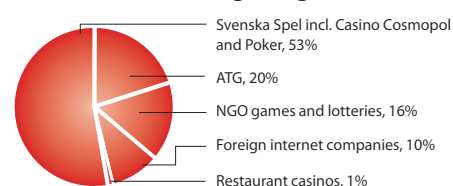
Facts about the regulated Swedish gaming market

The biggest games in Sweden¹

Gross gaming revenue, SEK million	2009	2008	2007	2006	2005
Vegas	7,464	7,371	7,093	6,811	6,830
V75	4,744	4,258	4,292	4,141	4,115
Triss	3,294	3,291	3,308	3,147	3,093
Lotto	2,881	2,658	2,532	2,350	2,255
Oddset	2,414	2,944	2,440	2,112	1,924
Sv. Postkodlotteriet	2,110	1,601	1,129	307	—
Dagens Dubbel	1,824	1,913	1,988	1,911	1,988
Vinnare, Plats	1,659	1,630	1,673	1,562	1,671
Keno and KenoXpress	1,392	1,403	1,337	1,322	1,221
Bingo	1,282	1,402	1,466	1,503	1,665
Casino Cosmopol ²	1,198	1,224	1,153	1,002	922
V65	1,180	1,172	1,186	1,185	1,311
V64	966	875	826	824	110
Tvilling	894	790	619	401	187
Joker	857	771	728	691	681
Bingolotto	722	675	924	1,064	1,257
Stryktipset	693	712	794	790	862
Restaurant casino	540	538	532	646	759
Miljonlotteriet	506	492	444	428	398
Kombilotteriet	416	400	354	338	331
Trio	379	365	347	369	442
BingoLive and Pick'n'click on svenskaspel.se	307	371	364	300	189
Poker on svenskaspel.se, rake ³	305	372	385	206	—

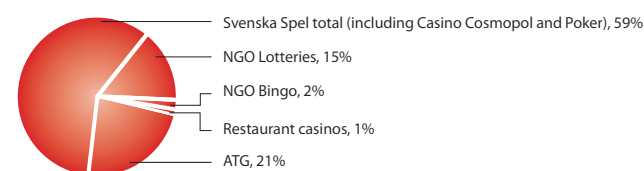
1. Gross gaming revenue per gaming form
2. Net gaming revenue reported, i.e. after payout of winnings
3. Rake is the fee that Svenska Spel takes out at the cash table, currently 2.5% of stakes.

The total Swedish net gaming market 2009



Source: Preliminary statistics from the Swedish Gaming Board and Svenska Spel estimates of the net gaming revenue of foreign internet companies.

The regulated Swedish net gaming market, 2009



Source: Preliminary statistics for 2009 from the Swedish Gaming Board.

The regulated Swedish net gaming market

Net gaming revenue, SEK million	2009	2008	2007	2006	2005
ATG	3,777	3,544	3,521	3,376	3,310
Svenska Spel incl. Casino Cosmopol ⁴	9,889	9,771	9,594	8,957	8,522
Total	13,666	13,315	13,115	12,333	11,832

NGO games and lotteries

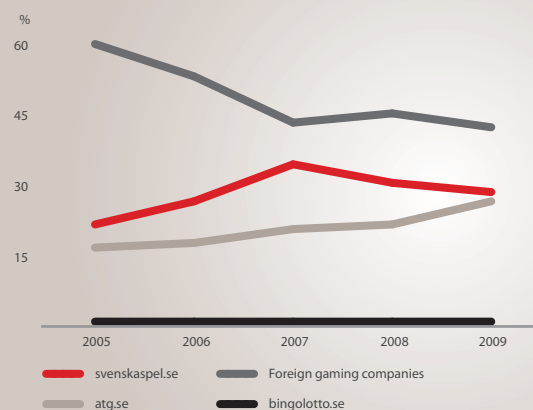
	2009	2008	2007	2006	2005
Bingo	372	392	425	430	489
National lotteries	2,453	1,964	1,959	1,551	1,359
Local lotteries	54	53	47	59	54
Regional lotteries	1	1	1	2	2
Total	2,880	2,410	2,432	2,042	1,904
Restaurant casinos ⁵	243	245	208	279	328
Total	16,789	15,970	15,755	14,654	14,064

4. The poker rake is included from 2006. Net gaming revenue from bingo games is not included, but is recognised under NGO games and lotteries.

5. There is a low response frequency from surveyed restaurant casino operators, which means the information on restaurant casino gaming is not as reliable as other areas.

Source: Swedish Gaming Board. 2009 values are preliminary or estimated.

Net market share, internet, 2005–2009



Source: The graph is based on actual net gaming revenue from Svenska Spel and ATG and estimated net gaming revenue of other companies. Other company estimates are based largely on Svenska Spel's regular market analysis.

Strategic direction

The Svenska Spel mandate has two aspects: Firstly, to offer attractive games to consumers and secondly, that this be done in a responsible and secure manner. The vision, mission and strategic direction are based on the mandate, as are the values.

The overall strategy has had three elements during the year: Customers' first choice, Responsibility before profit, and Sustainable development and stakeholder dialogue. In 2009, Svenska Spel's key management made a broad analysis of business intelligence as well as a review of how the Company is implementing the mandate and the processes and routines that are in place. The review has led to a reformulated vision, values, mission and strategy that reflect current conditions in the gaming market and changes in the market. As a result, a new organisation will be implemented in 2010.

"Svenska Spel sells positive gaming experiences for the general public, such that we fulfil our mandate from the owners, aim for world-class gaming responsibility, and provide our employees with personal development, work satisfaction and a meaningful job."

These are the contents of the mission that culminate in the following objectives:

- **Customer** – create a unified image of the company, so that customers meet the same Svenska Spel regardless of gaming form or distribution channel. Build on customer needs and gaming experiences and develop more tools that help customers keep their gaming under control.
- **Responsibility** – improve public opinion, and measure and monitor it with specific target figures; spread knowledge about the risks involved in gaming and how products and channels can be developed to promote healthy gaming.
- **Profitability** – maintain ongoing strong profitability, improve cost-effectiveness; clear division of responsibility.
- **Employees** – be an attractive employer and a strong brand; create clear, monitored goals for employees. ■

CEO on sustainability

"Svenska Spel's objective is to prioritise long-term sustainable development before short-term profit maximisation. One way for us to see if we are on the right track is to focus on healthy revenues. Key decisions are a matter of balance between community responsibility and short-term revenue."

Read more in the CSR Report on page 77.



Vision

Every stake is important, in a Sweden where gaming pleasure and community value go hand in hand.

Mission

Svenska Spel sells positive gaming experiences for the general public, such that we fulfil our mandate from the owners, aim for world-class gaming responsibility, and provide our employees with personal development, work satisfaction and a meaningful job.

Objectives and achievements

Income for the year, SEK 4,977 million, represents a decline of 2.6% in relation to 2008 income.

Financial objectives and achievements

The Group's financial control objectives are primarily based on the income budget set by the Board prior to the start of the financial year. At the board meeting after mid-year a review of the annual budget is presented with a year-end forecast. The following objectives and achievements were presented for 2009:

SEK million	Budget	Forecast	Outcome
Income budget/forecast			
Operating profit	5,003	4,824	4,921
Profit after financial items and tax	5,094	4,879	4,977

Non-financial objectives and achievements

- Employee satisfaction index: Objective 80%, outcome 89%
- Leadership index: Objective 80%, outcome 68%
- Health index: Objective 80%, outcome 71%
- Absence due to illness: Objective <3.5%, outcome 3.8%
- Positive attitude to Svenska Spel brand: Objective 60%, outcome 55%.

A management development programme for new and existing managers is being arranged in 2010 that aims harmonise leadership with the Svenska Spel mandate, reformulated vision, mission, values and strategies which form the base of the new organisation from 2010.

Further information about objectives and achievements for non-financial objectives is available in the CSR Report on page 77.

Financial information, Group

Policies for revenue recognition

From the fourth quarter 2007, revenue from gaming operations is recognised as a net amount instead of the previous gross amount which was broken down into gaming revenue and paid-out winnings, retailer commissions and other revenue. The net amount is called 'Net revenue from gaming operations, etc.' in the consolidated statement of comprehensive income.

This is because lotteries and games arranged by Svenska Spel are based on a redistribution of paid-in funds between participants in lotteries and games. Svenska Spel provides the platforms that enable customers, for entertainment purposes, to redistribute funds between participants in lotteries and games. The payments made by buyers of lotteries or games are therefore deemed largely to be made on behalf of participants. This means Svenska Spel's revenue is

not totally received on its own behalf as it consists of the net surplus generated from the provision of platforms for various games and lotteries.

Parent Company

The Parent Company comprises all gaming operations other than casino operations. Net gaming revenue in the Parent Company amounted to SEK 8,707 million (8,580) in 2009. The Parent Company's share of consolidated net gaming revenue is 87.9% (87.5). Profit after financial items and tax amounts to SEK 4,970 million (5,121), a decline of SEK 151 million or –2.9%.

Investments in property, plant and equipment were SEK 236 million (252) and investments in intangible assets were SEK 35 million (53). Net investments in financial assets totalled SEK 687 million (129).

The average number of employees is 752 (768), of which 62% are men (61).

Group

Net gaming revenue totalled SEK 9,905 million, an increase of SEK 101 million compared to the previous year. The Restaurant & Bingo Halls business area increased by 2.6% and the Retail Outlet business area increased by 2.1% compared to 2008. The Internet business area and Casino business area declined by 2.8% and 2.1% respectively.

Net revenue from gaming operations, etc. totalled SEK 8,096 million, an increase of SEK 25 million or 0.3% compared to 2008.

Finance income and expenses totalled SEK 56 million (123). The weakening can largely be attributed to market development of interest levels.

Consolidated income after financial items and tax for 2009 totalled SEK 4,977 million, a reduction of SEK 131 million (2.6%) in comparison with 2008. The decline in income is largely due to costs for investments made in recent years along with costs for closing the joint operation with the Bingo alliances. ■



Group

SEK million	2009	2008	Change, %
Gross gaming revenue	22,175	22,559	–1.7
Net gaming revenue	9,905	9,804	1.0
Net sales from gaming operations, etc.	8,096	8,071	0.3
Operating profit	4,921	4,985	–1.3

SEK million	2009	2008	Change, %
Profit after financial items and tax	4,977	5,108	–2.6
Operating margin, %	21.9	21.9	
Total assets	8,000	7,912	1.1
Equity	4,977	5,108	–2.6
Cash flow from operating activities	5,737	4,762	20.5
Purchases of property, plant and equipment	256	419	–38.9
Investments in intangible assets	35	65	–46.2
Net investments in financial assets	81	224	–63.8
Equity ratio, %	62.2	64.6	
Market share regulated market, %	59	59	
Earnings per share, SEK thousand	2,488	2,554	–2.6

Brand management

The Svenska Spel brand is marketed alongside the major product brands. Svenska Spel's marketing follows the Company's own ethical guidelines as well as those of the industry and is particularly restrictive for certain games.

**Spela
lagom!**

VÄLKOMMEN IN I HELA SVERIGES FOTBOLLSKLUBB

På lördagar vallfärdar 1,2 miljoner svenskar till en och samma arena. Entrén ligger vid alla spelbutiker, datorer och mobiler du kan hitta. De bästa sittplatserna finns i första bästa tv-soffa. Där har du veckans största fotbollsfest och du är inbjuden. Vi ses på lördag klockan 15.55.

STRYKTIPSET

Svenska Spel is market leader in an increasingly competitive gaming market. The regulated Swedish gaming companies compete with foreign-based internet companies that can bypass the Swedish gaming regulation and market directly to Swedish customers.

Professional marketing and PR measures are needed for Svenska Spel to be able to maintain a clear role on the gaming market. The primary objective of marketing is not to increase total gaming but to channel gaming from risk-filled gaming environments to Svenska Spel's comparatively secure gaming arenas. Responsibility and consideration are an important and natural part of the commercial position.

Parent brand

Svenska Spel's brand is strong with high recognition and is loaded with gaming pleasure, a strong product portfolio, gaming responsibility and the heritage of its longstanding partnership with Swedish sport.

In the past four years, Svenska Spel has worked to connect its product brands with the parent brand. The Svenska Spel "winner" logo is an integrated part of the products' image.

In its quarterly image survey, Svenska Spel ranks as the number one gaming company in Sweden in gaming responsibility.

The parent brand has communicated gaming responsibility from a number of perspectives in 2009: The age limit has been highlighted, as has the time aspect of gaming and the "Spela lagom" moderate gaming message. In the "Thanks for your effort" concept, all the enthusiasts that make Swedish sport possible are given a round of thanks. On supporterlaget.se, Svenska Spel has highlighted the vitality in Swedish football.

Product brands

The above image survey grades the Svenska Spel games of Triss, Stryktipset and Lotto with top points. Along with Oddset, these are also the most marketed gaming forms. Campaigns such as the Triss "Suddenly it happens", Lotto's Dream winnings,

Stryktipset's 75th anniversary and the launch of Oddset's new Powerplay were noteworthy in 2009. Sports games are also subject to the most competition. They are considered to have less risk for problem gaming than products such as gaming on Vegas VLTs and casino gaming, which are therefore marketed on a very limited basis.

Svenska Spel and its most popular gaming forms have very high recognition levels and image values. Despite fewer people gaming, the market showed an increase in net revenue in 2009 due to many players increasing their stakes. Customers have also become older. Attracting younger players in future is a challenge for Svenska Spel.

Regulated marketing

Svenska Spel follows the appropriate laws and regulatory requirements under its licence, along with ethical guidelines of the European Lotteries and Toto Association and those of the ethical council of the gaming industry ("SPER") which have been developed in conjunction with industry colleagues in Europe and Sweden.

Billions to winners

Gaming is a pleasure for most, some added excitement and an entertaining break from daily life. Gaming is often also something shared with others, in the mutual hope that a small stake will pay off many times over. Each week Svenska Spel receives positive media coverage – usually about its winners.

In 2009 Svenska Spel (excluding Casino Cosmopol) paid out winnings of SEK 12,269,924,391 (12,754,150,393). Of this, 330 winnings (308) were worth one million SEK or more. The year's highest winning was in January when a Stockholm winner had seven correct on Joker and won the maximum amount of SEK 30 million. Sweden's biggest casino winning to date, SEK 18,159,970, occurred in June 2009. Stryktipset also noted a record when a player won SEK 10 million in conjunction with the anniversary campaign in October 2009.



Partnership with sport

Svenska Spel has for many years worked closely with Swedish sport. Sports gaming is based on gaming objects from most sports and Svenska Spel is main sponsor for the major associations: football, ice hockey, handball, bandy and indoor bandy.

The Swedish Sports Confederation (RF) received SEK 500 million from Svenska Spel's 2009 surplus for its special programme called *Idrottslyftet*.

In early 2009 the government decided to invest in an association-wide elite sports programme. As part of the Svenska Spel surplus, SEK 135 million was earmarked for this project to enhance Swedish elite sports. The Swedish Sports Confederation contributed an additional SEK 6.8 million to the project, SEK 100,000 per elite association. The Confederation funded this from the partnership agreement with Svenska Spel in which Svenska Spel is the main sponsor for the three years from 2009. The agreement, signed in December 2008, is worth a total of SEK 60 million with most of the money earmarked for broad sporting activities.

The Confederation's vision is to create "the world's best sports". This comprises values such as pleasure, democracy, equal right of participation and good sportsmanship. The partnership between Svenska Spel and the Sports Confederation enables training for leaders and active members to help promote healthy values in sport.

In a similar spirit, Svenska Spel started its "Supporter team" programme in October 2009, a collaboration with the 16 football clubs in the Swedish League to improve supporter culture in football stands.

The Svenska Spel community prize also helps promote the positive energy in Swedish supporter culture. The winner of the 2009 prize of SEK 200,000 was Malmö Football Club. A total of SEK 800,000 was paid out to 14 football clubs for their community projects.

Support for research

In recent years Svenska Spel has supported various forms of research into gaming, for instance at Gotland University and through research scholarships. An example of this is the collaboration Svenska Spel has had with the Swedish Brain Foundation since September 2008. Svenska Spel is financing the Foundation with SEK 5 million per year over

five years to back key research into brain dependency conditions. The purpose is to learn more about how dependency conditions arise and how they can be prevented and treated.

Fewer and older customers

The fight for the customer has hardened on the gaming market while the total number of customers has declined in recent years. Svenska Spel's 2009 survey shows that the share of the population who play has declined from around 86% in 2005 to around 80% (approximately 5 million people) today. Some 71% of the adult population in Sweden are currently Svenska Spel customers, a decline of 6% over five years. The fact that less people play in general doesn't however prevent individual gaming forms and sales channels such as *svenskaspel.se* and Casino Cosmopol from gaining more customers.

The proportion who play some form of game each week has declined from around 29% to 25% over the past five years. In general the average age has increased. The share of players with gaming problems has remained basically the same over the years at 1–2%, but problem gaming has however increased in younger age groups.

The basis of all customer care is ensuring that customers find enjoyment in the products and services provided. Svenska Spel must do everything it can to forestall any potential problems arising from its operation and prevent them where possible. It should also satisfy the varying needs of customers for positive gaming experiences, fun gaming products, product development, information, nationwide distribution and safe and secure gaming administration.

New marketing organisation

The new Marketing operational area was established in 2009 with a new marketing director who is a member of key management. In line with the cost-effectiveness required by the mandate, the Marketing operational area incorporates sponsorship and certain PR functions, market analysis and the Spelkort loyalty card so it can optimise synergies between various marketing efforts. The ambition is to more closely connect Svenska Spel's parent brand with its product brands to unify marketing programmes that have previously been spread over various staff units and business areas. ■

Corporate “Spelkort” customer card

Spelkort is a key part of the Svenska Spel brand. In 2008 Svenska Spel developed a new card with more services and greater future potential. The previous card was gradually phased out in 2009 and replaced with the new Spelkort. Spelkort enables Svenska Spel to offer a range of services and benefits:

- Automatic monitoring of winnings.
- “My settled games” – customers can receive their latest finalised bets on a single receipt regardless of whether they took place on svenskaspel.se, in a betting shop or via mobile phone.

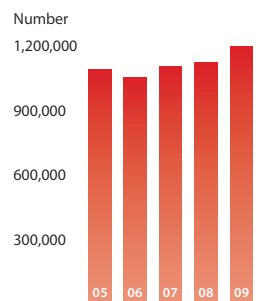
- Access to “My pages on svenskaspel.se” where customers can see completed and ongoing bets.
- Expert tips on svenskaspel.se
- Discount offers, newsletters, etc.
- Competitions, such as Swedish championship Tips-SM.

The Spelkort card is compulsory for the approximately 400,000 svenskaspel.se customers and gives them access to various tools to control their gaming, such as the Playscan tool used by some 40,000 players. Spelkort is also compulsory for gaming on

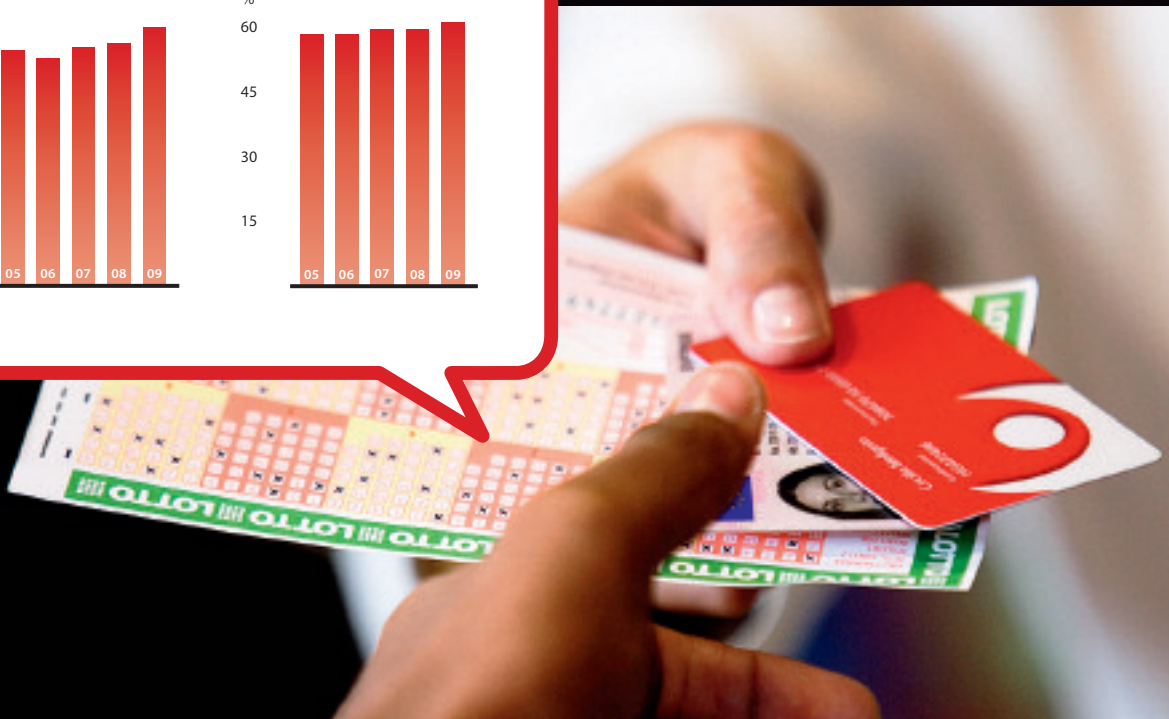
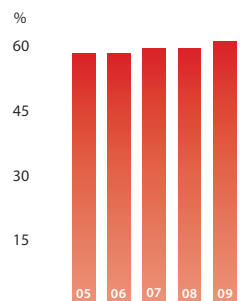
singles and doubles on Oddset. Some 20% of retail customers, more than 900,000 customers, use Spelkort. The card is held by around 1,264,000 customers, an increase of approximately 15% since 2008.

Svenska Spel ultimately aims to offer a Spelkort that covers all its gaming forms and distribution channels, where this is technically possible and permitted by regulations. Spelkort cannot be used today for purchase of lotteries in stores, with Vegas gaming or in the casinos. Spelkort is free to customers. The card is personal and can be applied for on svenskaspel.se and at retailers, who receive commission for new registrations. Applicants must be over 18 and be registered residents of Sweden.

Number of customers with Spelkort card



Share of retailer sales registered on Spelkort card



Svenska Spel's gaming forms

Svenska Spel has a broad range of gaming forms. They are grouped in the following gaming categories: sports betting, number games, lotteries, gaming on Vegas VLTs, casino gaming and poker on svenskaspel.se.

Total net gaming revenue for 2009 was SEK 9,905 million (9,804), an increase of approximately 1% in comparison with 2008.

Sports betting

Sports betting consists of Oddset and the football-based betting forms Stryktipset, Europatipset, Måltipset and Topp-tipset. They can be played at retailers, on svenskaspel.se and to some extent via mobile phone.

Net gaming revenue for sports gaming in 2009 increased to SEK 1,477 million (1,419), some 15% of Svenska Spel's total net gaming revenue.

The betting game Oddset is the most popular form of sports betting and shows an increase of 8.7% since last year, which makes 2009 net gaming revenue for Oddset one of the highest ever. Oddset is a joint name for the games Lången, Matchen, Bomben, Mixen and the new Powerplay. During the year the Oddset programme was expanded to increase player options. The launch of Powerplay, which is based on ice hockey, was an immediate success. The live gaming concept, where bets can be made during the match, has grown in popularity.

Classic football betting – with Stryktipset as Svenska Spel's 75-year old flagship – is declining in favour of faster games with more immediate results. An exception is Topptipset which was introduced in 2008 and is showing strong growth. In addition to Swedish players, the Stryktipset pool also includes players from Denmark and Iceland. In 2010 Svenska Spel is raising the payback on Stryktipset from 46% to 65%.

The development of sports betting is closely related to interest in the sports it is based on, particularly Swedish successes and setbacks. Sports betting is far more than just a source of income for Svenska Spel. The connection to sport represents a substantial part of the Company's culture and history.

Number games

Svenska Spel's number games are Lotto, Keno, Joker, Viking Lotto and the internet games BingoLive and Pick'n'Click. The first three can be played in retail outlets as well as on svenskaspel.se. Viking Lotto is only available in-store, while BingoLive and Pick'n'Click are only available on svenskaspel.se. BingoLive was also available in Svenska Spel's seven bingo halls until 1 July 2009.

Number games are the biggest gaming category, and had an increase in net gaming revenue in 2009 to SEK 2,905 million (2,815). They represent some 29% of Svenska Spel's total net gaming revenue.

Lotto is the giant of the number games and Svenska Spel's third-biggest single gaming form, in terms of net gaming revenue, after Vegas and Triss. The 2009 trend was positive, an increase of 8.3% that was largely due to the strong interest in the super jackpot Dream winnings (seven correct on Lotto plus at least two correct on Joker on the same ticket). Marketing of Lotto received international acclaim when European Lotteries awarded prizes to two advertising films.

The supplementary game Joker can be found on Lotto and betting coupons. Lotto players have the greatest interest in Joker, which is why the Joker trend largely follows

Lotto trends. In 2009 Joker's net gaming revenue increased by 4.8%.

Keno expanded during the year with the fast game KenoXpress on svenskaspel.se, which is drawn as soon as the stake is paid. Keno is the second biggest number game after Lotto, but showed a slight decline in 2009 of -0.6% from 2008.

The numbers game Viking Lotto has for many years been a partnership between gaming companies in Sweden, Norway, Finland, Denmark, Iceland and Estonia. It is a small game in Sweden with a receding trend, but does better in a number of the other countries.

Bingo is a gaming form which for many years has had declining interest in the bingo halls, but which has found a niche on internet where it is part of the range on many

gaming sites and is showing strong growth. Svenska Spel's own internet games, BingoLive and Pick'n'Click, declined however by 17.2% in 2009.

Lotteries

Svenska Spel's lotteries are Triss (with the DubbelTriss and Jättetriss variations), Tia, Penning and the Skrap-Spel scratch range consisting of Skrap-Pyramid, Skrap-Kryss and Skrap-Bingo. They can be purchased individually or in pre-packaged lottery packages. The heading "other lotteries" includes temporary campaign lotteries of different types, often with short duration, such as Minilotten and Lucky Star. Lotteries can be purchased at retailers and on svenskaspel.se. Triss and Tia can also be purchased via associations and mobile phones. Svenska Spel provides a subscription service for Triss.



Stryktipset celebrated its 75th anniversary ... and players can look forward to 65% in paybacks!

Among Svenska Spel's gaming forms, only Penninglotten is older than Stryktipset. The 75-year old "Stryket" lives on with a loyal customer backing of 1,200,000 players per year.

During the anniversary campaign in October 2009, only a single player in Malmö succeeded in getting 13 right and received the biggest ever winning on Stryktipset: SEK 10,000,000.

- Stryktipset was involved in Sweden's very first legal betting round on 20–21 October 1934, arranged by the then newly-founded AB Tipstjänst. Two coupons were printed, one with Swedish football matches and the other with English. The other gaming forms in 1934 were Siffer-

tipset (closed in 1980) and Pooltipset (closed in 1962).

- On the original coupon you could pick the home wins, draws or away wins in 12 matches. The stake per row was SEK 0.25. There was initially no limit on winnings, but a SEK 75,000 gross ceiling was introduced the following year.
- In 1969 "the twelve" disappeared when 13 matches were introduced. The same year Swedish television broadcast the premier "Tipsextra", a programme that noticeably increased interest in Stryktipset.
- In 1979 the first major advertising campaign for Stryktipset was run: Stora Tippareda'n, with the surplus going to sports clubs.



Prince Bertil places a bet in 1979.

- In 1995 modern online technology took over the processing of pools coupons and manual handling was a thing of the past.
- In 2007 Topptipset was added to the coupons. The players adopted the new concept immediately and Topptipset became a hit.
- In 2009 Svenska Spel received authorisation to raise the payback on Stryktipset to 65%.

Net gaming revenue for lotteries declined somewhat in 2009, to SEK 1,939 million (1,963) and represents nearly 20% of Svenska Spel's total net gaming revenue.

By far the biggest lottery is Triss, in terms of net gaming revenue, number of customers, recognition as well as popularity. No other gaming form has such high acceptance; Svenska Spel's 2009 survey shows that 4.3 million Swedes purchased Triss during the year. Net gaming revenues in 2009 have remained at almost exactly the same level as 2008.

The general decline in the lotteries product category is thus not due to Triss, but to the other lotteries losing ground. Tia, in particular, declined by around 6%. To counteract the negative trend, Tia Kalasvinsten with monthly winnings was launched in 2009, based on the same concept as Triss Månadsköper.

Vegas

Vegas is a VLT game that includes a range of different games. It is Sweden's biggest single gaming form in terms of net gaming revenue and offers primarily wheel games with various themes as well as video poker. Wild Life was the most popular game in 2009. The maximum stake for Vegas gaming is SEK 5 and the highest winnings SEK 500.

Vegas net gaming revenue totalled SEK 2,081 in 2009 (2,011), which represents 21% of Svenska Spel's total net gaming revenue.

As VLT gaming is considered one of the gaming forms most likely to create gaming problems and gaming dependency, Vegas is encompassed by many restrictions and requirements. The game is only marketed on a highly limited basis and before it commences, players must verify their age.

Svenska Spel has a monopoly on VLTs in Sweden. Vegas is only located in selected licensed restaurants or in bingo halls with bingo licences. A gaming location may not have more than five Vegas VLTs and their revenue should not dominate the business. The total number of VLTs that Svenska Spel can install throughout the country is restricted to 7,500.

Casino games

Sweden has four casinos – in Stockholm, Gothenburg, Malmö and Sundsvall – all run by Svenska Spel subsidiary Casino Cosmopol AB. The casinos have table games (roulette, dice and card games) and slot machines.

Casino games had net gaming revenue in 2009 of SEK 1,198 million (1,224), and thus represent some 12% of Svenska Spel's total net gaming revenue.

There is a high level of gaming responsibility and security at the casinos. Gaming and responsible gaming information is displayed throughout the premises, including on large multimedia screens. Personnel have extensive training in matters relating to gaming problems. The marketing of the casinos is limited. Campaigns are run to promote the overall casino concept with gaming, restaurants and entertainment in central, culturally historic premises.

Svenska Spel casinos and operators of restaurant casinos have sole right to casino gaming in Sweden, but foreign-based internet companies provide casino gaming on their sites for Swedish players.

Poker

Svenska Spel offers poker gaming on svenskaspel.se and at the casinos.

Net revenue in 2009 for poker on svenskaspel.se declined to SEK 305 million (372), which represents 3% of Svenska Spel's total net gaming revenue. Revenue from poker at the casinos is included in the total net gaming revenue for casino gaming.

When poker started on internet it started a trend which the mass media referred to as a poker boom. Internet poker rapidly became one of the most popular games with foreign-based internet companies, as well as on svenskaspel.se. The boom has weakened over time and interest in poker on internet has stabilised.

Interest in poker continues to grow steadily at the casinos, however, and Casino Cosmopol arranges poker tournaments and "cash games". ■

Svenska Spel's gaming forms, net gaming revenue and sales channels

	Net gaming revenue							
SEK million	2009	2008	Restaurants	Bingo halls	Casinos	Retail outlets	Associations	Internet
Sports betting								
Oddset	766	705				●	●	●
Stryktipset ¹	383	394				●	●	●
Europatipset ¹	131	139				●	●	●
Måltipset	120	121				●	●	●
Topptipset	77	60				●	●	●
Number games								
Lotto	1,585	1,463				●	●	●
Keno och KenoXpress	627	631				●	●	●
Joker	478	456				●	●	●
Viking Lotto	45	46				●	●	
BingoLive and Pick 'n' Click on svenskaspel.se								
	154	186						●
BingoLive in bingo halls (to 30 June 2009)	16	33		●				
Lotteries								
Triss	1,682	1,681				●	●	●
Tia	111	119				●	●	●
Skrap-Spel	110	111				●		●
Penninglotten	10	12				●		
Other lotteries	26	40				●	●	
VLTs								
Vegas	2,081	2,011	●	●				
Casino games								
	1,198	1,224			●			
Poker								
Poker on svenskaspel.se	305	372						●
Livepoker ²					●			
Total	9,905	9,804						

1. Including Dubbelvinsten

2. Included in casino games



Development by business area 2009

In 2009 Svenska Spel's organisation consisted of four business areas and five staff units. The business areas are: Restaurant Gaming & Bingo Halls, Casino, Retail Outlet and Internet.



Net gaming revenue by business area 2009

Net gaming revenue, SEK million	2009	2008	Change, SEK million	Change, %
Restaurant Gaming & Bingo Halls business area	2,098	2,044	54	2.6
Casino business area	1,198	1,224	-26	-2.1
Retail Outlet business area	5,388	5,280	108	2.0
Internet business area	1,221	1,256	-35	-2.8
Svenska Spel total	9,905	9,804	101	1.0

Restaurant Gaming & Bingo Halls business area

The business area is responsible for the Vegas VLTs installed in the 2,187 restaurants and bingo halls (2,229) throughout the country that have a business partnership with Svenska Spel. A total of 6,576 VLTs (6,818) are installed at these business partners.

The Bingo Halls sales area was closed subsequent to Svenska Spel's exit on 1 July 2009 from the BingoLive halls it had run since 2007. Most of the country's bingo halls have Vegas VLTs on their premises.

The Restaurant Gaming & Bingo Hall business area had 2009 net revenue of SEK 2,098 (2,044), which represents approximately 21% (21) of Svenska Spel's total revenue of SEK 9,905 million (9,804).

The business area markets Vegas on a very limited basis and is particularly protective to prevent problem gaming arising. The business area trains business partners in responsible gaming and spreads knowledge via reminder campaigns, information material and a special website.

Age verification and age control

There is an 18-year age limit for gaming on Vegas. Installation of age verification on Vegas VLTs started in 2008 and was completed in June 2009. Customers must now enter

their date of birth before they can start playing and if they are younger than 18 the game will not start. The player's date of birth is printed on any winnings tickets and the ticket must be presented with identification before the winning can be paid out. Age verification gained rapid acceptance amongst players and business partners.

Two different types of control are regularly made of Svenska Spel business partners to ensure they are preventing underage gaming on Vegas VLTs. One method is test visits by a person between 18 and 20 who plays on Vegas and should therefore be asked for identification by personnel. The other is gaming location controls, which involve a general review of the gaming location to check factors such as the number of young people on the premises and if personnel ask players for identification.

Svenska Spel also checks any instances of illegal gaming machines at its business partners. When this occurs, the Swedish Gaming Board is notified and the business partner advised to remove the machines. If this is not done, Svenska Spel terminates the partnership. No business partners were terminated (17) in 2009 for breaking the terms of their agreement. Control of Svenska Spel business partners' adherence to age controls is conducted constantly. It occurs



Restaurant Gaming & Bingo Halls business area

Significant events in 2009

- In June 2009, age verification was applied at all Vegas gaming locations.
- An investment in 1,450 new Vegas VLTs was made during the year.
- Five new games were launched.
- The new central system was tested during the year.
- More test visits were made with significantly improved results during the year.
- A contract was signed with a new operator to take over operation of all BingoLive halls from 1 July 2009. The Bingo Halls sales area was closed.

► New organisation Vegas operational area

Priorities for 2010

- Start implementation of the new central system for Vegas.
- Start development of responsible gaming tools that will be available via the Spelkort card.
- Launch seven new games in 2010, one from a third-party developer and one with a social focus to increase interaction in the Vegas environment.
- Invest in 1,170 new Vegas VLTs.
- Start a study aimed at reducing energy consumption for VLTs.

in combination with a broad programme of campaigns, training and information for business partners and their employees as well as for players. Broad lobbying is done with the intention of changing attitudes and methods.

New centralised system in 2010

To improve the customer gaming experience and complete the age verification process, Svenska Spel invested in 450

new Vegas VLTs in 2009. The business area also launched five new games. A new central system was tested in 2009 for introduction in 2010. The system adds flexibility to the introduction of responsible gaming tools and makes it easier to release new games. It will also enable games to be introduced from third-party suppliers, which will help meet the future objective of providing more variety and social interaction in the range. ■

Casino business area

Casino Cosmopol AB is a subsidiary of AB Svenska Spel, which runs four casinos in Stockholm, Gothenburg, Malmö and Sundsvall. Net gaming revenue declined in 2009 to SEK 1,198 million (1,224), which represents approximately 12% (12) of Svenska Spel's total net gaming revenue.

Casino Cosmopol has a 20-year age limit. Casino employees may not play at the casinos.

Visits to the four casinos increased in 2009 to 1,212,224 visits (1,189,800) split between Stockholm 422,173, Gothenburg 348,572, Malmö 249,970 and Sundsvall 191,509. The Gothenburg casino has expanded in size by some 400 square metres and the slot machine gaming area in Stockholm has also been extended.

The business area's vision for 2009 was that "Casino Cosmopol shall, through exceptional gaming responsibility and world-class service, offer international casino games in a surprisingly exciting and secure environment and thus be one of the leading casino companies in northern Europe."

In line with the ambition to combine exceptional gaming responsibility with world-class hospitality, the Casino business area has since 2005 invested in a comprehensive training programme for personnel and management. Training in responsible gaming is compulsory for everyone working at the casinos.

Casino technology is advanced and subject to continuous review. A system with winnings tickets to replace cash handling was introduced in 2008. In 2009, security was further improved and the cashier desks rebuilt to counteract robbery. An extensive programme was started in 2009 to create new systems for registering guests, preventing money laundering and handling incidents.

In 2009, the European Dealer Championship was held at the casino in Malmö with participants from 19 countries in the European Casino Association. The popularity of the poker room has necessitated numerous renovations and additions. In 2009 a new poker room was built at the casino in Gothenburg.

Joint casino concept

The business area continued investing in 2009 in a joint concept involving entertainment, gaming and restaurants. The aim is to achieve benefits of scale and utilise the collective knowledge of the casinos for the benefit of guests.

Casino Cosmopol awarded a cultural scholarship in 2009 to contribute to the combined development of artistry and entrepreneurship. The scholarship was developed in association with Culture and Business. ■



Casino business area

Significant events in 2009

- The casino in Gothenburg was expanded by 400 square metres to provide space for a new poker room, more VLTs and improved entertainment facilities.
- Stockholm expanded its gaming areas expanded and added 22 slot machines.
- Major investment in a joint entertainment, gaming and restoration concept.
- Numerous security improvements adopted to counteract robbery and other criminality, including rebuilt cashier desks.
- Ongoing development of responsible gaming activities including player panels.
- Preparation to change guest registration system, including money laundering register and incident handling system.

► New organisation Casino Cosmopol operational area

Priorities for 2010

- Continue focus on gaming responsibility in prioritised groups, create clear information sites and responsible gaming help and investigate potential for additional technical facilities.
- Invest in Casino Cosmopol's joint casino concept with focus on entertainment, gaming and restaurants.
- Implement a modern new guest registration system.
- Simplify customer processes, including online purchase of poker tournament entries and package offers.
- Further improve security for guests and personnel. Stockholm casino will get a more secure entrance and additional security measures will be implemented at all casinos, including robbery prevention measures.
- Further develop and expand the growing poker gaming form with bigger gaming variation and more tables.



Retail Outlet business area

The Retail Outlet business area represents the major part of Svenska Spel's net gaming revenue. In 2009 revenue increased to SEK 5,388 million (5,280), some 55% (54) of Svenska Spel's total.

The business area had three sales areas in 2009: Retail Outlets, Association and Subscription. The Marketing department is responsible for product marketing and product development.

Retail Outlet sales area

At 31 December 2009, Svenska Spel had 6,758 retailers (6,811) including retail chains, supermarkets, warehouses, betting agencies, tobacconists and petrol stations. They represented SEK 5,234 million in net gaming revenue (5,235). A total of 2,751 retail outlets (2,801) stock the entire range of Svenska Spel's sports betting, number games and lotteries while 3,860 sell lotteries only (3,855). In rural areas and in small towns there are 752 retail outlets (871) for which Svenska Spel has lower profitability requirements.

Regular test visits

All games – with the exception of lotteries until now – have an age limit of 18 years for purchase of games. In 2009 the retail trade welcomed the decision to apply the same age limit to lotteries, and this will be implemented in 2010. The sales area performed test visits to check retailer compliance with the regulations for identification control. Test visits involve a person of legal age who looks younger – and whose identification the retailer is obliged to check – making visits to retail outlets, gaming and noting whether the retailer asked for identification. As the proportion of approved test visits is now over 80%, Svenska Spel decided in 2009 to reduce the suspension period from four weeks to two weeks. The suspension applies to retailers who fail two subsequent controls, and in 2009 was applied to the 27 retailers (39) that failed to meet the identification requirement. An additional five retailers (31) lost their retail-ership with Svenska Spel due to serious breach of contract, of which the reason for two (25) was having illegal gaming machines on the premises.

Svenska Spel – best supplier

A new sales channel was opened in 2007, when Svenska Spel started selling Lotto and Joker at checkouts in the Reitan Servicehandel chain in Sweden (Pressbyrån and 7-Eleven). This was followed with a similar partnership with Ica. The future objective is to extend this type of cooperation to other retail chains. At the end of 2009 there were 147 checkout retailers (155).

The partnership received recognition in February 2009 when Reitan Servicehandel awarded Svenska Spel as Pressbyrån's best supplier of the year.

Training and information

Svenska Spel works closely with retailers to fit shops in the best way possible and install modern information technology. The digital information signs launched in 2008 are now installed at some 950 retailers (approx. 600). The in-store offer and technology are constantly being improved.

The Retail sales area has a special section for training retailers which includes the Retailer School with training premises at Svenska Spel's Sundbyberg office. Retail personnel receive training in responsible gaming, gaming forms, terminal knowledge and other skills necessary for in-store registration of games. It also includes the open courses held as needed in varying subjects throughout the country, which are open to retailers. In 2009, 336 people went through the Retailer School and 2,085 participated in other forms of training.

Retailers also have a special website with access to training, information, campaign news and useful tools. The sales area also sends out a weekly newsletter and the monthly Spelnytt magazine to all retailers.

Svenska Spel has its own betting shop known as "The Lab" adjacent to its office in Sundbyberg. As well as being a retail outlet and café, the Lab provides a test environment where Svenska Spel can test new games and concepts and have a direct dialogue with gaming customers and retail representatives. The Retail sales area also holds regular workshops with its retailer panel at the Lab.

Association sales area

The three-year old Association sales area had net gaming revenue in 2009 of SEK 51 million (37). On 31 December 2009 the number of associations selling Svenska Spel lotteries totalled 3,346 (2,401).

By developing, selling and marketing an attractive range of games, Svenska Spel wants to create a broad acceptance in clubs and associations for the Association sales area and its distribution method. There should be simple and easy-to-use tools to help the associations manage games, lotteries and subscriptions. Svenska Spel also offers support and consulting to help associations increase their revenues, commitment and gaming knowledge.

Arena gaming established

An arena game was started in spring 2008 on two ice hockey arenas on a trial basis. Since the League premier in April 2009, the Association sales area also offers gaming facilities at football arenas. The projects are run on a long-term basis in conjunction with the ÖSK club in Örebro and Elfsborg club in Borås. One of the inherent concepts in the project is "Together with the clubs". In autumn 2009 arena gaming was also successfully established on six ice hockey arenas in the Elite Series: HV71, Färjestad, MODO Hockey, Brynäs, Linköpings HC and Skellefteå AIK. Additional football and hockey arenas are to be established in 2010.

Age limit affects partnership

Svenska Spel is going to recommend an age limit of 18 for people selling its products, to be introduced in 2010. This will affect the sales potential for associations to sell Svenska Spel lotteries in the traditional manner, as it is difficult to control age limits at temporary sales locations. Meanwhile, there is a declining interest in association-based lottery sale and a desire to find new openings. A good alternative is to offer associations Svenska Spel's internet partner service or the opportunity to sell subscriptions. Future new products and services will also be developed in conjunction with associations.



Subscription sales area

Subscription is a relatively new service that Svenska Spel offers its customers. In 2009 net gaming revenue totalled SEK 24 million (9). Svenska Spel currently has around 80,000 subscribers (approx. 50,000). It is presently possible to subscribe to Triss and Lotto with Joker. Customers can order subscriptions through Svenska Spel's retail outlets, associations and on svenskaspel.se.

Marketing department

Two new Oddset concepts were launched at retail level in 2009: the Oddset programme was expanded with almost 50% more gaming objects and the new ice hockey betting form Oddset Powerplay gained immediate support from sports players.

Stryktipset's 75th anniversary was marked with a major campaign on television, in print media, on svenskaspel.se, in retail outlets and at football arenas.

Lotto's Dream winnings offer – that grew during the year to a publicised jackpot of more than SEK 191 million – had such a breakthrough in 2009 that it was behind most of the increase in the numbers game category. New advertising films were produced during the year based on the concept "What do you dream about?" with some receiving prizes from the European industry organisation European Lotteries.

The concept of giving Triss as a present showed good penetration during the year. The 2009 Fathers' Day campaign had its best result ever, and the traditional "Put a Triss in the Christmas stocking" campaign generated the year's highest weekly revenue.

With the phasing out of the business areas in 2010, the Marketing department will be incorporated into the new Marketing operational area. ■

Retail Outlet business area

Significant events in 2009

- Retailer training continued in responsible gaming as well as monitoring of age limit control.
- Arena games introduced enabling betting for football and ice hockey spectators at matches.
- Associations started selling ordinary Triss.
- Oddset Powerplay was introduced with gaming objects from ice hockey.
- Launch of a substantially bigger range of gaming objects in Oddset programme.
- Special campaign for Stryktipset in conjunction with 75th anniversary.
- Process of incorporating business area's various parts into the new process-oriented organisation.

► New organisation Sales operational area

Priorities for 2010

- Assure confidence and trust of players and business partners by having the best gaming and total responsibility on the gaming market.
- Apply and realise an effective customer and channel strategy and align the sales process with gaming responsibility and healthy revenues.
- Increase gaming value and loyalty amongst prioritised customer groups.
- Ensure successful implementation of 18-year age limit for lotteries and 65% payback on Stryktipset.
- Improve and broaden distribution by developing live gaming, arena gaming and gaming via mobile phone.
- Build leadership, culture, work methods and competency to create motivated employees for whom work pleasure, consideration and participation come naturally.

Internet business area

Svenska Spel estimates that 2009 net gaming revenue on internet from the Swedish market totals approximately SEK 4,180 million (4,010), an increase of 4,2% compared to the 2008 result. On internet, svenskaspel.se has a market share of approximately 29% (31).

Net gaming revenue for the Internet business area declined somewhat to SEK 1,221 million (1,256) and represents approximately 12% of Svenska Spel's total net gaming revenue (12). This is largely due to many players reducing their stakes when compulsory weekly budgets were introduced in 2008 when gaming account transfers were made.

More players, lower average stake

The player base has declined in the known gaming market as a whole and stakes have increased in recent years. On svenskaspel.se the opposite has been the case in 2009 with the number of players on svenskaspel.se increasing while the average stake has decreased. Given that svenskaspel.se is intended to channel players from foreign gaming sites to its more secure, more responsible gaming environment, this is seen as a positive trend.

New design and new KenoXpress

In 2009, login security was increased on gaming accounts on svenskaspel.se. In 2008 the online shop was redesigned, and in 2009 newly designed arenas added for lotteries, Lotto and Keno.

Svenskaspel.se launched a new Keno variation during the year, KenoXpress. Poker remains the most popular single gaming form on svenskaspel.se, which despite a decline from the previous year had net gaming revenue of SEK 305 million (372). Sports players appreciate the direct broadcasts of sporting events, live matches and advance and expert tips provided on internet-TV. Svenskaspel.se has recently introduced tools for customers who wish to chat and communicate with other players and with Svenska Spel's chat hosts in the Internet business area. ■



Internet business area

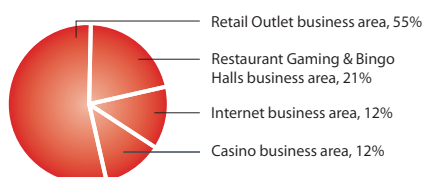
Significant events in 2009

- The number of customers has increased, which is in line with the ambition to channel gaming on internet to the more secure environment on svenskaspel.se.
- The average stake on svenskaspel.se has declined, which is in line with gaming responsibility requirements.
- KenoXpress was launched.
- A new lottery arena was introduced in early June.
- Lotto and Keno received an improved new design.
- The business area has been made more efficient through a new development method, new working method and a new design process.
- The task of incorporating the different parts of the business area into the new process-oriented organisation was started.

Priorities for 2010, see Sales operational area, page 36.

Facts about Svenska Spel's business areas

Net gaming revenue by business area 2009



Net gaming revenue Restaurant Gaming & Bingo Halls, 2005–2009

SEK million

2,500
2,000
1,500
1,000
500

05 06 07 08 09

Net gaming revenue Casino, 2005–2009

SEK million

1,250
1,000
750
500
250

05 06 07 08 09

Restaurant Gaming & Bingo Halls business area

Restaurant Gaming business area

SEK million	Net gaming revenues ¹		Change	
	2009	2008	SEK million	%
Vegas in restaurants	1,826	1,750	76	4.3
Vegas in bingo halls	241	233	8	3.4
Net gaming revenue, total	2,067	1,983	84	4.2
Gross gaming revenue, total	7,421	7,287	134	1.8

1. Excl. Vegas in BingoLive halls, which are reported under the Bingo Halls sales area.

Business partners

Business partners, number	2009	2008
Restaurants	2,097	2,135
Vegas in restaurants	6,235	6,430
Bingo halls	90	87 ²
Vegas in bingo halls	341	353 ²

2. Excl. Svenska Spel's BingoLive halls, which are reported under the Bingo Halls sales area.

Bingo Halls sales area³

SEK million	Net gaming revenue		Change	
	2009	2008	SEK million	%
BingoLive	16	33	-17	-51.5
Vegas	15	28	-13	-46.4
Net gaming revenue, total	31	61	-30	-49.2
Gross gaming revenue, total	97	195	-98	-50.3

Number of BingoLive halls	0	7
Number of Vegas in BingoLive halls	0	35

3. From 1 July 2009, all BingoLive halls were taken over by a new operator and the Bingo Halls sales area closed.

Casino business area

SEK million	Net gaming revenue		Change	
	2009	2008	SEK million	%
Sundsvall	95	98	-3	-3.1
Malmö	252	268	-16	-6.0
Gothenburg	354	363	-9	-2.5
Stockholm	497	495	2	0.4
Net gaming revenue, total	1,198	1,224	-26	-2.1

Retail Outlet business area

Retail Outlet sales area

SEK million	Net gaming revenue		Change	
	2009	2008	SEK million	%
Stryktipset	298	313	-15	-4.8
Europatipset	102	108	-6	-5.6
Dubbelvinsten	10	11	-1	-9.1
Topptipset	64	50	14	28.0
Måltipset	105	108	-3	-2.8
Oddset	626	572	54	9.4
Lotto	1,340	1,255	85	6.8
Viking Lotto	45	46	-1	-2.2
Joker	397	385	12	3.1
Keno	575	586	-11	-1.9
Penninglotten	10	12	-2	-16.7
Triss	1,527	1,558	-31	-2.1
Skräp-Spel	92	92	0	0.0
Tia	96	100	-4	-4.0
Other lotteries	26	38	-12	-31.6
Net gaming revenue, total	5,313	5,234	79	1.5
Gross gaming revenue, total	10,958	11,214	-256	-2.3

Retail Outlets

Retail outlets, number	2009	2008
Game retail outlet	1,899	1,930
Sole retailer in small places	612	617
Retail outlets in rural places	240	254
Total retail outlets	2,751	2,801
Retail outlets only lotteries, total	3,860	3,855
Retail outlets, checkouts, total	147	155
Retail outlets, total	6,758	6,811

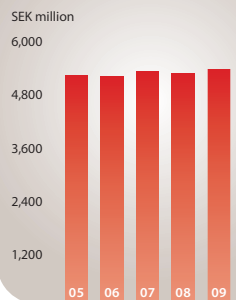
Subscription sales area

SEK million	Net gaming revenue		Change	
	2009	2008	SEK million	%
Triss and other lotteries	24	9	15	161.7
Lotto with Joker	0	—		
Net gaming revenue, total	24	9	15	161.7
Gross gaming revenue, total	47	18	29	161.4

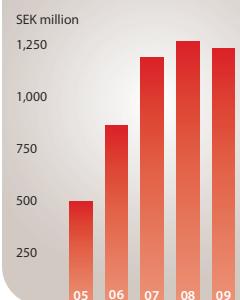
Associations sales area

SEK million	Net gaming revenue		Change	
	2009	2008	SEK million	%
Triss and other lotteries	51	37	14	37.8
Oddset, Lotto with Joker	0	—		
Net gaming revenue, total	51	37	14	37.8
Gross gaming revenue, total	95	65	30	46.2
Associations, number	3,346	2,401		

Net gaming revenue Retail 2005–2009



Net gaming revenue Internet 2005–2009



Internet business area

SEK million	Net gaming revenue		Change	
	2009	2008	SEK million	%
Stryktipset	76	71	5	7.0
Europatipset	25	27	-2	-7.4
Dubbelvinsten	3	3	0	0.0
Topptipset	13	10	3	30.0
Måltipset	14	13	1	7.7
Oddset	140	132	8	6.1
Lotto	244	207	37	17.9
Joker	82	71	11	15.5
Keno and KenoXpress	52	46	6	13.0
BingoLive and Pick 'n' Click	154	186	-32	-17.2
Triss	82	79	3	3.8
Skräp-Spel	16	19	-3	-15.8
Tia	15	19	-4	-21.1
Other lotteries	0	1	-1	
Poker	305	372	-67	-18.0
Net gaming revenue, total*	1,221	1,256	-35	-2.8
Gross gaming revenue, total	2,359	2,556	-197	-7.7

*of which subscription lotteries 5 (1).

Risks and risk management

Investment in risk management helps Svenska Spel prevent and prepare for unforeseen events in our operations.

Our risk management process reinforces our ability to achieve our goals, increases risk awareness within the organisation and leads to greater control and more effective allocation of risk management resources. Not all risks can be eliminated, but effective risk management helps their internal handling and identification.

All activities involve risk. Svenska Spel handles risks by identifying, analysing and determining whether a risk is acceptable or whether measures should be taken. Risk management is applicable throughout the entire operation, at all levels and in all areas as well as for specific functions, projects or activities. The Board has ultimate responsibility for the Company's internal control and risk management.

Identification of key risks

Svenska Spel has aligned its key risks to our four overall objective areas: Customers, responsibility, profitability and employees. A risk may affect one or more objectives.

The trend in gaming behaviour towards faster games and higher percentage paybacks to winners is a tangible risk that affects customers. Having more generous gaming licences than Svenska Spel has received enables competitors to offer gaming experiences and bonus offers that help them better meet customer expectations and win market share. Other risks in this category include the impact on Svenska Spel of new products, services, pricing models and sales methods emerging on the market. This may eventually in Svenska Spel not being the first choice of customers.

Key amongst the risks related to responsibility is that we do not adequately balance responsibility and profit and

thus fail to optimally fulfil our mandate. The organisation is well aware of this balance and strives to maintain it, such as through the ongoing development of responsible gaming tools and effective controls. Other risks in this area include failure to prevent internal or external fraud.

Risks related to profitability include a possible new regulation of the gaming market and the introduction of further restrictions that would force the organisation to work under new assumptions. Competition in the gaming market has grown heavily in recent years and this trend is expected to continue. Foreign internet operators have become established in Sweden and internet gaming has a considerable turnover.

Financial risks are a further risk to profitability, but these are generally considered low. The Svenska Spel Group is self-financing as its cash flow easily covers its investment requirements and operating costs. The Group has no interest-bearing liabilities. Management of financial risks is regulated by Svenska Spel's financial and credit policies. The Finance staff unit manages these risks on a corporate basis.

Svenska Spel operates only in Sweden but has a certain degree of currency exposure through the purchasing of material and services from suppliers outside Sweden. The Group's financial policy requires the Group to hedge its currency risk against the functional currency using hedging instruments.

Cash flow interest risks are also considered low as cash flow from operating activities is largely independent of changes in market interest rates. The accrued surplus of cash and cash equivalents is paid quarterly to the National Debt Office in accordance with owner instructions.

Risks for credit losses are deemed to be limited as gaming on credit is prohibited, meaning consolidated revenue is exclusively based on cash transactions. Regular scrutiny is also made of Svenska Spel's retailers, restaurants and associations to find out at an early stage if a business partner is not able to meet its financial commitments.

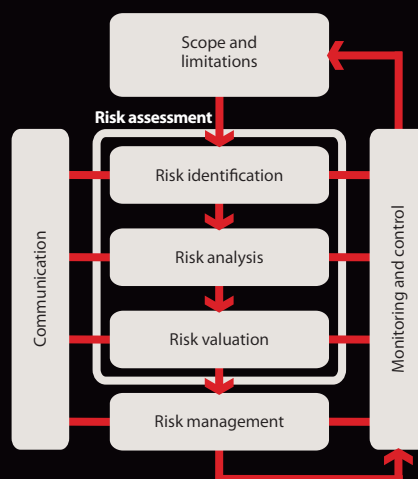
Svenska Spel invests surplus liquidity in an account in its main bank with special terms of interest, prior to lending it on a quarterly basis to the National Debt Office.

Liquidity risk has historically been low and each year the Group accumulates substantial amounts of cash and cash equivalents and non-restricted equity which is each year paid in its entirety to its owner the State and the Swedish Sports Confederation. The cash flow statement presented in the 2009 accounts provides a good summary of the forecast cash flow for 2010.

Further detailed information can be found in Note 1, Accounting and valuation policies on page 53.

The primary risk scenario affecting employees is serious harm to employees. The casino operations are vulnerable environments and an event such as a robbery or other act of violence could result in serious injury to employees. ■

Risk management process



The risk management process involves identification, analysis and valuation of risk, in order to develop appropriate risk management plans. Throughout the entire process, results are communicated with appropriate stakeholders and the outcome of the various steps monitored and reviewed continuously to ensure the risk management process is vital and reflects internal and external changes. Risk management plans should also be monitored and reviewed to assure their effectiveness.

Sustainable development

Svenska Spel is publishing its third CSR Report in accordance with the Global Reporting Initiative (GRI). The purpose of the Report is to provide a balanced view of Svenska Spel's activities in terms of sustainable development.

Reporting is done on an annual basis as part of the Annual Report, see page 77. Reporting of Svenska Spel's responsibility process is also part of the social responsibility report that Svenska Spel's owner, the Ministry of Finance, requests on an annual basis.

The CSR report describes Svenska Spel's work in the following focus areas:

- Economic responsibility
- Business ethics and security
- Social responsibility
- Responsibility for employees
- Responsibility for the environment



Svenska Spel's performance in relation to its commercial significance in the focus areas of social responsibility, business ethics and environment has been evaluated in relation to the Company's key stakeholders. The ambition is that Svenska Spel's social responsibility priorities are aligned with the needs and expectations of external stakeholders.

Selection of CSR data for reporting the GRI index has been done primarily in a number of workshops where appropriate key persons have participated. Data has then been gathered from staff units and business areas. The Controlling support function is responsible for collection and quality assurance.

The report covers the 2009 calendar year and includes the Parent Company and subsidiaries. The previous report (CSR Report 2008) was issued in April 2009.

Social responsibility

Svenska Spel shall work actively to minimise the negative social consequences that can arise in association with gaming operations. Responsible gaming measures implemented in 2009 include: Decision to introduce an 18-year age limit on purchase of lotteries, continuation of training programmes in responsible gaming for retailers and business partners, financial support for the Self-help programme and Support contact, that provide help for customers with gaming problems and their relatives. ■

Work of the Board of Directors in 2009

According to the Articles of Association, the Board shall comprise not less than three and not more than ten directors. In addition, there are two ordinary employee representatives which are backed by two alternates. The Company's Chief Legal Counsel is Secretary of the Board.

The CEO does not sit on the Board but has a reporting capacity at board meetings. The Board is responsible for the organisation and administration of company matters for the Parent Company and the Group. The Board is to monitor development of the Parent Company and the Group on an ongoing basis, not less than quarterly. Based on this overall responsibility, the Board is entitled and obliged to deal with every matter it considers of importance for the Parent Company and the Group.

The Rules of Procedure for the Board and the CEO instructions are adopted annually in conjunction with the statutory board meeting following the AGM.

The Board has founded an Audit Committee and a Benefits Committee from within its ranks.

The main task of the Audit Committee is supervising accounting routines, financial reporting, risk management and internal control at AB Svenska Spel and its subsidiaries. The company's own review of internal control is reported to the Audit Committee.

The Benefits Committee handles issues relating to salary and employment terms for the CEO and Key management. The Benefits Committee and the Audit Committee report to the Board.

According to the Board's Rules of Procedures, the Board shall normally convene four meetings per year in addition to the statutory meeting. The Rules of Procedure prescribe the matters to be addressed at each meeting.

During the 2009 financial year, the Board held 12 minuted meetings.

Key subjects were:

- Financial statements and press releases
- Company and owner matters
- Annual report, auditors' report
- Appointment of CEO
- Interim reports and press releases for individual quarters
- Investment matters, major contracts and licence applications
- Owner's changed mandate and company matters
- The Gaming Inquiry
- Strategic plan for the business and Svenska Spel's management model
- Responsible gaming measures
- Change process in Svenska Spel and reorganisation

Svenska Spel has no nominations process. The process of appointment and dismissal of directors is handled by the owner. The composition of the Board is presented to the right and further details on directors are presented in the Corporate governance report on page 115.

Benefits to key management

New guidelines for benefits to key management were decided at the Extraordinary General Meeting (EGM) held on 14 September 2009. The policies are presented in the Corporate governance report on page 115.

Information on the individuals involved and the Company's process for managing benefits to key management are presented in Note 5 on page 59. ■

Composition of the Board, 2009

	A. Board	B. Benefits Committee	C. Audit Committee
Members elected by the AGM			
Margareta Winberg	Chairman	Chairman	
Stefan Borg	Director		
Björn Fries	Director		Director
Eva-Britt Gustafsson	Director		Director
Lena Jönsson	Director	Director	
Lena Borgström Melinder	Director		Chairman
Lars Otterbeck	Director	Director	

Employee representatives¹

Anders Andersson	Director
Martina Ravn ²	Director
Roland Norbäck ³	Alternate
Peter Cernvall ³	Alternate
Sabina Augustsson ⁴	Alternate
Elin Mårtensson ⁴	Director
Bertil Sandström ⁴	Director
Håkan Bergström ⁵	Director
Britta Höglund ⁶	Alternate

1. Directors and alternates appointed by employee organisations are employed in the Group and are therefore not independent in relationship to the Company.

2. Alternate 2008, director since AGM on 15 April 2009.

3. Alternate since AGM on 15 April 2009.

4. Left the Board at the AGM on 15 April 2009.

5. Elected at the AGM on 15 April 2009. Left the Board on 14 September 2009.

6. Left the Board on 14 September 2009.

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 with no dividends payable to shareholders. Distribution of available funds is therefore based on the 2009/10 budget proposal.

The government resolved on 18 November 2009 to approve the government's budget proposal (2009/10:1)

which included a resolution that Parliament authorise the government to table a motion at the Svenska Spel 2010 AGM that sporting grants in the form of a SEK 500 million grant be made to the Idrottslyft programme, and that a contribution representing 1/26 of the Company's 2009 surplus from Penninglotten be made to art, theatre and other cultural purposes.



Non-restricted equity in the Parent Company amounted to SEK 4,982,725,835, of which SEK 4,969,624,221 consists of profit for the year and SEK 13,101,614 consists of 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. Distribution to other parties is made on requisition.

Non-restricted equity in the Parent Company

SEK	
Retained earnings	13,101,614
Income for the year	4,969,624,221
Total	4,982,725,835

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

SEK		Prop	Expenditure class
To the Swedish Sports Confederation	500,000,000	2009/10	17
To support culture	141,000	2009/10	17
To the Swedish State	4,476,642,000		
Carried forward	5,942,835		
Total	4,982,725,835		

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 20 April 2010. The Board has proposed that AB Svenska Spel's profit available for distribution for the 2009 financial year be distributed in accordance with the proposal 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 5,942,835 and total equity of SEK 6,182,835, not including changes that occurred after balance sheet date.

If changes after balance sheet date are also included, non-restricted equity is affected by periodic profit for 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.

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

The Parent Company and the Group will after the proposed profit distribution still be able to make any investments required to ensure the development and ongoing success of the Parent Company and the Group.

As a result, the proposed profit distribution is also defensible with respect to the demands made by the Parent Company's and Group's nature, scope and risks on Parent Company and consolidated equity, as well as with respect to the Parent Company and Group's consolidation requirements, liquidity and general position. ■

Events after balance sheet date

A new organisation that consists of six operational areas and four staff units takes effect on 1 January 2010. The purpose of a changed organisation is to create a base for the Company to work in a more process-oriented manner and that all employees have clear roles and responsibility so they can understand how their efforts contribute to satisfied customers.

On 16 February 2010, the Swedish Supreme Administrative Court ruled against advising Svenska Spel leave to appeal on a review of a case on public procurement. In practice, the decision means that the appealed procurement must be repeated with application of the act (2007:1091) on public procurement and that the Company adapt its operation to the public procurement legislation. ■

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Consolidated statement of comprehensive income

1 January–31 December SEK million	Note	2009	2008
Net sales from gaming operations, etc.	2, 3	8,096	8,071
Capitalised work for own account		15	11
Employee expenses	5	–971	–924
Other external expenses	6, 24	–1,890	–1,853
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	9, 10	–329	–320
Operating profit		4,921	4,985
Profit on financial investments			
Interest and other finance income	7	137	290
Interest expenses and other finance costs	7	–81	–167
Total finance income and expenses		56	123
Profit after financial items		4,977	5,108
Tax	8	0	0
INCOME FOR THE YEAR		4,977	5,108
Other comprehensive income		—	—
TOTAL COMPREHENSIVE INCOME		4,977	5,108
Comprehensive income for the year attributable to equity holders of the Parent Company		4,977	5,108
Earnings per share	17		
Average number of shares		2,000	2,000
Earnings per share, basic and diluted, SEK thousand		2,488	2,554

Consolidated balance sheet

SEK million	Note	31 Dec. 2009	31 Dec. 2008
ASSETS			
Non-current assets			
Intangible assets	4, 9	247	259
Property, plant and equipment	10	1,126	1,193
Financial assets	11, 12	1,469	1,354
Total non-current assets		2,842	2,807
Current assets			
Trade and other receivables	12, 13	346	428
Set off National Debt Office	11, 12, 26	1,300	1,200
Prepaid expenses	14	108	116
Investments	11, 12	953	1,175
Cash and cash equivalents	11, 12, 15	2,451	2,187
Total current assets		5,157	5,105
TOTAL ASSETS		8,000	7,912
TOTAL EQUITY AND LIABILITIES			
Equity attributable to the Parent Company			
Share capital	16	0	0
Reserves		0	0
Retained earnings		4,977	5,108
Total equity		4,977	5,108
Non-current liabilities			
Unpaid winnings	12, 18, 22	1,233	1,194
Other non-current liabilities	12, 19, 22	44	56
Total non-current liabilities		1,277	1,250
Current liabilities			
Trade payables and other liabilities	12, 20, 22	580	555
Unpaid winnings	12, 18, 22	458	592
Deferred income	23	133	114
Settlement funds	12, 21, 22	160	101
Funded winnings	12, 21, 22	415	192
Total current liabilities		1,746	1,554
Total liabilities		3,023	2,804
TOTAL EQUITY AND LIABILITIES		8,000	7,912

Statement of consolidated cash flow

1 January–31 December
SEK million

	Note	2009	2008
Operating activities			
Income for the year		4,977	5,108
Adjustments for items not included in cash flow			
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	9, 10	329	320
Proceeds from sale of non-current assets		35	–4
Change in pension provision	19	–1	–1
Other adjustments		–34	6
Current tax		—	—
Cash flow from operating activities before changes in operating assets and liabilities		5,306	5,429
Cash flow from changes in operating assets and liabilities			
Change in trade and other receivables		81	–2
Change in other current assets		130	–749
Change in trade payables and other liabilities		21	–90
Change in other operating liabilities		198	174
Cash flow from operating activities		5,737	4,762
Investing activities			
Investments in intangible assets	9	–35	–65
Purchases of property, plant and equipment	10	–256	–419
Net investments in financial assets	12	–81	–224
Proceeds from sale of property, plant and equipment		7	10
Cash flow from investing activities		–365	–699
Financing activities			
Distribution of previous year's profit		–5,108	–5,247
Cash flow from financing activities		–5,108	–5,247
Cash flow for the year		264	–1,184
Cash and cash equivalents at beginning of the year	15	2,187	3,371
Cash and cash equivalents at end of the year	15	2,451	2,187

Consolidated statement of changes in equity

SEK million	Note	Share capital	Reserves	Retained earnings	Equity attributable to equity holders of the Parent Company
Balance 1 January 2008	16	0.2	0	5,247	5,248
Comprehensive income					
Income for the year				5,108	5,108
Other comprehensive income				—	—
Total comprehensive income				5,108	5,108
Transactions with owners					
Dividends pertaining to 2007				–5,247	–5,247
Total transactions with owners				–5,247	–5,247
Balance 1 January 2009		0.2	0	5,108	5,108
Comprehensive income					
Income for the year				4,977	4,977
Other comprehensive income				—	—
Total comprehensive income				4,977	4,977
Transactions with owners					
Dividends pertaining to 2008				–5,108	–5,108
Total transactions with owners				–5,108	–5,108
Balance at 31 December 2009		0.2	0	4,977	4,977

Income statement, Parent Company

1 January–31 December
SEK million

	Note	2009	2008
Net sales from gaming operations, etc.	2	6,831	6,780
Capitalised work for own account		15	11
Employee expenses	5	–541	–520
Other external expenses	6	–1,693	–1,647
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	9, 10	–243	–250
Operating profit		4,369	4,373
Profit on financial investments			
Share of profit of Group companies	27, 28	540	611
Interest and other finance income	7	143	304
Interest expenses and other finance costs	7	–81	–167
Total finance income and expenses		601	748
Profit after financial items		4,970	5,121
Tax	8	—	—
INCOME FOR THE YEAR		4,970	5,121

Balance sheet, Parent Company

Assets

SEK million	Note	31 Dec. 2009	31 Dec. 2008
ASSETS			
Non-current assets			
Intangible assets	4, 9	237	246
Property, plant and equipment	10		
Buildings and land		23	23
Construction and extension		30	19
Construction in progress		—	13
Equipment and computers		464	465
Financial assets			
Investment in Group companies	27	71	71
Non-current receivables, Group companies	26	562	568
Other investments held as non-current assets	11, 12	1,469	1,355
Total non-current assets		2,857	2,760
Current assets			
Current receivables			
Trade receivables	13	326	411
Receivables from Group companies		556	630
Set off National Debt Office	11, 12, 26	1,300	1,200
Other receivables	13	6	4
Prepayments and accrued income	14	84	86
Investments	11, 12	980	1,240
Cash and bank	15	2,294	1,980
Total current assets		5,547	5,551
TOTAL ASSETS		8,404	8,311

Balance sheet, Parent Company

Equity and liabilities

SEK million	Note	31 Dec. 2009	31 Dec. 2008
TOTAL EQUITY AND LIABILITIES			
Equity	16		
Restricted equity			
Share capital		0	0
Statutory reserve		0	0
Non-restricted equity			
Retained earnings		13	0
Income for the year		4,970	5,121
Total equity		4,983	5,121
Non-current liabilities			
Liabilities to Group companies		0	0
Unpaid winnings	18	1,233	1,194
Other non-current liabilities	19	43	55
Total non-current liabilities		1,276	1,249
Current liabilities			
Trade payables	20	219	196
Unpaid winnings	18	458	592
Liabilities to Group companies		552	529
Settlement funds	21	160	101
Funded winnings	21	381	157
Other current liabilities	20	169	173
Accrued expenses and deferred income	23	206	193
Total current liabilities		2,145	1,941
TOTAL EQUITY AND LIABILITIES		8,404	8,311
MEMORANDUM ITEMS			
Pledged assets	25	11	11
Contingent liabilities	25	—	0

Statement of cash flows, Parent Company

1 January – 31 December
SEK million

	Note	2009	2008
Operating activities			
Income for the year		4,970	5,121
Adjustments for items not included in cash flow			
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	9, 10	243	250
Proceeds from sale of non-current assets		35	0
Anticipated dividend Casino Cosmopol AB	28	-540	-611
Change in pension provision	19	-1	-2
Other adjustments		-34	6
Current tax			—
Cash flow from operating activities before changes in operating assets and liabilities		4,672	4,765
Cash flow from changes in operating assets and liabilities			
Change in trade receivables		85	-18
Change in other current assets		773	-875
Change in trade payables		23	-14
Change in other operating liabilities		210	76
Cash flow from operating activities		5,764	3,934
Investing activities			
Purchases of intangible assets	9	-35	-53
Purchases of property, plant and equipment	10	-236	-252
Purchases of financial assets	12	-687	-129
Proceeds from sale of property, plant and equipment		6	3
Dividends received		611	519
Cash flow from investing activities		-341	88
Financing activities			
Distribution of previous year's profit		-5,108	-5,247
Cash flow from financing activities		-5,108	-5,247
Cash flow for the year		315	-1,226
Cash and cash equivalents at beginning of the year	15	1,980	3,205
Cash and cash equivalents at end of the year	15	2,294	1,980

Statement of changes in equity, Parent Company

SEK million	Note	Restricted equity		Non-restricted equity		Total equity
		Share capital	Statutory reserve	Retained earnings	Income for the year	
Equity 31 December 2007	16	0.2	0.1	114	5,133	5,247
Income for the year				—	5,121	5,121
Total recognised revenue and costs				114	10,254	10,368
Dividends pertaining to 2007				-114	-5,133	-5,247
Equity 31 December 2008		0.2	0.1	0	5,121	5,121
Income for the year				—	4,970	4,970
Total recognised revenue and costs				0	10,091	10,091
Dividends pertaining to 2008				—	-5,108	-5,108
Transfer of 2008 profit				13	-13	0
Equity 31 December 2009		0.2	0.1	13	4,970	4,983

Number of outstanding shares amounts to 2,000 and has not changed during the financial year.

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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) as endorsed by the European Union (EU) for application within the EU with the exceptions indicated below. The following recommendations of the Swedish Financial Reporting Board have also been applied: RFR 1.2 'Additional accounting regulations for groups' and RFR 2.2 'Accounting for Legal Entities'.

The Parent Company applies the same accounting policies as the Group except as specified below under 'Parent Company's accounting policies'.

Assumptions during preparation of the Parent Company's and Group's 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 management to make estimates, judgements and assumptions that affect the application of accounting policies and carrying 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.

Changed accounting policies

There have been no changes to accounting policies in comparison with the previous financial year.

Standards and interpretation statements applicable from 1 January 2009

Supplements to IAS 1 – Presentation of Financial Statements

From 1 January 2009, IAS 1 "Presentation of financial statements" is applied. This standard means that only transactions within the shareholder group may appear on the statement of equity. This means that the income statement can be presented as one or two statements including items that have previously been recognised directly in equity. Svenska Spel has elected to present a statement named "Consolidated statement of comprehensive income".

Supplement to IAS 23 – Borrowing costs

From 1 January 2009, companies are to capitalise borrowing costs that are directly attributable to the purchase, erection, construction or manufacture of a specific asset. This is not applicable to AB Svenska Spel as there is no current borrowing requirement and none is anticipated in the future.

IFRS 3 – Business Combinations

The changes in IFRS 3 apply to financial years starting on 1 July 2009 or later, and aim to increase the uniformity of international accounting policies. The changes pertain in part to a change in the definition of an acquisition, such that an operation that is not run independently may still be deemed an acquisition. Another change is that transaction costs that pertain to the acquisition are expensed directly. The changes in IFRS 3 may affect the Group's evaluations of potential future acquisitions.

Note 1, cont.**IFRS 8 – Segment reporting**

From 1 January 2009, IFRS 8 "Segment reporting" is applied. This standard means that the segment is to be reported such that it conforms with the internal reporting that is provided to the most senior decisionmaker of the organisation. The difference in allocation of segments under IFRS 8 does not deviate from previous reporting under IAS 14, as this allocation conforms to the manner in which the business is managed and governed. The most senior decisionmaker is the function responsible for allocation of resources and evaluation of segment income. In the Group, this function has been identified as key management.

Other standards and interpretation statements that have been published pertaining to IFRS, IAS and IFRIC are not deemed to have any impact on Svenska Spel's accounting.

The standards and interpretation statements have been published but are not yet effective.

The following new or changed standards and interpretation statements have been analysed in light of their anticipated effect on Svenska Spel in coming financial statements or accounting:

Change to IAS 17 – Classification of leases of land and buildings

Specific guidelines pertaining to the classification of leases for land have been removed to eliminate inconsistency with the general guidelines pertaining to classification of leases. As a result of this, leases for land are either classified as financial or operating leases based on the general conditions in IAS 17. It applies to financial years that start on 1 January 2010 or later. This change may affect future classifications.

IAS 27 – Consolidated and separate financial statements

Changes in the standard, which in part involves certain changes in accounting for minority shares of losses, are a result of changes in IFRS 3, Business Combinations. In the case of future acquisition in the Group, the changes in IAS 27 will be taken into account. The standard is effective from 1 July 2009.

Change to IAS 38 – Intangible assets

Changes to points 36 and 37 in IAS 38 to clarify the requirement under IFRS 3 (revised) pertaining to recognition of intangible assets acquired in a business combination. There are also changes to points 40 and 41 to clarify the description of valuation techniques normally used by companies that determine fair value of intangible assets acquired in a business combination that cannot be traded on an active market. These points apply to financial years that start on 1 January 2010 or later. The changes may affect the Group's evaluations of potential future acquisitions.

Change to IFRS 5 – Held-for-trading non-current assets and closed operations

The change addresses the reporting of assets and liabilities in a subsidiary when a decision is being made regarding partial disposal of the subsidiary. The change, which is effective 1 January 2010, is not expected to affect the Group's current accounting as no subsidiary sales are planned.

Change to IFRS 8 – Segment reporting

Disclosures pertaining to information on a segment's assets, valid for financial years that start on 1 January 2010 or later. A minor change in the standard to clarify that a company must provide information about a measure of the segment's assets only if this measure is regularly reported to the most senior decisionmaker. The change may be made due to changed financial control.

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 accounted for under the historic cost convention, except for certain financial assets and liabilities which are valued 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% 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.

The consolidated financial statements have been prepared using the purchase method. The method means that the Parent Company indirectly owns the assets of a subsidiary and takes over its liabilities and contingent liabilities. The amount by which the cost of the acquisition exceeds the net value of the acquired assets, liabilities and contingent liabilities is recognized as goodwill. Negative differences are charged directly to the income statement as revenue.

A subsidiary's income and expenses and its assets and liabilities are consolidated in the Group accounts from the date the Parent Company gains a controlling influence over the company (acquisition date) and is no longer included from the date the Parent Company's controlling influence ceases.

All Group companies have a calendar-based financial year and have uniform accounting policies. Inter-company receivables and liabilities, inter-company transactions, and unrealized gains and losses on transactions between Group companies are eliminated completely in the consolidated financial statements. Losses are eliminated in the same way as profits provided there are no impairment indicators.

Commercial terms and market pricing apply in the delivery of services and products between companies in the Group.

Segment reporting

The Group's internal organisational structure is based on segments, divided into four business areas: Restaurant Gaming & Bingo Halls, Casino, Retail Outlet and Internet, see also Note 3.

Transactions in foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. At the end of the month, assets and liabilities in foreign currency are translated at the closing exchange rate. Foreign exchange gains and losses in 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. The payment flow in foreign currencies is limited.

Exchange rates

Currency	Closing day rate 31 Dec 2009	Closing day rate 31 Dec 2008
USD	7,2375	7,7775
EUR	10,378	10,9605
GBP	11,515	11,2775
CHF	6,9635	7,3555

Note 1, cont.

Revenue recognition

Svenska Spel's revenue consists of the net surplus generated from providing the platforms that enable customers, for the purpose of entertainment, to redistribute funds between participants in lotteries and games.

Note 2 shows the allocation of player stakes, winners' shares, retailer commissions and other revenue.

The revenue recognition in Note 2 varies somewhat between different types of games. Revenue from games, lotteries and VLTs is reported on a gross basis, which means the stakes are reported as revenue and the winners' share is reported as an expense. Revenue from games and VLTs arises at the time stakes are paid, while revenue from lottery tickets arises when a retailer activates tickets for sale, which in principle represents the time of sale. All revenue from casino games (gaming tables and slot machines) is accounted for on a net basis. This means that the winners' share reduces the revenue at the time of reporting, which is the usual reporting method within the casino industry. Casino revenue arises when the gaming tables or slot machines are closed.

All gaming and lottery revenue is reported daily, with the exception of restaurant gaming which is reported on a weekly basis. When a week is split over a month-end, the week is attributed to the month that the greater part belongs to. Poker is settled daily and accounted for on a net basis. Recognition comprises the percentage share of the stakes credited to Svenska Spel known as the "rake".

Betting games (Längen, Matchen, Bomben, Mixen) fulfil the definition of derivatives and are therefore to be regularly revalued and recognised at fair value. The Company lacks system support for such revaluation however, and 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 operating income consists mainly of sales revenue from restaurants, leasing income from leased retailer terminals and premises, registration fees and casino entrance fees. These revenues are recognised in the period to which they pertain.

Interest income is recognized as revenue at the applicable rate.

Intangible assets

Costs that lead to improved gaming products or processes are carried 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 are attributable to the asset in a reasonable and consistent manner. Other development costs are charged to the income statement as expenses when they are incurred. Development costs recognised in the balance sheet are charged at cost less accumulated amortisation and impairment as appropriate.

The intangible assets of the Group 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 recognised as expenses on an ongoing basis, as is development work to enhance existing gaming and lottery products. Other intangible assets pertain to licences.

Amortisation is done 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 reassessed at each balance sheet date to establish whether there are any impairment indicators. 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 reviewed annually. Impairment is recognised when the carrying amount of an asset exceeds the recoverable amount. Impairment losses are charged to profit and loss. Impairment is reversed if there has been a change in the assumptions that underlie 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)
Acquisitions	5 (5)
Licences	5 (5)

Property, plant and equipment

Property, plant and equipment is recognised as an asset in the balance sheet to the extent it is probable that future financial benefits will be credited to the Group, and that the cost of the asset can be calculated in a reliable manner. Property, plant and equipment is recognised at cost with deductions for accumulated depreciation as well as any impairment loss. The cost includes the purchase price as well as 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, as is most appropriate, only when it is probable that the future economic benefits associated with the asset will benefit the Company and the cost of the asset can be reliably measured. The carrying amount for the replaced part is removed from the balance sheet. All other forms of repairs and maintenance are recognised as costs in the income statement during the period they arise.

Property, plant and equipment that consists of 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 removed from the balance sheet on disposal or sale, or when no future economic benefits are expected to arise from use of the asset. Profit or loss that arises on sale or disposal of an asset represents the difference between the selling price and the carrying amount of the asset with deduction made for direct selling costs.

Depreciation periods	Number of years
Buildings	50 (50)
Construction and extension, own property	10 (10)
Construction and extension, property held under lease	20–30 (20–30)
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 done 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 for the Group's assets and useful life are tested at each balance sheet date to establish whether there are any impairment indicators. If such indication arises, the asset's recoverable amount is calculated. Impairment is recognised via the balance sheet when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. Impairment is reversed when there are changes in the assumptions that underlie determination of the recoverable amount.

Note 1, cont.

Annual impairment testing of intangible assets

Intangible assets are tested annually for impairment and the recoverable amount of individual assets is estimated. If the fair value of the asset is higher than 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. A pre-tax discount rate of 8,8% has been used for measurement of the recoverable amount.

The material assumptions behind estimated cash flows are primarily forecast sales pertaining to respective IT platforms and an estimate of margins based on experience. The sales forecast is based on internal analyses of the available market and actual market penetration for the games and lotteries that are run from the current system platforms.

Testing shows that there is no impairment requirement and that recoverable amounts exceed the carrying amount with a good margin for all tested cash-generating units. Sensitivity analyses show that even material changes in areas such as cost of capital do not change this relationship.

Borrowing costs

Borrowing costs for non-current assets are not capitalised at cost but are charged to the profit for the period to which they pertain.

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. Assets hired under finance leasing agreements are not recognised as property, plant and equipment but rather as financial liabilities calculated as the present value of the lease agreements during the lease term.

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

Financial instruments

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

Trade payables, issued debt instruments and loans payable are included among liabilities and equity.

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 carried at fair value in the income statement, with transaction costs recognised in the income statement.

A financial asset or financial liability is taken to the balance sheet when the Company becomes party to the contractual conditions of the instrument. Financial assets are removed from the balance sheet 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 removed from the balance sheet when the contractual obligations are fulfilled or otherwise ended.

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 management on initial recognition and retested on each reporting date. The categories are as follows:

1) Financial assets and financial liabilities are valued at fair value through profit and loss.

This category consists of two sub-groups:

a) Financial assets and liabilities held for trading.

Currency forward agreements are taken out in compliance with the Group's finance policy to hedge the flow of foreign currencies related to purchase of property, plant and equipment. These derivatives are carried at fair value and fluctuations in value are charged on a regular basis to the income statement as 'interest income and other finance income'. The Group does not apply hedge accounting in accordance with IAS 39.

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. The equivalent liability item that represents future payment for the above lottery form is recognised in this category.

Cash and cash equivalents consist of cash and bank balances that are immediately accessible and investments with an original maturity of less than three months, which are not subject to any material risk of value fluctuation. Short-term investments under cash and cash equivalents are carried at fair value. Changes in value are recognised under finance items in the income statement.

The Group has no financial liabilities in this category.

2) Loan and trade receivables

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

Inventories are recognised at the lesser of cost and net sales value. Cost is determined using the first-in-first-out (FIFO) method. This comprises almost exclusively food raw materials for the restaurant and café operations run within the Group. Inventory is recognised in the balance sheet under Trade and other receivables.

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.

Surplus liquidity investments are made in accordance with the Group's finance policy in zero coupon bonds and commercial papers. Investments with an original maturity of less than three months are classified and valued as cash and cash equivalents. Other investments with maturity of between three and twelve months are classified under this category 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 valued at fair value with changes in value charged to equity. The Group has no financial assets in this category.

5) Other financial liabilities valued at accrued cost

Trade and other payables have short expected due dates and are valued without discounting at the nominal amount. All Group funds are valued at accrued cost.

The 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 restaurant games is 30 days, for other

Note 1, cont.

games 90 days and for lotteries up to 1.5 years. When the redemption 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 top up certain winning categories during campaigns.

Funds are accumulated for the jackpots of various types of games. Funded winnings may vary greatly over time depending on the timing of the wins.

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 which thus become an expense. These companies are also exempt from lottery tax. Companies in the sub-group Svenska Spels Förvaltnings AB, have a tax liability however 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 when the associated tax effect is recognized in 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 balance sheet 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 balance sheet date. Deferred tax assets relating to tax deductible temporary differences and tax loss carry-forwards are recognised to the extent it is probable they will lead to lower future tax payments.

Held-for-trading non-current assets and closed operations

Non-current assets held for trading are recognised at the lowest of the previous carrying amount and the fair value after deduction of selling expenses. Losses resulting from decreases in value or revaluation are recognised in the income statement.

Employee benefits

Pension plans

Salaried employees within the Svenska Spel Group are covered by the ITP plan administered by Collectum. The Parent Company also has older obligations that are secured through the Svenska Spel Pension Fund. Regular payments of these pension commitments are made by AB Svenska Spel. The Company is then compensated for these payments by the Svenska Spel Pension Fund.

Pension obligations after terminated employment are either classified as defined contribution or defined benefit plans. In 2008 Svenska Spel changed the pension assurance form for all employees (other than salaried employees) under the collective agreement of the Swedish Trade Union Confederation. The ITP plan that previously also covered union members at Svenska Spel has, for this category of employees, been replaced with the SAF-LO endowment insurance administered by Fora. According to a statement from the Swedish Financial Reporting Board UFR 2, these types of pension plans are to be classified as defined benefit plans under the ITP plan.

Collectum, which insures the ITP plan, has meanwhile 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. These are only attributable to the insurance beneficiary. These obligations are therefore recognised under UFR 5 as a defined contribution plan. Older pension obligations in the Group are of an immaterial amount.

Termination benefits

A provision is recognised in conjunction with termination of employees 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 according 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 2.2 'Accounting for legal entities'. This implies that in the annual financial statements for the legal entity, the Parent Company is to apply all EU-approved IFRS and statements from IFRIC to the extent possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), 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.

Cash and cash equivalents

Cash and cash equivalents consist of cash, balances at banks and similar institutes that are immediately accessible, and short-term investments with a maturity from the date of acquisition of less than one year.

Dividends

Dividends to the equity holders of the Parent Company are recognised as a liability in the financial reports of the Parent Company and the Group when the distribution is adopted by the equity holders of the Parent Company. The Parent Company anticipates dividends from subsidiaries. The Articles of Association state that non-restricted equity in the Parent Company is to be distributed in its entirety to the sporting movement, for cultural purposes and to the owner (the Swedish State).

Note 2 Revenue per key category

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Sale of services				
Gross revenue from gaming	22,175	22,559	20,977	21,335
Winners' share (incl. unclaimed winnings)	-12,268	-12,709	-12,268	-12,709
Commissions	-2,020	-1,983	-2,020	-1,983
Sale of goods				
Revenue from restaurant operations	96	98	0	—
Cost of sales	-43	-37	-1	0
Leasing income				
Leasing of retailer terminals	50	51	50	51
Leasing of premises	—	—	—	—
Other	105	92	93	87
Total net revenue from gaming operations, etc.	8,096	8,071	6,831	6,780

Note 3 Segment reporting

The current organisation is effective from 1 December 2008. The organisation consists of the following four business areas: Restaurant Gaming & Bingo Halls, Casino, Retail Outlet and Internet.

The Group's segmentation into primary segments reflects the internal organisation structure which consists of the above business areas. No reporting is made of secondary segments. Commercial terms and market pricing apply in the delivery of services and products between companies in the Group. The allocation of revenue and costs is presented along with the assets and liabilities for individual business areas.

The Casino business area is operated as two legal entities, which means that all income statement and balance sheet items are directly attributable to the business area.

The other business areas, Restaurant Gaming & Bingo Halls, Retail Outlet and Internet are operated by the Parent Company, AB Svenska Spel. The income statement and balance sheet items directly attributable to individual business areas have been separated, while common items are reported under 'Unallocated'.

Consolidation is carried out using the same policies as for the Group.

Business area/segment

Primary segment, SEK million	Restaurant Gaming & Bingo Halls business area		Casino business area		Retail Outlet business area		Internet business area		Other operations		Unallocated		Elimination of intra-Group items		Svenska Spel Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue																
Gross gaming revenue	7,518	7,482	1,198	1,224	11,100	11,297	2,359	2,556	—	—	—	—	—	—	22,175	22,559
Winners' share	-5 420	-5,436	—	—	-5,712	-6,017	-1,138	-1,299	—	—	2	44	—	—	-12,268	-12,709
Net gaming revenue	2,098	2,044	1,198	1,224	5,388	5,280	1,221	1,256	—	—	—	—	—	—	9,905	9,804
Net sales from gaming operations, etc.	1,249	1,244	1,275	1,303	4,400	4,307	1,179	1,219	—	—	—	—	-6	-2	8,096	8,071
Operating profit per business segment	733	726	470	545	3,061	3,033	726	794	—	—	—	—	-70	-112	4,921	4,985
Finance income															137	290
Finance expenses															-81	-167
Profit before tax															4,977	5,108
Investments	138	178	44	159	45	40	—	—	1	2	64	105	—	—	291	484
Amortisation, depreciation and impairment	131	152	77	55	83	74	31	32	7	7	—	—	—	—	329	320
Other assets	209	234	836	780	363	464	152	137	543	523	7,434	7 152	-1,828	-1,863	7,709	7,428
Total assets	347	412	880	939	408	504	152	137	544	525	7,498	7,257	-1,828	-1,863	8,000	7,912
Liabilities	—	6	879	939	128	112	171	166	479	466	3,123	2,905	-1,756	-1,790	3,023	2,804
Total liabilities	—	6	879	939	128	112	171	166	479	466	3,123	2,905	-1,756	-1,790	3,023	2,804

Note 4 Acquisition of operations

In 2007 and 2008, agreement was reached with seven sporting alliances regarding the takeover of the operations, personnel and rental contract for bingo operations run by the operating companies. In December 2008, the Svenska Spel Board decided that bingo operations were to be closed in the first half of 2009. The operations are now closed in accordance with the Board decision.

Note 5 Employees, employee costs and benefits

	2009		2008	
	Number of employees	of which men, %	Number of employees	of which men, %
Average number of employees				
Parent Company	752	62	768	61
Other Group companies	996	51	952	51
Total	1,748	56	1,720	56
	2009		2008	
	Number of employees	of which men, %	Number of employees	of which men, %
Board of Directors, CEO and Key management				
Board of Directors	11	6	10	5
CEO	1	0	1	1
Key management	8	6	8	6
	Group		Parent Company	
	2009	2008	2009	2008
Absence due to illness, %				
Absence due to illness	3.8	3.8	2.6	2.6
Absence due to illness, women	5.0	5.0	4.2	4.6
Absence due to illness, men	2.8	2.8	1.5	1.4
Absence due to illness, 29 years and younger	4.5	4.6	2.5	2.0
Absence due to illness, 30–49 years	3.4	3.3	2.4	2.7
Absence due to illness, 50 years and older	3.7	3.3	3.3	2.5
Absence due to illness, 1–14 days	2.0	2.0	1.2	1.1
Absence due to illness, 15–60 days	0.4	0.4	0.2	0.2
Absence due to illness, > 60 days	1.3	1.4	1.2	1.3
Absence due to illness is calculated as the total number of hours of absence due to illness divided by the total number of scheduled working hours.				
	2009		2008	
	Board of Directors, CEO and key management	Other employees	Board of Directors, CEO and key management	Other employees
Wages, other benefits and social security costs, SEK thousand				
Parent Company				
Wages and benefits	14,238	325,652	19,055	311,131
Social security costs	5,472	112,515	7,138	110,462
Pension costs	4,458	42,707	3,960	30,302
Total	24,168	480,874	30,153	451,895
Other Group companies*				
Wages and benefits	1,264	311,075	2,768	301,128
Social security costs	486	87,911	993	92,148
Pension costs	365	17,920	276	17,385
Total	2,115	416,906	4,037	410,661
*No special benefit is paid for board assignments in subsidiaries.				
	Group			
	2009	2008	2009	2008
Wages and benefits	15,502	636,727	21,823	612,259
Social security costs	5,958	200,426	8,131	202,610
Pension costs	4,823	60,627	4,236	47,687
Total	26,283	897,780	34,190	862,556

Note 5, cont.

Fees and other benefits to directors, SEK thousand	Board fees		Audit Committee		Benefits Committee		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Margareta Winberg, Chairman	250	167	—	—	15	11	265	178
Stefan Borg, director	93	92	—	—	—	—	93	92
Björn Fries, director	93	92	10	10	—	—	103	102
Eva-Britt Gustafsson, director	93	62	10	7	—	—	103	69
Lena Jönsson, director	93	92	—	—	8	8	101	100
Lena Borgström Melinder, director	93	92	20	20	—	—	113	112
Lars Otterbeck, director	93	92	—	—	8	8	101	100
Anders Andersson, director, employee representative	16	16	—	—	—	—	16	16
Martina Ravn, director, employee representative from 15 April 2009	9	13	—	—	—	—	9	13
Roland Norbäck, alternate, employee representative from 15 April 2009	7	—	—	—	—	—	7	—
Peter Cernvall, alternate, employee representative from 15 April 2009	8	—	—	—	—	—	8	—
Håkan Bergström, director, employee representative from 15 April–14 September 2009	8	—	—	—	—	—	8	—
Britta Höglund, alternate, employee representative to 14 September 2009	13	7	—	—	—	—	13	7
Elin Mårtensson, director, employee representative to 15 April 2009	8	17	—	—	—	—	8	17
Sabina Augustsson, alternate, employee representative to 15 April 2009	5	20	—	—	—	—	5	20
Bertil Sandström, director, employee representative to 15 April 2009	4	20	—	—	—	—	4	20
Anders Gustafzon, Chairman, resigned 15 April 2008	—	60	—	—	—	5	—	65
Karin Johansson, director, resigned 15 April 2008	—	30	—	3	—	—	—	33
Lina Ingelsson, alternate, employee representative to 23 October 2008	—	5	—	—	—	—	—	5
Total	886	877	40	40	31	32	957	949

Fees to Board

The Chairman and directors of the Board receive fees in accordance with the decision of the AGM. The same applies to the Chairman and directors in the Audit Committee and the Benefits Committee. Employees sitting on the Board and their alternates receive fees in accordance with the decision of the AGM.

The fee to the Chairman is paid on receipt of invoice from the Chairman's company. The benefits reports above pertain to the Parent Company AB Svenska Spel. No fees are paid to directors in all subsidiaries and sub-subsidiaries, as all directors are employees in companies in the Svenska Spel group. The changes in composition of directors and employees in the Board are presented in the above table.

Salary and other benefits to key management, SEK thousand	Salary		Other benefits		Other remuneration		Total salary and benefits		Pension costs	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Meta Persdotter, President, CEO from 1 February 2009	2,271	—	49	—	—	—	2,320	—	724	—
Jesper Kärrbrink, President, CEO resigned 1 May 2008	—	1,426	—	38	—	2,928	—	4,392	—	864
Total	2,271	1,426	49	38	—	2,928	2,320	4,392	724	864

Other key management

Anders Hägg, Acting President, CEO to 31 January 2009	1,547	1,848	67	74	—	—	1,614	1,922	653	681
Anna Björklund, Human Resources Director from 11 August 2008	1,300	502	65	15	—	—	1,365	517	451	118
Anders Granvald, IT Director	1,240	1,175	3	1	—	—	1,243	1,176	375	226
Bengt Palmgren, Chief Legal Counsel	1,425	1,322	62	78	—	—	1,487	1,400	598	469
Per Jaldung, Manager Casino business area	1,189	81	75	6	—	—	1,264	87	365	23
Marie Avander, Manager Restaurant Gaming & Bingo Halls business area	1,214	86	57	—	—	—	1,271	86	671	14
Håkan Sjöstrand, Manager Retail Outlet business area	1,305	982	102	67	—	—	1,407	1,049	334	209
Thomas Agrell, Marketing Director from 1 September 2009	400	—	1	—	—	—	401	—	119	—
Andreas Jansson, Communications Director to 30 October 2009	1,036	1,060	38	50	—	—	1,074	1,110	231	251
Mikael Franzén, Manager Internet business area to 26 October 2009	1,054	95	48	1	—	—	1,102	96	302	26
Annica Axelsson, Manager BRK Division, resigned 1 May 2008	—	963	—	1	—	1,537	—	2,501	—	393
Mathias Hedlund, Manager SOL Division, resigned 1 May 2008	—	1,291	—	36	—	1,537	—	2,864	—	345
Claes Tellman, Manager BRK Division, from 1 May–30 November 2008	—	889	—	79	—	1,800	—	2,768	—	253
Eva Wetterdal, Human Resources Director, resigned 20 May 2008	—	487	—	25	—	523	—	1,035	—	322
Total	11,710	10,781	518	433	—	5,397	12,228	14,689	4,099	3,330

Anders Hägg served as both acting CEO and CFO during the period 1 May 2008 to 31 January 2009.

Note 5, cont.

Benefits to key management

Key management

Members of the "key management" group are determined by the Board. The key management group consists of the executives that report directly to the CEO and are part of corporate management.

Changes in the key management group

Meta Persdotter took up the position of President and CEO for AB Svenska Spel on 1 February 2009. Anders Hägg was acting CEO from 1 May 2008 until 1 February 2009 when he returned to his normal role of CFO. As a step in AB Svenska Spel's change process, Thomas Agrell was recruited as marketing director from 1 September 2009.

Andreas Jansson finished his assignment as communications director of Svenska Spel on 30 October and Mikael Franzén advised at the end of October that he would be leaving the position of manager of the Internet business area from 1 January 2010. In autumn 2009 a reorganisation of the company was commenced. In conjunction with this, Jörgen Olofsson was recruited as manager of the Production operational area. Olofsson formally commenced his position on 1 January 2010.

Benefits to key management – Guidelines, nomination process, decisions and monitoring

The guidelines that apply for benefits to key management were adopted at the EGM on 14 September 2009. These guidelines are based on the guidelines issued by the government on 20 April 2009 regarding employment terms for key management in companies with state ownership. The policies specify that total benefits to key management are to be reasonable and well balanced. Benefits should be competitive, have a ceiling, be appropriate and contribute to a sound ethical and corporate culture. Benefits should not be leading in relation to comparable companies but embody moderation.

The decision on employment terms for the CEO is prepared by the Benefits Committee and decided by the Board. Matters of employment terms for other executives are made by the CEO. The outcome of completed arrangements is reported to the Board. Decisions are made on individual benefits are to be based on a written presentation of the Company's costs. The Board ensures that benefits follow the guidelines by comparing benefits for equivalent roles in other state-owned and private companies that are comparable in terms of parameters such as size, complexity, and revenue, and which only conduct operations in Sweden.

Benefits and terms for key management

President and CEO Meta Persdotter received salary and benefits totalling SEK 2,320 thousand in 2009. No variable benefits were paid. Meta Persdotter is entitled to pension under the ITP plan at the age of 65. In addition, she receives complementary pension so the total pension premiums total 30% of gross salary.

On termination by either party, 6 months' salary is to be paid. Where termination is from the Company's side, a severance pay is to be paid for 18 months equivalent to the prevailing monthly salary. The severance pay is paid monthly and fully offset in the event salary or income from employment is received from another employer.

Anders Hägg was acting CEO from 1 May 2008 to 31 January 2009. Hägg received a monthly salary increment of SEK 60 thousand during this period.

To other key management, a total of 8 persons, pension is paid under the ITP plan at the retirement age of 65. On termination by either party, a 6 months' period of notice applies. Where termination is from the Company's side, a severance pay is to be paid for 0–18 months equivalent to the prevailing monthly salary with full offset.

Note 6 Auditors' remuneration

Auditors' remuneration, SEK thousand	Group			Parent Company		
	2009	2008	2007	2009	2008	2007
Auditing assignments						
Öhrlings PricewaterhouseCoopers AB	1,721	1,718	1,722	1,007	1,007	1,007
Swedish National Audit Office	315	315	389	315	293	320
Auditing operations in addition to auditing assignments						
Öhrlings PricewaterhouseCoopers AB	457	961	381	456	933	381
Deloitte AB	244	—	—	244	—	—
Tax consultation						
Öhrlings PricewaterhouseCoopers AB	256	—	—	256	—	—
Other services						
Öhrlings PricewaterhouseCoopers AB	—	—	71	—	—	71
Deloitte AB	199	—	—	199	—	—
Total	3,191	2,994	2,563	2,477	2,233	1,780

Audit engagements pertain to auditing of the annual financial statements and accounting as well as the administration of the Board and CEO. It also includes other assignments performed by the Company's auditors, and consulting or other counsel resulting from observations related to the audit.

Everything else is included under other assignments.

Note 7 Finance income and expenses

Finance income, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Interest income	14	107	19	121
Exchange rate gains	38	47	38	46
Change in value of assets, Triss Månadsklöver	77	113	77	113
Other finance income	9	23	9	23
Total	137	290	143	304

Finance expenses, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Interest expense	-1	-1	-1	-1
Exchange rate losses	-34	-41	-34	-41
Change in value of liabilities, Triss Månadsklöver	-46	-125	-46	-125
Total	-81	-167	-81	-167

Paid and received interest in operating activities, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Paid interest	-1	0	-1	0
Received interest	14	107	19	121

Intra-group income of SEK 8.9 million (30.8) is included in the Parent Company's interest income.

Note 8 Taxes

Recognised in the income statement, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Current tax (-)				
Tax expense for the period	—	—	—	—
Adjustment of tax pertaining to previous years	—	—	—	—
Deferred tax (-)				
Deferred tax pertaining to temporary differences	0	0	—	—
Total tax charge recognised	0	0	—	—

The Svenska Spel Group has previously unrecognised tax losses of SEK 173 million (156). Deferred tax assets have not been recognised in cases where it is unlikely the Group will credit them against future taxable winnings.

Note 9 Intangible assets

Capitalised development expenditure, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Accumulated cost				
Opening balance	483	428	466	422
Acquisitions	0	17	—	5
Reclassification	1	38	—	39
Closing balance	484	483	466	466
Accumulated depreciation and impairment				
Opening balance	-249	-174	-245	-172
Depreciation for the year	-48	-53	-44	-50
Impairment for the year	—	-22	—	-23
Closing balance	-298	-249	-289	-245
Carrying amount	186	234	177	221

Note 9, cont.

Capitalised development expenditure, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Ongoing projects				
Opening balance	25	16	25	16
Costs incurred during the year	35	48	35	48
Reclassification	-1	-39	—	-39
Closing balance*	60	25	60	25

* SEK 38.4 million pertains to a new data warehouse, SEK 7.7 million to development of new online products, and SEK 14.1 million to new Vegas system.

Capitalised development projects

Intangible assets comprise primarily capitalised development expenditure, where the following represent the major items.

GEM

GEM is a gaming platform for the Retail Outlet business area. The carrying amount of GEM is SEK 163 million (189). The estimated amortisation period is ten years and the investment will be completely written off in 2016. The ten-year amortisation period is applied IT platforms of the type represented by GEM are typically utilised over a period of at least ten years.

ES

Another unit is a gaming platform called ES for the Restaurant Gaming & Bingo Halls business area. The carrying amount is SEK 0 million (5). The amortisation period is deemed to be five years and the investment will be fully amortised in 2009. A new gaming platform that is to replace ES is under development, which will be leased from the supplier.

Online products

In 2009 Svenska Spel developed a new service that enables subscription to the Lotto product. The service is available from 1 January 2010 and the carrying amount at the end of the year was SEK 7.7 million (0.3). The amortisation period for the asset is deemed to be 3 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 14.0 million (22.3). The amortisation period for the asset is deemed to be three years and it will be fully amortised in 2011.

Costs for capitalised development projects

The total amount of development project costs that have been expensed during the period is SEK 47 million (35) and relates to Parent Company and Group projects.

Other intangible assets

Intangible assets also comprise acquisitions and licences.

Acquisitions

Acquisitions pertain to the purchase price that Svenska Spel paid for the opening of seven bingo halls in Sweden. The carrying amount of the acquisitions is SEK 0 million (1.9) and will be fully amortised in June 2009.

Licences

Licences recognised in the balance sheet pertain to system licences. The carrying amount is SEK 9.7 million (12.6) and the amortisation period is five years.

Note 10 Property, plant and equipment

Group, SEK million	Buildings and land	Construction and extension, own property	Construction and extension, property held under lease	Construction in progress	Equipment and computers	Total
Accumulated cost						
Opening balance 1 January 2008	244	208	273	4	1,710	2,439
Acquisitions	—	0	1	37	382	420
Reversals	—	2	25	-27	—	0
Sales	—	—	—	—	-295	-295
Closing balance 31 December 2008	244	210	299	13	1,797	2,564
Opening balance 1 September 2009	244	210	299	13	1,797	2,564
Acquisitions	—	0	0	13	268	281
Reversals	—	17	2	-19	—	0
Sales	—	—	-37	—	-334	-371
Closing balance 31 December 2009	244	227	264	8	1,730	2,474
Accumulated depreciation and impairment						
Opening balance 1 January 2008	-21	-30	-52	—	-1,220	-1,323
Depreciation for the year	-2	-7	-17	—	-217	-244
Sales	—	—	—	—	290	290
Closing balance 31 December 2008	-23	-37	-69	—	-1,148	-1,277
Opening balance 1 January 2008	—	—	-71	—	-21	-92
Impairment for the year	—	—	0	—	-1	-1
Closing balance 31 December 2008	—	—	-71	—	-22	-93

Note 10, cont.

cont. Group, SEK million	Buildings and land	Construction and extension, own property	Construction and extension, property held under lease	Construction in progress	Equipment and computers	Total
Opening balance 1 January 2009	-23	-37	-69	—	-1,148	-1,277
Depreciation for the year	-2	-9	-14	—	-256	-281
Sales	—	—	10	—	276	286
Closing balance 31 December 2009	-26	-46	-73	—	-1,128	-1,272
Opening balance 1 January 2009	—	—	-71	—	-22	-93
Impairment for the year	—	—	—	—	—	—
Sales	—	—	3	—	15	18
Closing balance 31 December 2009	—	—	-68	—	-7	-75
Carrying amount 31 December 2008	220	173	159	13	628	1,193
Carrying amount 31 December 2009	218	182	123	8	595	1,126
Assessed value						
Assessed value, buildings	260					
Assessed value, land	97					
Parent Company, SEK million	Buildings and land	Construction and extension, own property	Construction and extension, property held under lease	Construction in progress	Equipment and computers	Total
Accumulated cost						
Opening balance 1 January 2008	36	29	3	—	1,364	1,432
Acquisitions	—	—	—	17	235	252
Reclassifications	—	0	3	-4	—	0
Sales	—	—	—	—	-199	-199
Closing balance 31 December 2008	36	29	6	13	1,400	1,485
Opening balance 1 January 2009	36	29	6	13	1,400	1,485
Acquisitions	—	0	0	3	234	236
Reclassifications	—	16	—	-16	—	0
Sales	—	—	—	—	-319	-319
Closing balance 31 December 2009	36	45	6	0	1,314	1,402
Accumulated depreciation and impairment						
Opening balance 1 January 2008	-12	-13	0	—	-943	-968
Depreciation for the year	-1	-3	-1	—	-173	-178
Sales	0	—	—	—	196	196
Closing balance 31 December 2008	-13	-16	-1	—	-920	-950
Opening balance 1 January 2008	—	—	—	—	-15	-15
Impairment for the year	—	—	—	—	—	—
Closing balance 31 December 2008	—	—	—	—	-15	-15
Opening balance 1 January 2009	-13	-16	-1	—	-920	-949
Depreciation for the year	-1	-4	-1	—	-193	-199
Sales	—	—	—	—	263	263
Closing balance 31 December 2009	-13	-20	-2	—	-850	-885
Opening balance 1 January 2009	—	—	—	—	-15	-15
Impairment for the year	—	—	—	—	—	—
Sales	—	—	—	—	15	15
Closing balance 31 December 2009	—	—	—	—	0	0
Carrying amount 31 December 2008	23	14	5	13	465	520
Carrying amount 31 December 2009	23	25	4	0	464	517
Assessed value						
Assessed value, buildings	27	—	—	—	—	—
Assessed value, land	6	—	—	—	—	—

Note 11 Financial risk management

Financial risk management

The Group is exposed to various financial risks through its operations: foreign exchange risk, interest risk, credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and aims to minimise potentially harmful effects of the Group's financial result.

Risk management is managed by a central finance department in conjunction with a hedging department in accordance with the policies determined by the Board. The departments evaluate and hedge financial and other risks in collaboration with other units in the Group. The Board has prepared policies for overall risk management as well as for specific areas.

Foreign exchange risk

The Group is only operative in Sweden but is exposed to foreign exchange risks that arise from currency exposures pertaining to purchasing of specialised equipment and printing of lotteries. The exposure is to USD, EUR as well as CHF and GBP. Foreign exchange 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 foreign exchange risk against the functional currency by using hedging instruments. This means that that 100% of the contracted currency flows are to be hedged when the contract is signed. Projected flows are to be hedged to a level of 50–100% over a period of 6–12 months. Planned investments that involve significant insecurity, such as with regard to the currency and size of the flow, are to be hedged before the contract is signed.

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

Currency	2009	2008
EUR	179,1	288,5
USD	5,6	7,2
CHF	1,3	4,5
GBP	2,8	3,1
Total	188,8	303,3

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

Interest rate risk

The Group's interest risks pertain to interest rate fluctuations that affect investments in real rate of interest bonds and surplus liquidity investments. Real interest rate bonds are used to hedge the Group's commitments to winners in the Triss Månadsklöver lottery. Svenska Spel pays a one-off 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 real interest rate market. The payment is adjusted to cover future payments to the winner. The liability to winners is upwardly adjusted annually according to the CPI trend. To manage interest rate risk relating to real rate of interest bonds, it is the responsibility of the manager to ensure that the interest rate sensitivity of an investment in the asset, real interest rate bonds, is the same as the liability to the winner, and that the portfolio's interest rate sensitivity to real interest rate bonds corresponds to that of the liability as far as possible. The Group's overall interest risk associated with assets and liabilities in real interest rate bonds is deemed to be negligible.

A lesser part of the Group's cash and cash equivalents is invested in financial instruments which largely comprise zero coupon bonds and prime commercial papers which are held to maturity.

Credit risks

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

This type of credit risk pertains to the risk that these partners are not able to fulfil their financial obligations. This risk is managed in accordance with the Group's credit policy which has set routines for handling financial flows, credit assessments and collateral etc.

There are detailed procedures for approval of gaming retailers and restaurants and which are based on placing retailers in risk categories. Retailers with low credit approval ratings or inadequate credit history are requested to provide security or a deposit which is pledged to ensure the retailer meets his or her obligations. Funds are collected weekly by autogiro and retailers that do not pay on time are terminated in accordance with specific rules.

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 received 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 which is paid annually in its entirety to the Swedish Sports Confederation and 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 in the games and lotteries arranged by Svenska Spel. This risk is considered negligible as the majority of all games and lotteries is based on an allocation of funds between participants in the game. As gaming may not occur on credit, the funds to be allocated between 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 50 years. This lottery is administrated by a third party and based on funds being paid for each winner to the administrator to cover all future payments to the winner.

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 profit and loss, loan and trade receivables, held-to-maturity investments and available-for-sale financial assets. Fair value corresponds to the carrying amount.

Svenska Spel values its bonds with real rate of interest at fair value. In accordance with IFRS 7 these have been classified in valuation hierarchy 2 as their valuation is based on market data.

Financial assets, Group

SEK million, 31 December 2008	Financial assets at fair value through profit and loss	Investments held to maturity	Loan receivables and trade receivables	Available-for-sale financial assets	Total fair value
Real rate of interest bonds	2,416	—	—	—	2,416
Investments in zero-coupon bonds and commercial papers	—	113	—	—	113
Trade and other receivables	—	—	543	—	543
Set off National Debt Office	—	—	1,200	—	1,200
Cash and cash equivalents	2,187	—	—	—	2,187
Total					6,460

SEK million, 31 December 2009	Financial assets at fair value through profit and loss	Investments held to maturity	Loan receivables and trade receivables	Available-for-sale financial assets	Total fair value
Real rate of interest bonds	2,304	—	—	—	2,304
Investments in zero-coupon bonds and commercial papers	—	118	—	—	118
Trade and other receivables	—	—	454	—	454
Set off National Debt Office	—	—	1,300	—	1,300
Cash and cash equivalents	2,451	—	—	—	2,451
Total					6,627

Securities Triss Månadsklöver

Total securities holdings pertaining to Triss Månadsklöver amount to SEK 1,485 million (1,436), of which SEK 1,384 million (1,241) is non-current and

SEK 101 million (195) is current. On a consolidated basis, the current component is included in cash and cash equivalents, see Note 16. Net acquisition and sales of Månadsklöver amounts to SEK -3 million (67.6) and change in value is SEK 52.5 million (71.5).

Financial liabilities, Group

SEK million, 31 December 2008	Financial liabilities at fair value through profit and loss	Other financial liabilities	Total fair value
Trade payables and other liabilities	—	555	555
Unpaid winnings, Månadsklöver	1,324	—	1,324
Other current and non-current non-interest bearing liabilities	—	925	925
Total			2,804

SEK million, 31 December 2009	Financial liabilities at fair value through profit and loss	Other financial liabilities	Total fair value
Trade payables and other liabilities	—	580	580
Unpaid winnings, Månadsklöver	1,371	—	1,371
Other current and non-current non-interest bearing liabilities	—	1,072	1,072
Total			3,023

Interest risk instrument (valuation principle)	Nominal value	Maturity date	Nominal yield, %
Real rate of interest bonds			
Swedish Government real rate of interest bonds			
1570	70	15 Sep. 2010	6.00
3106	232	1 Apr. 2012	1.00
3001	123	1 Apr. 2014	0.00
3105	292	1 Dec. 2015	3.50
3102	292	1 Dec. 2020	4.00
3104	90	1 Dec. 2028	3.50

Note 12, cont.

Interest risk instrument (valuation principle)	Nominal value, SEK million		Effective rate of interest, %
Investments in zero-coupon bonds and commercial papers			
0–90 days of interest	31	15 Feb. 2010	Floating interest (STIBOR 3 months)
91–360 days of interest	—	—	Floating interest (STIBOR 3 months)
361–1,080 days of interest	86	Q2 and Q4 2011	Floating interest (STIBOR 3 months)
Total	117		
Cash and cash equivalents	2,451		0.64

Interest risk instrument (valuation principle)	Nominal value, SEK million	Present-value weighted real discount rate, %
Compulsory investment reserve Triss Månadsklöver		
Maturity date 0–1 years	138	0.002
Maturity date 1–5 years	498	0.271
Maturity date >5 years	733	1.304
Total	1,369	

Note 13 Trade and other receivables

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Trade receivables				
Receivables, gaming and lottery retailers	269	372	269	372
Receivables, restaurants	43	28	43	28
Other trade receivables	21	15	15	11
Total trade receivables	332	414	326	411
Other receivables				
Other current receivables	14	14	6	4
Total other receivables	14	14	6	4
Total trade and other receivables	346	428	333	415

All trade receivables are due within 30 days. Doubtful trade receivables amount to SEK 2.8 million (2.7), costs for losses on trade receivables amount to SEK 2.8 million (2.6).

Note 14 Prepayments

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Prepaid retailer commissions	11	10	11	10
Other interim receivables	97	106	73	76
Total	108	116	84	86

Note 15 Cash and cash equivalents

Cash and cash equivalents, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Cash and cash equivalents	2,451	2,187	2,294	1,980
of which funds on internet gaming accounts	123	100	123	100
of which collateral on deposit from retailers	15	14	15	14
of which Triss Månadsklöver, deposits	28	0	—	—

Short-term portion of Triss Månadsklöver lottery is recognised as current investment for the Parent Company.

Not 16 Equity

Group

Share capital

The registered share capital included 2,000 ordinary shares at 31 December 2009, at a par value of SEK 100 per share. Holders of ordinary shares are entitled to dividends that are subsequently determined.

Retained earnings

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

Parent Company

AB Svenska Spel is 100% 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 previous year after any provisions are made to statutory reserves and profit distribution. Non-restricted equity is the amount available for distribution to shareholders.

Note 17 Earnings per share

The calculation of earnings per share for 2009 is based on profit for the year attributable to equity holders of the Parent Company of SEK 4,977 million (5,108) divided by the number of outstanding shares. Earnings per share for 2009 are SEK 2,488 thousand (2,554). The number of outstanding shares has not changed during the year.

No equity instruments have been issued that could cause dilution of equity.

Note 18 Unpaid winnings

Svenska Spel's liabilities consist of current and non-current winnings. Winnings that are due within 1 year are current and consist of Månadsklöver and Tia Kalasvinsten that are paid out during the year on an ongoing basis, as well

as winnings in other games and lotteries. Non-current liabilities are unpaid winnings that belong to the winners of Månadsklöver that are paid out for up to 25 years as well as Tia Kalasvinsten that are paid out for up to 10 years.

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Current liabilities				
Unpaid winnings, traditional games and lotteries	320	462	320	462
Unpaid winnings, Månadsklöver <1 year	138	130	138	130
Total	458	592	458	592
Non-current liabilities				
Unpaid winnings, Triss Månadsklöver 1–5 years	498	466	498	466
Unpaid winnings, Triss Månadsklöver > 5 years	733	728	733	728
Unpaid winnings, Tia Kalas 1–5 years	2	—	2	—
Total	1,233	1,194	1,233	1,194

Note 19 Other non-current liabilities

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Provisions for pensions	13	14	12	13
Subordinated loan	15	15	15	15
Retailer collateral	15	14	15	14
Other non-current liabilities	1	13	1	13
Total	44	56	43	55

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. In certain cases, AB Svenska Spel takes out a retailer security based on individual assessment of individual retailers which is held for the duration the retailer is active, hence making it non-current liability.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation resulting from past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the effect of the time that the payment is made is significant, provisions are determined by discounting the expected future cash flow at a pre-tax interest rate that reflects the current market estimate of the value of the money at that time. The majority of these provisions comprise provisions for pensions.

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

Provisions for pensions

Pension provision 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's consolidation level was 114% (112) on 31 December 2009. The consolidation level is determined as the fair value of plan 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. The year's fees for the Group's pension insurance through Alecta amounted to MSEK 39.5 (28.6).

Note 20 Trade payables and other current liabilities

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Trade payables	291	252	219	196
Other liabilities	210	219	169	173
Employee-related expenses	80	84	—	—
Total	580	555	388	369

Accrued costs for the Parent Company are presented in Note 23.

Note 21 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 series that are possible to pay out. Profits from games are placed in the fund after completed gaming series, and profits from lotteries are placed on activation.

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Settlement funds				
Provision at the beginning of the year	101	95	101	95
Change for the year	59	6	59	6
Provision at the end of the year	160	101	160	101
Funded winnings				
Provision at the beginning of the year	192	330	157	312
Change for the year	223	-138	225	-156
Provision at the end of the year	415	192	381	157

Note 22 Maturity structure for liabilities

Maturity date, SEK million	Unpaid winnings	Trade payables	Settlement funds	Funded winnings	Other non-current liabilities	Total
Less than 1 year	458	580	160	415	15	1,628
1–5 years	500	—	—	—	29	529
More than 5 years	733	—	—	—	—	733
Total	1,691	580	160	415	44	2,890

Real rate of interest bonds
Maturity date

Less than 1 year	70
1–5 years	355
More than 5 years	673

Note 23 Accruals

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Prepaid stakes for multiple week games	133	114	133	114
Other items	—	—	30	34
Employee-related expenses	—	—	43	45
Total	133	114	206	193

The Group's expenses for salaries, social security expenses and change in holiday pay liability etc. are recognised under Other liabilities, see Note 20.

Note 24 Leasing

Operating lease agreements – Group/Parent Company as lessor

All leasing agreements entered into by Svenska Spel have the nature of operating leases. Leasing agreements mainly relate to rent of office, casino

and bingo premises. The Group's rental costs amount to SEK 76.2 million (94.9). The Parent Company's rental costs for 2009 are SEK 49.9 million (56.4).

Note 24, cont.

Operating lease agreements – Group/Parent Company as lessee, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Less than 1 year	59	67	32	32
More than 1 year but less than 5 years	237	241	126	126
More than 5 years	397	420	98	130
Total	693	728	256	288

The casino in Sundsvall has a 30-year lease, while the leases for the casinos in Gothenburg and Malmö are held for 20 years. The agreements contain an indexing clause for annual calculation of rental payments. The Parent Company's rental costs pertain to office premises in Sundbyberg. The rental period is 10 years. The rental agreements for the bingo halls was terminated in 2009.

Operating lease agreements – Group/Parent Company as lessor

These agreements pertain to the rental of gaming and lottery terminals to retailers.

Operating lease agreements – Group/Parent Company as lessor, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Less than 1 year	50	51	50	51
More than 1 year but less than 5 years	200	203	200	203
Total	250	254	250	254

After five years, the annual revenue from operating lease agreements pertaining to the lease of retailer terminals amounts to approximately SEK 50 million per year.

Leased gaming and lottery VLTs, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Opening cost	146	144	146	144
Purchases for the year	—	2	—	2
Sales for the year	0	0	0	0
Closing cost	146	146	146	146
Opening depreciation	–79	–50	–79	–50
Depreciation for the year	–29	–29	–29	–29
Sales for the year	0	0	0	0
Closing depreciation	–108	–79	–108	–79
Carrying amount	38	67	38	67

Note 25 Commitments, contingent liabilities and future obligations

Contingent liabilities

Pledged assets, SEK million	Group		Parent Company	
	2009	2008	2009	2008
Blocked funds as collateral for loans	—	0	—	0
Credit security	12	12	11	11
Total	12	12	11	11

Future obligations concerning purchase of property, plant and equipment and other contracted commitments, SEK million	Group		Parent Company	
	Other	Other	Other	Other
Less than 1 year	636	474	596	432
More than 1 year but less than 5 years	786	928	668	687
More than 5 years	339	330	100	130
Total	1,761	1,732	1,364	1,249

Other contracted commitments include rental agreements, sponsorship agreements and other major agreements with partners.

Note 26 Affiliates

Group companies

Internal price-setting is based on the "arm's length principle". The fundamental principle is that prices are to be set as if the transactions are between two independent companies. In 2009 the Parent Company has purchased services from other companies in the Group for a value of SEK 0.0 million (0.0) and sold services to other companies in the Group for a value of SEK 8.9 million (13.2).

State-owned companies

The Group has purchased goods and services on commercial terms from state-owned companies. Posts with substantial amounts include:

TeliaSonera	SEK 61.4 million (74.0)
Posten AB	SEK 42.5 million (32.2)
Teracom AB	SEK 1.1 million (9.9)

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 profits 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. Advanced funds are offset against dividends following the resolution of the AGM for the year. On 5 October 1998, Svenska Spel was granted an exception from the provisions in Chapter 21, section 1 of the Swedish Companies Act with respect to the prohibition on loans. At year-end the funds on loan to the National Debt Office were SEK 1,300 million (1,200).

Note 27 Investments in Group companies

Parent Company investments in Group companies, SEK thousand	2009	2008
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 impairment of shares and participations in Svenska Spels Förvaltnings AB due to the carrying amount exceeding the consolidated fair value.

Parent Company's participation in subsidiaries	Corp. ID no.	Registered office	Share of equity, %	Number of shares	Carrying amount, SEK thousand 31 Dec. 2009	Carrying amount, SEK thousand, 31 Dec. 2008
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 investments in indirectly-owned subsidiaries	Corp. ID no.	Registered office	Share of equity, %	Number of shares	Carrying amount, SEK thousand 31 Dec. 2009	Carrying amount, SEK thousand, 31 Dec. 2008
CC Casino Restaurang AB	556586-7016	Stockholm	100	1,000	—	—
Casino Cosmopol 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	—	—

Note 28 Share of profit of Group companies

SEK million	Group		Parent Company	
	2009	2008	2009	2008
Anticipated dividend from Casino Cosmopol AB	—	—	540	611

Note 29 Events after balance sheet date

A new organisation that consists of six operational areas and four staff units takes effect on 1 January 2010. The purpose of a changed organisation is to create a base for the Company to work in a more process-oriented manner and ensure employees have clear roles and responsibility so they can understand how their efforts contribute to satisfied customers. On 16 February 2010, the Swedish Supreme Administrative Court ruled against advising Svenska Spel leave to appeal on a review of case on public procurement.

In practice, the decision means that the appealed procurement must be repeated with application of the act (2007:1091) on public procurement and that the Company adapt its operation to public procurement legislation.

Note 30 Uncertainty in estimates and assessments

Sources of uncertainty in estimates

Key management has analysed major uncertainty factors 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 the end of the year, the Svenska Spel Group had capitalised development expenditures totalling SEK 235 million (246). The expenditures per-

tain to a number of system platforms for games run by Group companies such as restaurant games of the Vegas type, as well as Triss, Stryktipset, Lotto etc. The opportunity to recover current capitalised development expenditure is naturally dependent on future sales prospects for those games associated with current 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.

Note 31 Information about the Parent Company

AB Svenska Spel is a limited liability company registered in Sweden with Corporate ID Number 556460-1812. Its registered office is Visby, Sweden. Shares in the Parent Company are administered by the Ministry of Finance. The

address of the head office is Norra Hansegatan 17, 621 80 Visby, Sweden. Svenska Spel's Annual Report for 2009 was approved for publication by the Board of Directors on 11 March 2010.

Note 32 Paid and proposed distribution of profit

Svenska Spel's Articles of Association state that all available profits shall be distributed as prescribed by the Swedish State and that no amount shall be paid as dividend to shareholders.

Approved and distributed during the year, SEK

To the Swedish Sports Confederation	1,337,994,000
To the Swedish National Board for Youth Affairs	182,492,000
To support culture	217,000
To the Swedish State	3,587,176,000
Carried forward	13,101,614
Total	5,120,980,614

Proposed distribution to be approved by the AGM, SEK

To the Swedish Sports Confederation	500,000,000
To support culture	141,000
To the Swedish State	4,476,642,000
Total	4,976,783,000

The consolidated financial statements and Annual Report are subject to adoption at the AGM on 20 April 2010.

The Board and CEO affirm that the consolidated accounts have been prepared in accordance with the International Financial Reporting standards (IFRS) as approved by the EU and, give a true and fair view of the Group's financial position and results of operations. The annual financial statements have been prepared in accordance with generally accepted accounting practices and give a true and fair picture of the Company's financial position and profit.

The Directors' Report for the Group and Parent Company gives a true and fair overview of development of the Group and Parent Company's business, position and profit and describe material risks and uncertainties faced by the Group and the companies which form part of it.

Visby, 11 March 2010

Margareta Winberg

Chairman

Stefan Borg

Director

Björn Fries

Director

Eva-Britt Gustafsson

Director

Lena Jönsson

Director

Lena Borgström Melinder

Director

Lars Otterbeck

Director

Anders Andersson

Director/

Employee representative

Martina Ravn

Director/

Employee representative

Meta Persdotter

CEO

Our audit report relating to this Annual Report was submitted in Stockholm on 12 March 2010

Öhrlings PricewaterhouseCoopers AB

Per Wardhammar

Authorised Public Accountant

Anders Herjevik

Authorised Public Accountant

Auditors appointed by the Swedish National Audit Office

Auditors' report

To the annual meeting of the shareholders of AB Svenska Spel

Corporate identity number 556460-1812

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of AB Svenska Spel for the year 2009. The company's annual accounts and the consolidated accounts are included in the printed version on pages 6–76. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated

accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, 12 March 2010

Öhrlings PricewaterhouseCoopers AB
Per Wardhammar
Authorised Public Accountant

Anders Herjevik
Authorised Public Accountant
Appointed by Riksrevisionen

Five-year summary Svenska Spel Group

Income statement in summary, SEK million	2009	2008	2007	2006	2005
Gross gaming revenue	22,175	22,559	21,499	20,071	19,586
Other gaming-related revenue, etc.	252	242	217	210	241
Total revenue from gaming, etc.	22,427	22,800	21,716	20,281	19,827
Cost of goods and services sold					
- Winners' share*	-12,268	-12,709	-11,852	-11,114	-11,064
- Commissions	-2,020	-1,983	-1,916	-1,787	-1,786
- Other	-43	-37	-33	-29	-26
Net sales from gaming operations, etc.	8,096	8,071	7,915	7,351	6,951
Capitalised work for own account	15	11	20	89	92
Employee expenses	-971	-924	-895	-804	-762
Other external expenses	-1,890	-1,853	-1,695	-1,612	-1,551
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	-329	-320	-309	-261	-209
Operating profit	4,921	4,985	5,036	4,763	4,521
Other finance income and expenses	—	—	90	3	1
Interest and finance income	137	290	215	118	115
Interest and finance income and taxes	-81	-167	-92	-76	-68
Income for the year	4,977	5,108	5,247	4,807	4,569
Key indicators					
Net gaming revenue, SEK million	9,905	9,804	9,598	8,905	8,506
Operating margin, %	21.9	21.9	23.6	23.5	22.8
Earnings per share, SEK million	2.5	2.6	2.6	2.4	2.3
Equity ratio, %	62.2	64.6	65.9	67.9	68.0
Net revenue per employee, SEK million	4.63	4.70	4.99	4.95	4.88
Gaming and lottery retailers, number	6,758	6,811	6,385	6,385	6,191
Gaming locations with Vegas	2,187	2,229	2,248	2,190	2,145
Other information					
Paid to Swedish Sports Confederation	500	1,338	1,394	1,216	1 019
Paid to Swedish National Board for Youth Affairs**	—	182	196	154	131
Paid to the Swedish state	4,477	3,587	3,657	3,437	3,417

* includes unclaimed winnings

** The budget proposal (2009/10:1), included parliamentary approval for government support of a grant of SEK 500 million to the sporting movement. No direct payment will be made to the National Board for Youth Affairs.

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Corporate Social Responsibility (CSR) Report

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Sustainable development

AB Svenska Spel is 100% owned by the Swedish State. All profit is thus distributed in the manner determined by the government.

The Company is licensed by the government to conduct lotteries and betting on sports competitions, VLTs, casino gaming and internet poker.

The Svenska Spel Group comprises the Parent Company AB Svenska Spel and subsidiaries Casino Cosmopol AB and Svenska Spels Förvaltnings AB. Svenska Spels Förvaltnings AB forms a subgroup comprising the subsidiaries Casino

Cosmopols Fastighets AB, CC Casino Restaurang AB, AB Svenska Spels Servicecenter and AB Svenska Spels Internetservice. The organisation consisted in 2009 of four business areas – Restaurant Gaming & Bingo Halls, Casino, Retail Outlet and Internet – along with the five staff units Finance & Group Support, Communication & Society, IT, Legal and Human Resources.

Svenska Spel was market leader with 53% of the estimated total known net gaming market of SEK 18,600 million in 2009.

CEO on Svenska Spel's CSR process

The Swedish gaming industry is faced with major challenges. Now is the time for gaming operators to swing into action and show they mean what they say. It is easy for a company to make claims about its social responsibility in general and gaming responsibility in particular. It is easy to put up a sign with a phone number on an online gaming site. It is easy to ask customers to set their own gaming limits. It is not complicated to offer a test where you can check your gaming habits. But deselecting unhealthy revenue is not nearly as simple.

At the end of the day, the difference between gaming companies is how they earn their money and from whom they earn it. Svenska Spel's objective is to prioritise long-term sustainable development before short-term profit maximisation. One way for us to measure how we're doing is to focus on healthy revenues. The key decisions are a matter of balance between community responsibility and short-term revenue.

Svenska Spel strongly believes that customers that are sustainable in the long-term are satisfied customers. This means that social responsibility is not only related to the mandate we have from our owner. Above all, it is about professionalism, consideration and sustainable development of the Company.

We have taken key financial decisions in recent years, such as the requirement for compulsory gaming budgets on internet, to look at product development from a gaming responsibility per-



spective and provide our internet players with simple and readily available information about how much they have been gaming – a time and money balance. These are decisions we have taken out of consideration for our customers. They are reported in detail under the appropriate topics in the CSR report. Svenska Spel will go on leading the way for a healthy and wise gaming industry. Just as our customers, employees and owner expect us to. We work on the basis that we have the support of the people and organisations around us in what we are doing.

Meta Persdotter
CEO Svenska Spel

This is long-term sustainable development for Svenska Spel

The purpose of CSR* is to create long-term sustainable financial and non-financial benefits for all stakeholders. Svenska Spel's basic approach is to integrate CSR strategies, that is, the strategies for social responsibility with the professional strategies based on stakeholder expectations and market assumptions.

For Svenska Spel, sustainable development is a matter of maintaining the balance between commercial business and social responsibility at all times. Svenska Spel reports its long-term CSR approach in the five key responsibility areas: economic responsibility, business ethics responsibility, social responsibility, employee responsibility, and environmental responsibility.

Mandate, mission, strategic objectives and success factors

Svenska Spel's mandate from the owner is to conduct gaming operations in a responsible manner.

For Svenska Spel, it is very clear that responsibility should be a natural part of the gaming experience and make a difference to which gaming alternative players choose. The Company's mission was reformulated in 2009.

"Svenska Spel sells positive gaming experiences for the general public, such that we fulfil our mandate from the owners, aim for world-class gaming responsibility, and provide our employees with personal development, work satisfaction and a meaningful job."

Simplicity and healthy growth are the two success factors that describe how Svenska Spel is to conduct leadership and corporate processes to succeed in its ambition.

Svenska Spel's strategic business objectives to 2012 comprise Customer objectives, Responsibility objectives, Profitability objectives and Employee objectives.

Customer objectives: To grow in terms of revenue and maintain a stable market share the Company wants more people who play for moderate amounts to choose Svenska Spel ahead of other gaming companies.

Responsibility objective: To be perceived as "the decent company" means responsibility permeates everything Svenska Spel does. Gaming responsibility, business ethics and security are key examples of how responsibility should always be part of the gaming experience. To be the best alternative on the market in terms of reducing the risk for gaming dependency and providing knowledge and support systems to increase players' opportunity for safe, healthy and secure gaming. Gaming responsibility is to be integrated into marketing as much as into the actual gaming operation.

Profitability objective: Strong revenues, cost control and good profit even in the long-term involve, in line with the mandate, creating a considerate and responsible environment related to gaming. To succeed in this, Svenska Spel must maintain its high market share.

Employee objective: For the Company to be profitable in the long-term is only possible if it has professional and creative employees that enjoy their work.



* CSR Corporate Social Responsibility. For further information, refer to the Glossary at the end of this Annual Report.

Guidelines for external reporting for companies with state ownership

On 29 November 2007, the government published external reporting guidelines for companies with state ownership. These replace the previous guidelines from 2002. The guidelines have been complemented with expanded and clearer information requirements pertaining to CSR information. State-owned companies are subject to the same legislation as privately-owned companies, including the Swedish Companies Act, the Bookkeeping Act and the Annual Accounts Act. The guidelines are a complement to prevailing accounting legislation and sound accounting practice. Companies shall, from the financial year starting 1 January 2008, report in accordance with the guidelines.

Long-term sustainable development before short-term profit maximisation

Svenska Spel's objective is to prioritise long-term sustainable development before short-term profit maximisation. This is measured through "healthy revenues". Social responsibility including gaming responsibility is a natural focus in Svenska Spel's social responsibility. Stakeholders show clearly however that there are high expectations in terms of the Company's responsibility for the environment as well as its business ethics and security. Svenska Spel's overall objectives in these areas is to reduce carbon dioxide emissions up until 2015 and counteract all attempts to utilise the operation for money laundering or other criminal activity.

Svenska Spel's CSR objectives and strategies

Svenska Spel's overall CSR objectives are to implement and elucidate the mandate to provide gaming in a responsible, commercially ethical and secure manner. This is to ensure the business has long-term sustainability and a greater confidence in Svenska Spel as a responsible company.

The CSR strategy to achieve the above objectives is based on four cornerstones:

- Social responsibility is of utmost priority and is to permeate the company as a whole.
- Responsibility is based on knowledge and experience.
- Measures should be based on player risk factors.
- The process should be clearly communicated internally as well as externally.

Svenska Spel wants to be perceived by its key stakeholders as ...

... the gaming company that can best handle community requirements for social responsibility in conjunction with gaming operations,

... a serious and valued dialogue and discussion partner that is committed to achieving its mandate and helping develop the industry in the best possible manner,

... the natural leader of the gaming industry, as well as its spokesman and primary source of knowledge.

The stakeholder analysis has thus been focussed on identifying the needs and expectations of stakeholders as well as the perception of Svenska Spel's performance in relation to commercial significance in the fields of social responsibility, business ethics and environmental responsibility.

Development of the gaming industry from a sustainability perspective

Net gaming revenues in the known gaming market have increased in recent years, while the number of players has declined and the average age of the player base has increased. The increase of revenues is largely due to the entry of private internet operators on the market. In total, there has been no increase in gaming problems in the general population. The incidence of problems in certain groups, such as amongst young men, has however increased.

The development of the gaming industry from a sustainability perspective is largely a matter of assimilating and acting on existing knowledge in the field of social responsibility, business ethics and security matters, such as not increasing revenue at the cost of players in the risk zone. An assumption for the industry meeting its social responsibility is that the government and Parliament clarify and act on the basis of clear and effective gaming regulations for the industry as a whole.

Svenska Spel's overall sustainability challenge

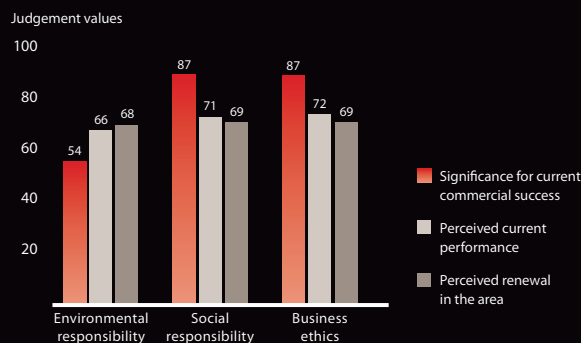
Svenska Spel has taken many steps towards long-term sustainable development for the Company. A major challenge however is the unregulated operators whose campaigns have led to a significant increase in advertising expenditure on the Swedish gaming market in recent years. This weakens Svenska Spel's mandate to observe consumer interests in having a credible alternative to illegal gaming operations, as well as to provide a broad service in urban and rural areas.

Stakeholders' impact on operations

Intelligence gathering method in stakeholder analysis



Identified key questions (all stakeholders)



Svenska Spel conducted a stakeholder analysis in autumn 2009 in conjunction with Intellectual Capital. The analysis shows that stakeholders perceive the Company to have improved its performance and renewed itself in the areas of environmental responsibility, social responsibility and business ethics. Stakeholders have a significant impact on Svenska Spel's decisionmaking, primarily due to communication and transparency having become increasingly in focus for the Company.

Responsibility and implementation

Svenska Spel's CSR department, which is part of the Information & CSR staff unit, is responsible for overall policies, strategies, processes, tools and key indicators for ethical and responsibility issues. The CSR department also has overall responsibility for the annual CSR Report. Policy decisions in the CSR area are made by the Svenska Spel board.

Svenska Spel's reporting of responsibility and sustainability

For the third year, Svenska Spel presents its CSR Report in accordance with the guidelines of the Global Reporting Initiative (GRI). Reporting is done on an annual basis as part of the Annual Report. Reporting of Svenska Spel's responsibility process is also part of the social responsibility report that Svenska Spel's owner, the Ministry of Finance, requests on

an annual basis.

The CSR report describes Svenska Spel's work in the areas of economic responsibility, business ethics and security, social responsibility, employee responsibility and environmental responsibility. Svenska Spel's performance in relation to its commercial significance in the focus areas of social responsibility, business ethics and environment has been evaluated in relation to the Company's key stakeholders. The ambition is that Svenska Spel's social responsibility priorities are aligned with the needs and expectations of external stakeholders.

CSR data for reporting has largely been selected in a number of workshops where appropriate key persons have participated. Data has then been gathered from staff units and operational areas. The Controlling support function is responsible for collection and quality assurance.

The CSR report covers the 2009 calendar year and includes the Parent Company and subsidiaries. The previous report (CSR Report 2008) was issued in April 2009. ■

Example of responsible gaming activities in 2009

January

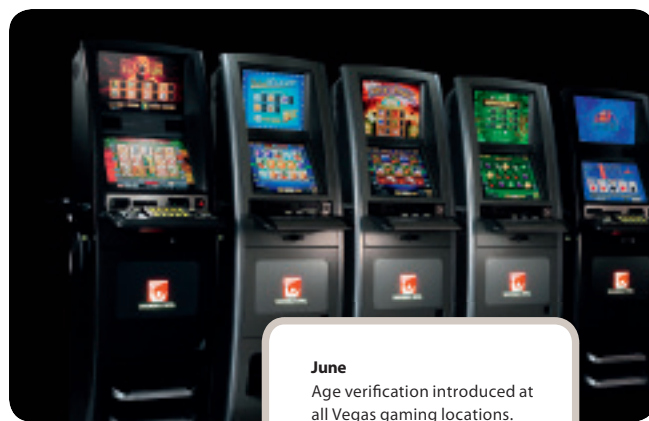
Svenska Spel pays out SEK 5 million to the Swedish Brain Foundation for research into dependency diseases. The agreement is for SEK 5 million per year for five years.

January

Revised sanctions for Vegas on inadequate age limit control.

April

The government Inquiry into Svenska Spel's internet poker is presented. It shows that Svenska Spel has followed its licence in all aspects and only a minority of Svenska Spel poker players have problems with their gaming.



June

Age verification introduced at all Vegas gaming locations.

2009

May

Svenska Spel certified to European Lotteries standard for gaming responsibility.

May

Time-based "Spela lagom" moderate gaming campaign for customers.

January

New modules added to Vegas responsible gaming training for business partners.

June

New responsible gaming brochure at casinos with information about the casino and responsible gaming advice for all first-time visitors.

Nu har du läst i två sekunder. Har du 30 till?

0 I Alla vet hur tiden fungerar. När man väntar på något går den långsamt. När något ovanligt händer står den still. Och när man har roligt går den riktigt snabbt. (Nu är du till exempel redan uppe i 9 sekunder.)

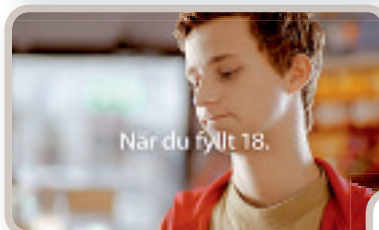
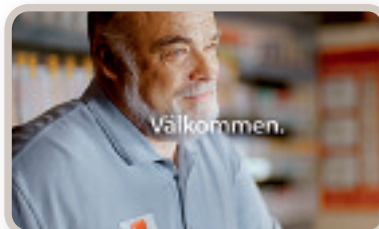
När man spelar kan det ibland kännas som att tiden försvinner. För vissa blir det ett problem.

Vi på Svenska Spel kan tyvärr inte vrida tillbaka klockan, men vi kan göra vårt bästa för att ingen ska spela mer än de hade tänkt från början. Därför har vi tagit fram verktyg som kan hjälpa dig att hålla koll på tiden när du spelar. De ser till att du följer de gränser du själv har satt upp.

Nu har vi lånat 27 sekunder. Har du fortfarande några över kan du läsa mer på

30 I spelalagom.se

SVENSKA SPEL 



July

Casinos receive responsible gaming brochure in English.

September–December

New responsible gaming campaign for Vegas business partners during autumn and winter.

December

“Spela lagom” moderate gaming campaign for age limits is repeated.

September

The ethical council for the Swedish gaming industry (SPER), was restructured into a non-profit association with the aim of increasing knowledge about matters related to gaming ethics.

September

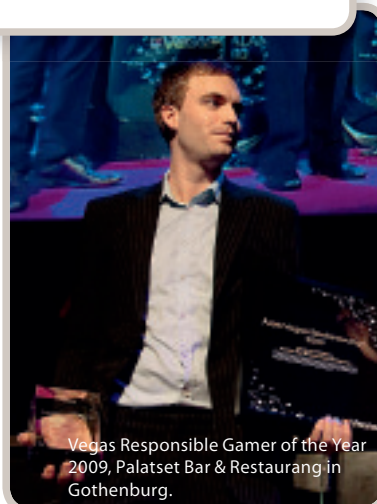
Pilot – new internet self-test for gaming problems.

November

New responsible gaming training for Svenska Spel retailers about control of the age limit requirement.

December

Decision on 18-year limit on purchase of lotteries to be introduced in 2010. Decision that Svenska Spel finances Self-help programme and Support contact in 2010.



Vegas Responsible Gamer of the Year 2009, Palatset Bar & Restaurang in Gothenburg.



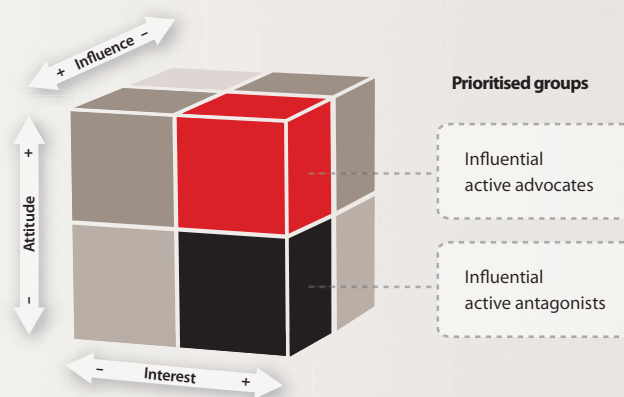
Svenska Spel stakeholders

Analysis and dialogue

On behalf of Svenska Spel, Intellectual Capital AB conducted in-depth interviews with the Company's internal and external stakeholders in autumn 2009. The full analysis with detailed information is available on svenskaspel.se.

Identification of stakeholder selection

The selection of stakeholders for in-depth interviews was based on the following criteria: Influence on, perceived attitude to and perceived interest in Svenska Spel's responsibility process. The objective was to have as broad a spread in the interviews as possible.



Definition of responsibility concept

Svenska Spel has identified three areas where stakeholders see a particular need for responsibility performance in relation to commercial significance:

Business ethics – high morals in the aspects of competition, production, marketing, sales, accounting, employees, corporate governance.

Svenska Spel defines business ethics responsibility as the Company's responsibility to ensure people are not exploited, deceived or otherwise mistreated by the Company's operations.

Social responsibility – to contribute to overall positive social development. Svenska Spel defines social responsibility as the Company's responsibility to contribute to a positive social development wherever it operates.

Environmental responsibility – minimisation of negative environmental impact. Svenska Spel defines environmental responsibility as the Company's responsibility to minimise the negative environmental impact of its operations.

Stakeholder interview 2009

In autumn 2009, 107 in-depth interviews were conducted with a selection of Svenska Spel's internal and external stakeholders. In the analysis, stakeholders defined their foremost expectations in the areas of business ethics, social responsibility and environmental responsibility. Judgements were also made of their significance for commercial success, perceived performance and perceived renewal in the area. Comparisons were made between the current situation in 2009 and the previous year.

Svenska Spel's CSR department is responsible for the stakeholder analysis being conducted. In 2010 a thorough organisational change is being made in Svenska Spel, in which responsibility and roles for the business are defined.

Eight of the current stakeholder groups were interviewed in 2008.

- Retailers
- Owner
- Regulators
- Business partners
- Suppliers
- Local community
- Interest organisations
- Operators in the industry



Svenska Spel's stakeholders foremost expectations

Social responsibility

- Clarify what social responsibility is for Svenska Spel
- Define objectives and indicators
- Set a good example in responsible gaming
- Support research and education
- Cooperate with interest organisations
- Strengthen gaming responsibility for Vegas

Business ethics responsibility

Business ethics responsibility

- Secure internal support
- Set a good example in the industry
- Assure control and monitoring
- Hold dialogue/communication
- Show transparency

Environmental responsibility

- Define objectives
- Increase internal knowledge
- Analyse and reduce environmental impact
- Make more use of digitalisation
- Be better than average rather than leading
- Communicate actions and activities

Stakeholder dialogue

Stakeholders	Examples of stakeholder expectations	Examples of dialogues in 2009
Customers In shops and restaurants, Casino Cosmopol, on svenskaspel.se and through associations.	<ul style="list-style-type: none"> • Transparency • Competitive paybacks • Support for sport and gaming dependency 	<ul style="list-style-type: none"> • Customer support and claim handling • Focus groups • Gaming survey (annual survey of gaming and the gaming market) and other surveys
Employees	<ul style="list-style-type: none"> • Dialogue/communication • Reduced environmental impact • Training • Role model in responsible gaming 	<ul style="list-style-type: none"> • Regular communication through corporate intranet • Employee dialogues • Attitude surveys on approach to responsible gaming • Regular breakfast meetings
Management	<ul style="list-style-type: none"> • Assure control and monitoring in responsibility processes • Increase internal environmental knowledge • Responsible gaming natural part of all processes 	<ul style="list-style-type: none"> • Gaming Academy • Breakfast meetings with employees, politicians and other stakeholders • CSR conference
Board of Directors	<ul style="list-style-type: none"> • Reduced environmental impact • Support research about gaming dependency • Clarify sponsorship strategies • Debate on gaming risks 	<ul style="list-style-type: none"> • Board meetings • AGM • Gaming Academy • Presentation of sustainability work in Audit Committee and Board
Retailer Outlets	<ul style="list-style-type: none"> • Role model in industry • Improve gaming experience • Clearer communication on 18-year age limit 	<ul style="list-style-type: none"> • Retailer forum • Network meetings • District managers visits • Retailer training including responsible gaming
Business partners – Restaurants and bingo halls	<ul style="list-style-type: none"> • Clearer communication • Support for sport and youth activities • Communication of the negative aspects of gaming • More gaming responsibility 	<ul style="list-style-type: none"> • Partner magazine Vegas News distributed 6 times per year with interviews with restaurateurs on their perceived and planned cooperation with Svenska Spel in gaming responsibility • Dialogue with account managers
Associations	<ul style="list-style-type: none"> • Increased digitalisation • Support for non-elite sports • Support for research and education • Support for treatment of gaming dependency 	<ul style="list-style-type: none"> • Sports gala • Sales contacts • Workshop with associations prior to decision on 18-year age limit
Suppliers Incl. advertising agencies, survey and security companies	<ul style="list-style-type: none"> • Analysis to reduce environmental impact • Cooperate with interest organisations • Preventative measures for gaming problems and support for treatment 	<ul style="list-style-type: none"> • Negotiations • Review meetings • Gaming exhibitions
Owner Swedish State	<ul style="list-style-type: none"> • Role model in industry • Marketing with consideration for social impact • Greater gaming responsibility on Vegas 	<ul style="list-style-type: none"> • AGM • Gaming Academy • Review meeting with Ministry of Finance and Ministry of Social Affairs

About the stakeholder dialogue

The matrix shows examples of individual stakeholder groups' expectations, dialogues, actions in 2009 and the focus for 2010.

Examples of actions in 2009

Examples of focus areas in 2010

- Decision made to have 18-year age limit on purchase of all games
- Improved payment solutions on internet
- Improved security precautions at Casino Cosmopol
- Authorisation for higher payback on Stryktipset
- Security precautions to counteract criminality and robbery

- Launch of new self-test
- Age limits on all games
- Further improvements in safety and security
- Development of Playscan in further channels
- Distance agreement for suspension

- New corporate values
- Internal environmental training

- New management training in responsible gaming
- Environmental challenge and environmental training for all
- Gaming policy forum
- Web camera as complement to video conferences

- New corporate values
- Updated environmental policy
- Certification in accordance with European Lotteries' responsible gaming standard

- Continued openness in stakeholder dialogue

- New sponsorship strategy
- Decision on establishment of research council
- Decision on support for Self-help programme and Support contact in 2010

- Implementation of the new corporate values
- Research council
- Certification ISO 14001

- New responsible gaming training in conjunction with Spelinstitutet
- Decision on general 18-year age limit on all gaming
- Doubled number of age controls and improved result

- Study of how to reduce energy usage for digital screens and terminals

- More than 80% of 2,438 test visits approved
- Responsibility campaign with business partners to reinforce age limit for Vegas and remind them to check age identification
- Improved routines for handling of coloured notes
- Ecocars for all drivers and training in eco-driving

- Implementation of new central system that creates conditions for new responsible gaming measures

- Decision on 18-year age limit for all gaming
- Decision on support for Self-help programme and Support contact in 2010

- Assure 18-year age limit for lottery purchases
- Run sales process in line with good gaming responsibility

- Prepare Svenska Spel's new code of conduct, including suppliers

- Increased cooperation with sports
- Communicate Svenska Spel's work in social responsibility

- Continual presentation of responsibility measures and their effects
- Certified CSR Report

- New value base
- Development of new key indicators
- Updated environmental policy



Stakeholder dialogue

Stakeholders	Examples of stakeholder expectations	Examples of dialogues in 2009
Regulators Swedish Gaming Board and Swedish National Institute of Public Health	<ul style="list-style-type: none"> Control and monitoring in relation to owner directive Dialogues on gaming marketing Communication of responsibility measures 	<ul style="list-style-type: none"> Regular reviews with the National Gaming Board, the gaming industry advisory board (OSS) Ongoing dialogue with the Swedish National Institute of Public Health
Interest organisations Incl. industry organisations for gaming companies, gaming dependency association and treatment centres	<ul style="list-style-type: none"> Better age control Reduced environmental impact – climate compensate for non-reducible impact Support for activities involving stakeholders 	<ul style="list-style-type: none"> Dialogue with beneficiaries (Swedish Sports Confederation and Swedish National Board for Youth Affairs), retailer interest organisations, the Swedish Hotel and Restaurant Employers' Association (SHR), The Swedish Bingo Operators' Central Organisation (SVEBICO), CSR Sweden. Visit gaming dependency associations Panels with representatives from gaming associations
Operators in the industry Regulated gaming companies	<ul style="list-style-type: none"> Transparency Not exploit the Company's special position Analysis to reduce environmental impact Responsibility approach should permeate entire business 	<ul style="list-style-type: none"> The Ethics Council for the Gaming Market (SPER) Gaming Academy Regular CEO meetings in the regulated gaming companies
Media	<ul style="list-style-type: none"> Reduced marketing State company leading in environmental process Support for treatment of gaming dependency although not within the responsibility of Svenska Spel Reinforced gaming responsibility on Vegas Age limits on all gaming Creative marketing of responsible gaming 	<ul style="list-style-type: none"> Gaming Academy Regular press contacts
Local community Municipalities where Svenska Spel runs operations	<ul style="list-style-type: none"> Support for sports and clubs Influence other gaming companies to take greater gaming responsibility Reduced marketing 	<ul style="list-style-type: none"> Knowledge exchange with Gotland municipality Participation in breakfast meetings arranged by the municipality Dialogue with the local community in the four casino locations
National community Members of Parliament	<ul style="list-style-type: none"> Transparency Role model in industry Analysis to reduce environmental impact Support of research into gaming dependency and treatment 	<ul style="list-style-type: none"> Breakfast meetings, Gaming Academy Meetings with MPs in spring 2009 in conjunction with submission of Svenska Spel Inquiry response Seminar that discussed future gaming regulation during Almedal week on Gotland
Global community EU parliamentarians	<ul style="list-style-type: none"> Role model in industry Analysis to reduce environmental impact Provide a secure environment for players 	<ul style="list-style-type: none"> Svenska Spel representatives visited Brussels during the year The price of gaming and the Poker inquiry translated to English for distribution to EU member countries
Other business partners Incl. retail chains and sporting associations	<ul style="list-style-type: none"> Clear communication of what the Company does No aggressive advertising Analysis to reduce environmental impact Consistent age limits Support to sports clubs 	<ul style="list-style-type: none"> Retailer gala Dialogue with account managers

Examples of actions in 2009

- Formalisation of the ethical council for the Swedish gaming industry (SPER)

- Decision on support for self-help manual and support contact
- Decision on 18-year age limit for all gaming

- Ongoing environmental work with focus on product transportation, energy and paper
- Decision on 18-year age limit for all gaming
- Formalisation of the ethical council for the Swedish gaming industry (SPER)

- Decision made to have 18-year age limit on purchase of all games
- Decision on support for Self-help programme and Support contact in 2010

- Svenska Spel sustainability review in accordance with GRI
- Decision to certify Svenska Spel in accordance with ISO 14001
- Cooperation with Supporter team for positive supporter culture

- Swedish Brain Foundation
- Principle decision to establish a research council
- Decision to support the Self-help programme and Support contact in 2010
- Svenska Spel's response to the Gaming Inquiry submitted 1 April
- Dialogue related to Svenska Spel's socioeconomic report on the price of gaming

- Pilot of new self-test
- Dialogue with industry organisation European Lotteries on gaming-related EU issues
- Dialogue on Svenska Spel response to the Gaming Inquiry and social report on the price of gaming

- Supporter team campaign

Examples of focus areas in 2010

- Continuous and transparent information
- Newsletter about Svenska Spel in the community

- Regular meetings with stakeholder organisations
- Ongoing support to the Swedish Brain Foundation
- Establishment of research council

- Environmental certification ISO 14001
- New gaming legislation
- Work on the guidelines of the ethical council for the Swedish gaming industry (SPER)
- Regular CEO meetings in SPER

- Ongoing ambition to have world-class gaming responsibility
- Continued work with Svenska Spel's environmental objectives
- Continued investment in Spela Lagom concept
- Reinforced gaming responsibility on Vegas

- Self-help programme
- Support contact
- ISO 14001

- ISO 14001
- Research council established
- Ongoing support to the Swedish Brain Foundation

- Development of responsible gaming tools on svenskaspel.se
- Dialogue on Svenska Spel's CSR Report

- Implementation of age limits on all games

Economic responsibility

Economic responsibility is one of the key areas for Svenska Spel in terms of its social responsibility. In practice it is a matter of how Svenska Spel earns its income, which revenues can be considered healthy and how growth and market share should be handled.

In its concept of healthy growth, Svenska Spel sees a relationship between the number of people gaming and the amount they game for. As the company grows, Svenska Spel wants the number of players to increase more than the relative revenue. In short, more players that game for less. Svenska Spel has an ambition to grow in certain segments and customer groups and naturally to generate good profitability and continue generating good revenues for its owner, the State, and for Swedish sport.

Tactical themes 2010

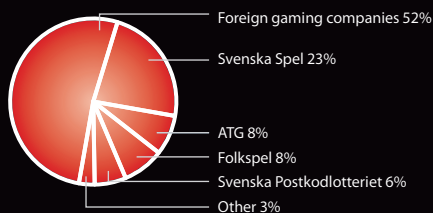
In 2010, Svenska Spel will focus and prioritise its business based on six key tactical areas (themes). This also highlights how Svenska Spel balances its commercial operations with

social responsibility. This is primarily a balancing act between the following two themes.

Growing and younger player base: The trend for the total Swedish gaming market is towards fewer people gaming but for larger amounts, and this is something Svenska Spel wants to change. The Company's development is to be based on healthy growth, which means that success builds on a broadened player base – more people who want to game for moderate amounts.

An effective gaming responsibility: Gaming is largely a positive experience, but there are risks associated with it. Svenska Spel's mandate from the owner is to run a responsibility programme that counteracts the emergence of gaming dependency. Social responsibility is also a key part of the Company's commercial success.

Media investments in the Swedish market 2009 (Share of voice)



This diagram does not comprise advertising on internet, as these figures are not available. Source: Swedish Institute of Public Opinion Research (SIFO)

In 2009, the gaming industry increased its advertising investments by more than SEK 254 million to a total of SEK 1.44 billion (Swedish Institute of Public Opinion Research, SIFO). The increase comes almost entirely from the foreign-based gaming companies with no licence for their operations in Sweden.

Svenska Spel's gross advertising investments increased in relation to 2008 from SEK 319 million to SEK 335 million. Some SEK 45 million was invested in advertising for responsible gaming – Spela lagom. Since 2004, Svenska Spel's share of total media investments (Share of voice) on the known gaming market has declined from 48 per cent to 23 per cent.

Activities and results

A year's experience of compulsory weekly budgets

A year ago, Svenska Spel introduced compulsory weekly budgets for all games on internet and gaming on mobile phones. The weekly budget is a responsible gaming tool that involves the customers setting a limit for the amount they want to transfer to their gaming accounts each week. What the limit should be is completely up to the individual customer.

A year after the launch, Svenska Spel can state that customers appreciate the responsible gaming tool, primarily because it provides them an overview of their gaming. People are gaming for significantly less than previously.

Research

Swedish Brain Foundation

Svenska Spel has collaborated with the Swedish Brain Foundation since autumn 2008. A total of SEK 25 million will be paid out over five years to finance the Brain Foundation's key fundamental research into dependency illnesses and reward systems.

What levels do customers set on their weekly budgets?

- The most common deposit budgets are SEK 500 and SEK 1,000, with 4 out of 10 customers choosing one of these two amounts.
- 85% of customers have set a deposit budget of less than SEK 2,500.

Source: Svenska Spel's gaming survey, 2009

Research council

In spring 2009, the Svenska Spel board resolved to establish a research council that primarily supports behavioural research and preventative work with gaming problems. Decisions on the form, constitution and focus of the research council will be made in the first quarter of 2010. >>

Economic value creation in accordance with GRI (indicator protocol EC1)

SEK million	2009	2008
a) Revenue	8,118	8,201
b) Operating costs	-1,867	-1,834
c) Employee benefits	- 971	-924
d) Payments to financiers ¹	—	—
e) Payments to the State ¹	-5,108	-5,247
f) Community investments ²	-7	-7
Retained earnings	165	189

1. Svenska Spel is owned by the state and the Group's funds available as dividends are distributed as determined by the government. The amount pertains to payments made during the year.

2. The Swedish Brain Foundation and Gotland University.

Income statement in accordance with IFRS is on page 46.

GAM-GaRD

In 2009, GAM-GaRD was introduced as a compulsory part of the product development process. GAM-GaRD is a licence-based responsible gaming tool that helps product developers identify risk components in a game. GAM-GaRD is managed and developed by Dr Mark D Griffiths, Ph.D, C. Psychol at Nottingham Trent University, Dr Richard T.A. Wood, Ph.D. C. Psychol at Gamres and Dr Jonathan Parke, Ph.D at University of Salford.

Svenska Spel's product owners are responsible for every product being classified and documented according to GAM-GaRD. Due to gaming becoming more risky, it was decided to strengthen responsibility measures. The decision is taken by product owners, business areas or in complex cases by key management.

Classification based on GAM-GaRD is to be integrated in the product development process for new products. Games that show high risk are changed or equipped with increased consumer protection and/or preventative tools. ■

Business ethics and security

Svenska Spel defines business ethics responsibility as the Company's responsibility to ensure people are not exploited, deceived or otherwise involuntarily mistreated by its operations.

Svenska Spel's overall objective in business ethics and security relates largely to identifying, clarifying and preventing unethical behaviour, whether internal or external. Svenska Spel is specific that its business is not to be exploited for money laundering or other criminal operations. Development of competitive and popular products as well as distribution forms with integrated gaming responsibility and security thus become a key part of the business. Svenska Spel's mandate includes:

- To observe consumer interest as a credible alternative to illegal gaming operations.
- To also take the risk of fraud and illegal gaming into account.
- To maximise security in gaming management.

Ethics

Svenska Spel's code of conduct summarises its overall guidelines for responsible conduct. Business ethical issues were brought into the spotlight in autumn 2009 in relation to situations such as the planned business presentation and dinner for parliamentarians and other guests at Casino Cosmopol in Stockholm. After careful consideration the event was cancelled.

A committee was appointed by the CEO to review the ethics policy in order to clarify objectives, responsibility and roles for the organisation in terms of the Company's fundamental ethical values and principles. In 2010 it was proposed that Svenska Spel's key management and Board make a decision on a new code of conduct.

Similarly, work on the new guidelines, instructions and policy for "Business entertainment and contact promoting benefits" continued in autumn 2009. It is proposed a decision be taken on the matter by key management and the board in 2010.

Risk management

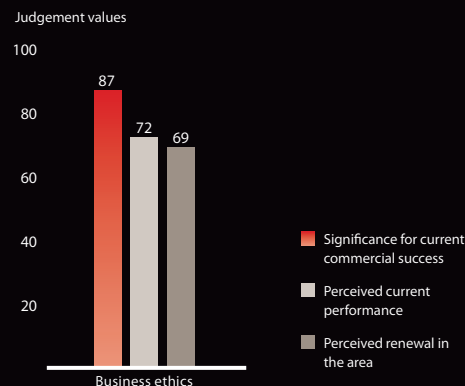
Risk management involves the Company identifying and managing its risks in order to achieve the objective of increasing risk awareness in the best possible manner. Not all risks can be eliminated, but an effective risk management process enables them to be identified and handled on an acceptable level within the Company. Risk management is related to, and is applicable to, the entire business within all levels and areas.

Security function

Security processes in Svenska Spel are run by the manager of Group Security & Risk Management. In matters relating to overall security, the manager of Group Security & Risk Management reports directly to the CEO. The security function is responsible for protecting the Group's assets through:

- Coordination and administration of the Group's overall risk management process.
- Corporate policies and guidelines pertaining to risk management and security.
- Preparation and presentation of matters to key management.
- Coordination and negotiation of Svenska Spel insurance policies.
- Processes for crisis and incident management at Group level.
- Corporate processes for management of abnormal gaming activities.
- The Group's internal investigations pertaining to criminal and security incidents at Group level.
- Intelligence contacts with justice administration authorities.
- Overall contact with police authorities.

External stakeholder's perception of Svenska Spel's work with business ethics



Source: Svenska Spel's stakeholder analysis 2009

- Security certification such as ISO 27001, WLA SCS and PCI DSS.
- International contacts in security matters.
- Operational management of physical security for offices in Visby and Sundbyberg.
- Security processes implemented and followed up in accordance with corporate guidelines.

Control and follow-up

Internal audits are implemented regularly in all areas of operation. Reporting is made to the Audit Committee which is part of the Board.

There are rules for handling of any corporate policy breaches that may be identified.

Activities and results

Money laundering

In accordance with legislation, Casino Cosmopol reported 334 cases (147) of money laundering to the finance police



in 2009. The increase from 2008 was largely due to the new legislation on measures against money laundering and financing effective on 15 March 2009.

Serious incidents

No serious incidents occurred in conjunction with Svenska Spel operations in 2009. Serious incidents include robbery and violence towards Svenska Spel employees.

Illegal gaming machines

Svenska Spel continuously reports occurrences of illegal gaming machines to the appropriate authorities, primarily the Swedish Gaming Board.

Fraud

Svenska Spel is also to counteract fraud and cooperates with the police, banks and card companies in matters relating to stolen or false cards at retailers, business partners and on internet. In 2009, 99 incidents (227) were reported related to fraud or attempted fraud. The reason for the decline is primarily that Svenska Spel has reinforced its fraud management procedures and banks have improved their security procedures.

Gaming on credit

Where there is indication that gaming on credit may be occurring at retailers or business partners, a control is made.

Where there is supporting evidence, the retailer or business partner is immediately terminated. Two retailers (3) were terminated in 2009 for gaming on credit.

Fixed football matches

On the initiative of the European Lotteries' sports committee and Union of European Football Associations (UEFA), a mutual monitoring organ was founded with representation from 19 members in European Lotteries including Svenska Spel.

The system – European Lotteries Monitoring System (ELMS) – monitors all international matches played under the UEFA banner including Champions League, Europa League (formerly UEFA cup), and EM qualification and final matches for A and U21 national teams. ELMS' mandate is to coordinate reports from gaming operators and report deviating gaming patterns to gaming companies associated with UEFA and ELMS.

Focus 2010

- Continue to adapt work method to follow Swedish Gaming Board regulations related to the new legislation on money laundering.
- Decision on new code of conduct.
- Decision on new policy for business entertainment and contact promotion activities.
- Prepare a business ethics strategy. ■

Social responsibility

Svenska Spel shall work actively to minimise the negative social consequences that can arise in association with gaming operations. This ambition has high priority in all operational decisions and will lead to specific measures to further promote responsible gaming. In reality, the expectations on Svenska Spel from the owner and the general public are even higher.

The concept of responsible gaming encompasses the responsibility taken by gaming companies, the community and individual players to ensure gaming is enjoyable, is kept on a reasonable level, and does not become excessive and lead to negative consequences. Svenska Spel's responsibility policy provides guidelines for the Company's work with gaming responsibility.

Svenska Spel's mandate includes:

- To prioritise social welfare in the development of gaming forms and in the business as a whole.
- To assume a prudential approach in relation to new games and markets.
- That the Company has a responsible focus in its marketing that reflects social engagement and prevents it being perceived as overly assertive.

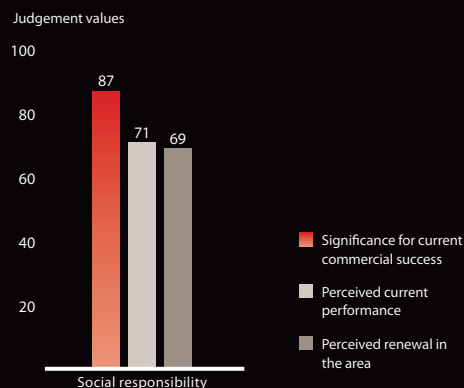
The responsible gaming policy describes how the Company intends to achieve these requirements. Svenska Spel's ambition is to provide world-class gaming responsibility through effective responsible gaming efforts and thus differentiate itself from other gaming companies on the Swedish market.

Responsible gaming strategy

- Responsible gaming is to be integrated in all Svenska Spel operations.
- Players should be able to make decisions about their gaming based on good information.
- Responsibility measures that are introduced are judged on the basis of the game's risk factors.
- Gaming responsibility processes are to be communicated internally and externally.



External stakeholders' perception of Svenska Spel's work with social responsibility



Source: Svenska Spel's stakeholder analysis 2009

Gaming responsibility objectives – healthy customers

- Svenska Spel is to strive to be world-class in terms of gaming responsibility.
- Svenska Spel should create the conditions for its players to maintain healthy gaming habits.
- There should be growing community confidence that Svenska Spel shows genuine gaming responsibility.

Responsible gaming – Casino Cosmopol

More than 2,000 people with gaming problems chose to sign voluntary agreements in 2009 to be suspended from gaming at Casino Cosmopol's four casinos. This is a slight increase over 2008. Since the casinos started in 2001, 13,892 agreements have been signed for suspension for varying periods.

The suspension agreement can now also be signed remotely. Previously guests have been forced to go to a casino to sign an agreement. Players can voluntarily limit their casino visits to a maximum of eight per month, or ask to be suspended completely for at least six months.

In 2009 some 3,500 discussions were held with guests who showed signs of unhealthy gaming. In 2010, Casino Cosmopol will prioritise discussions with young men, 20–24 years, a group where gaming problems are increasing according to a study from the Swedish Institute of Public Health.

Responsible gaming – Vegas

Age verification at all gaming locations has been in effect since June 2009. A pre-study was made into how responsible gaming tools can be integrated into gaming on Vegas. The new central system was tested during the year. The new system forms the basis for the introduction of additional responsible gaming tools, including budget and Playscan on Vegas. More test visits were made than in the previous year and the outcome has improved significantly.

18-year age limit for lottery purchase

At the end of 2009, the Svenska Spel board resolved to introduce an 18-year age limit for the purchase of lotteries. This means there is now an age limit on all Svenska Spel products, in all sales channels. The decision goes into effect in 2010.

Svenska Spel currently has an age limit for gaming on Oddset as part of its licence. On 1 February 2007, the Company took the initiative to also introduce age limits on other sports betting and number games at a retail level. For gaming on svenskaspel.se and Vegas VLTs the previous 18-year age limit still applies and at Casino Cosmopol there is a 20-year age limit.

Test visits in store

The Retail Outlet sales area carried out continuous test visits to check retailer compliance with the regulations for identification control.

Playscan

Playscan is developed by ICU Intelligence, Svenska Spel and Spelinstitutet. By combined advanced technology from ICU Intelligence with Spelinstitutet's knowledge and experience

of gaming behaviour and gaming problems, players get an accurate analysis based on their actual gaming and experience from other players that have developed problems. Playscan therefore functions as a safety belt for the players while also increasing their awareness of their gaming.

Playscan has been offered since 2007 to Svenska Spel customers on internet. Svenska Spel has a total of over 40,000 customers who have voluntarily chosen to sign up to Playscan.

Miljonlotteriet recently signed an agreement with Svenska Spel regarding usage of Playscan. Swedish players now have another operator on the market that helps provide them with feedback on how their gaming looks and if there may be a risk of problems developing.

In 2009, the French gaming company Française des Jeux also signed an agreement with Svenska Spel for Playscan for online bingo.

Focus 2010

- Order, evaluate and initiate development of Svenska Spel's responsible gaming tools.
- Support implementation, evaluate and follow up the responsible gaming programme throughout the Group.
- Develop and evaluate the Company's responsible gaming training.
- Develop contacts with the national and international research world.
- Participate in national and international cooperation in the field of responsible gaming.
- Assure a mutual responsibility process within Svenska Spel.
- Develop and communicate the Company's responsibility process on svenskaspel.se ■

Key indicators for gaming responsibility

Svenska Spel has worked with key indicators for responsible gaming since 2005. The indicators are divided between the responsibility held by business partners, retailers and employees.

	2009	2008	2007
Social responsibility			
Players with gaming problems, % ¹	1	1	2
Number of voluntarily banned casino guests, No. ²	2,098	2,022	1,869
Discussions with casino guests about their gaming habits, No.	3,546	3,217	2,840
State-run gaming companies take more responsibility, % ¹	78	74	73

Business partner and retailer responsibility

Certified retail outlets, %	74	66	50
Certified business partners, % ³	73	71	81
Test visits, No.	5,945	2,195	5,091
Approved test visits, Retail Outlets %	80	—	—
Approved test visits, Business Partners %	81	—	—
Observation controls ⁴	1,950	2,715	3,146
Terminated as a result of test visits, No. ⁵	63	39	27

Employee responsibility

Employees think responsible gaming is positive, % ⁶	94	95	93
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1. Information from gaming survey. Svenska Spel conducted the gaming survey in conjunction with GfK Sverige AB. The purpose of the survey is to map the adult population's awareness of and attitude to gaming and gaming behaviour. The survey was implemented via a postal survey form to 6,000 randomly selected Swedish residents between 16 and 75 years (address source: DAFA SPAR). The response frequency in 2009 was 54% (3,190 surveys for processing). The player base represents the proportion of the Swedish population that game each year through Svenska Spel. The gaming survey shows that problem gaming in recent years is at an unchanged level of 1–2%. 78% of respondents in 2009 agree fully or partially with the statement that state-run gaming companies show more responsibility for gaming dependency than private. The remaining 22% disagree completely.

2. Casino visitors who consider they have difficulty controlling their gaming are invited to sign an agreement for voluntary suspension or a visiting limit of eight visits per month at all casinos. The period for suspension or restricted visits is not less than six months.

3. As at 25 January 2010.

4. During the year, the Restaurant Gaming & Bingo Halls business area has applied two methods for age control: observation controls and test visits.

5. Includes business partners (restaurants and bingo halls) and retailers.

6. Internal survey on internet.

Methods for making responsible gaming easier

Svenska Spel works from the standard for responsible gaming recently introduced by European Lotteries and the World Lottery Association. Svenska Spel was among the first to be certified under the European Lotteries Responsible Gaming Standard in spring 2009. Audit firm Deloitte AB verified

Svenska Spel's responsible gaming work through a Statement of Alignment in May 2009 to confirm the certification. Based on the audit carried out, Svenska Spel was deemed to fulfil the criteria specified for all ten areas of the framework.

Activities and results

Area	Criteria	Focus 2010	Ongoing investments/ activities
1 Research	<ul style="list-style-type: none"> ✓ Svenska Spel is to help increase community understanding of gaming problems. ✓ Svenska Spel is to use knowledge from research in development and monitoring of responsible gaming measures and strategies. 	<ul style="list-style-type: none"> • Develop contacts with research world • Research council 	<ul style="list-style-type: none"> • Swedish Brain Foundation • Use of existing research • Gaming survey • IRGO
2 Gaming responsibility training for employees	<ul style="list-style-type: none"> ✓ Svenska Spel is to have a responsible gaming offer that is regularly communicated to employees, at least once per year. ✓ Svenska Spel is to have identified key activities in the gaming responsibility field that require special training to assure consumer protection. This includes activities such as appropriate training. ✓ Svenska Spel is to have a method to track levels of understanding for and implementation of responsible gaming. ✓ Svenska Spel is to integrate core components of the gaming responsibility programme in management operations, objectives, evaluations and bonus systems. 	<ul style="list-style-type: none"> • Development of responsibility training 	<ul style="list-style-type: none"> • Gaming responsibility training • CSR conference • Follow-up • Responsible gaming seminars
3 Gaming responsibility training for business partners and retail outlets	<ul style="list-style-type: none"> ✓ Svenska Spel is to highlight gaming responsibility for its business partners, and their obligations in terms of responsible gaming measures and requirements. ✓ Svenska Spel is to assist with adequate responsible gaming training. ✓ Svenska Spel is to have an effective method to monitor and evaluate retailer processes/performance. 	<ul style="list-style-type: none"> • Development of training for business partners • Development of objectives and indicators 	<ul style="list-style-type: none"> • Gaming responsibility training • Retailer gala with CSR feature • Follow-up through test visits • Vegas gala with CSR feature
4 Game development	<ul style="list-style-type: none"> ✓ Svenska Spel is to use credible tools to evaluate the social implications of development of products, situations and organisations. ✓ Svenska Spel is to develop credible tools for all games and channels where possible. ✓ Svenska Spel is to behave in a responsible manner by minimising, removing or modifying high-risk products. 	<ul style="list-style-type: none"> • Development of GAM-GaRD (risk assessment tool for gaming products) 	<ul style="list-style-type: none"> • GAM-GaRD analyse products • Responsible gaming tools developed

Area	Criteria	Focus 2010	Ongoing investments/ activities
5 "Remote channels" (internet, gaming via mobile and Vegas)	<ul style="list-style-type: none"> ✓ Svenska Spel is to have implemented the appropriate preventative measures listed in the EL standard. ✓ Svenska Spel is to ensure the above is also observed in new development of these channels. ✓ Svenska Spel is to be able to motivate reasons for any absence of measures, e.g. self-suspension and Playscan. 	<ul style="list-style-type: none"> • Development of Playscan/responsible gaming measures 	<ul style="list-style-type: none"> • Responsible gaming measures
6 Advertising and marketing	<ul style="list-style-type: none"> ✓ Svenska Spel is to meet the requirements of national legislation, regulations and restrictions according to the EL standard. ✓ Svenska Spel must have functioning systems to assure ethical marketing. 	<ul style="list-style-type: none"> • Revision of the ethical guidelines for marketing 	<ul style="list-style-type: none"> • Svenska Spel meets EL standards, Swedish legislation and restrictions • Cooperation within SPER (industry council for ethical marketing)
7 Treatment referrals	<ul style="list-style-type: none"> ✓ Svenska Spel is to refer players, per prevailing directives, to recommended treatment coordinators (The National Institute of Public Health has referred to Support line). 	<ul style="list-style-type: none"> • Develop and communicate the Company's responsibility process on sven-skaspel.se 	<ul style="list-style-type: none"> • Referrals to Support line at all sales locations • Support contact
8 Responsible gaming measures for players/ consumer protection	<ul style="list-style-type: none"> ✓ Svenska Spel is to take initiative for training/communicating/informing players in the areas identified in the EL standard (information on products, age limits, help and responsible gaming tools). ✓ Svenska Spel is to have an adequate policy and control to ensure that effective implementation and periodic monitoring is done. 	<ul style="list-style-type: none"> • Guidelines for following up responsible gaming measures 	<ul style="list-style-type: none"> • Responsible gaming information • All products have information on chance of winning • Responsible gaming measures
9 Stakeholder dialogue	<ul style="list-style-type: none"> ✓ Svenska Spel is to have a regular formal and informal stakeholder dialogue and include it in its reporting. ✓ Svenska Spel is to integrate the result of the stakeholder dialogue in strategic decision processes and feedback mechanisms. 	<ul style="list-style-type: none"> • Review of list of Svenska Spel stakeholders • Customer panel to be established • Structured CSR report based on EL standard 	<ul style="list-style-type: none"> • Contacts with stakeholders • Stakeholder analysis from Intellectual Capital
10 Reporting, measurement and certification	<ul style="list-style-type: none"> ✓ Svenska Spel is to publish a formal report (may be part of existing reporting channels) or series of communications that measure the requirements in the EL Responsible Gaming Standard. ✓ Svenska Spel is to have a credible activity plan for what can be achieved in the responsible gaming field in twelve months. 	<ul style="list-style-type: none"> • Business plan 	<ul style="list-style-type: none"> • CSR report

Responsibility for **employees**

Svenska Spel has a strong brand as an employer. Maintaining the brand requires that corporate values be communicated clearly to all Svenska Spel employees.

Strategy

Svenska Spel's leaders are to lead the business and the people working in it. Good leadership involves inspiring the people in their own and other teams in order to develop the individuals themselves and the company as a whole.

All employees should be aware of what is expected of them and have the merits to meet these expectations. Svenska Spel management should help create the uncomplicated, barrier-free atmosphere the Company strives for.

The base for this is a secure environment, where people dare to present unconventional thoughts and ideas and to make decisions at every level in the Company. Svenska Spel management should display high visibility, humanity, courage and lack of prestige. Their leadership should not only be based on formal merits and personal leadership skills but on confidence in individual team members. Employees should be offered training and development to help them enjoy their work and grow in their roles or go on to become effective leaders or specialists at Svenska Spel.

The corporate values are Svenska Spel's work compass

The fundamental base of Svenska Spel is its corporate values – they act as guidelines in daily operations and as a compass in forming good relationships with people within and outside the Company.

Gaming pleasure and Working pleasure

We are to offer positive gaming experiences to the general public; our customers should see us as their first choice. Working for Svenska Spel should be fun. Our employees should not only meet our high expectations, but be able to develop in their work and improve their skills.

Consideration and Profitability

We care. We must retain long-term profitability, but consideration for customers and our employees will always have first priority. Consideration should always come before profitability when uncertainty arises.

Action and Reflection

When everyone knows where we are headed, it is easier for wise daily decisions to be made close to the business. This makes us more action oriented and flexible. However, decisions are never made without first considering their fit with our objectives and values.

Activities and results

The employee survey and cultural barometer carried out in autumn 2008 clearly showed that many employees want change and renewal in the Company. Innovation and common direction are clearly important for the organisation. A process was started to develop new corporate values for Svenska Spel. Gaining support for and implementing the new values commenced in 2009 and will continue in 2010.

The reorganisation has been in focus during late 2009. The purpose of the new organisation is to make Svenska Spel's identified processes more efficient and cost-effective in line with the mandate. It will facilitate a more unified way of working, one Svenska Spel with more synergies and a common business plan with clear objectives.

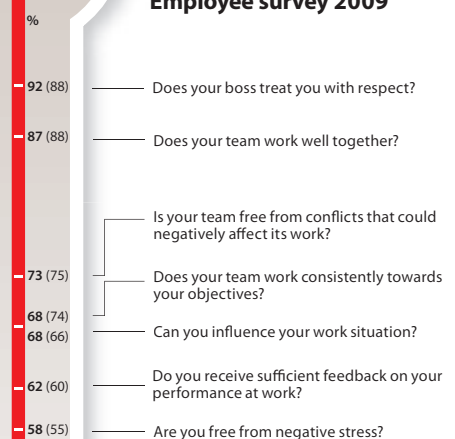
A new leadership profile was developed in autumn 2009. It emphasises the importance of strong leadership that prioritises the will to develop, and lead the business and its employees as well as oneself. As part of this work, new processes have also been developed for balanced scorecard, performance evaluation and employee dialogues.

Focus 2010

- Implementation of new corporate values.
- New employee profile.
- New framework for management development.
- Implementation of balanced scorecard and performance evaluation process.
- Implementation of new employee dialogues.
- Ongoing work with new organisation.



Employee survey 2009



Human Resources – facts

Salary survey 2009 Parent Company

%	Senior salaried employees Specialists		Other salaried employees	Junior salaried employees
	Managers	Specialists		
Share men	66.3	73.6	65.7	36.3
Share women	33.7	26.4	34.3	63.7
Share of salaries, men	66.0	72.8	63.9	35.3
Share of salaries, women	34.0	27.2	36.1	64.7
Difference men	-0.3	-0.8	-1.8	-1.0
Difference women	0.3	0.8	1.8	1.0

Salary survey 2009 Casino Cosmopol

%	Senior manager	Middle manager	Average employee	Junior employee
Share men	60.0	57.5	54.0	47.4
Share women	40.0	42.5	46.0	52.6
Share of salaries, men	59.5	59.3	53.3	47.8
Share of salaries, women	40.5	40.7	46.7	52.2
Difference men	-0.5	1.8	-0.7	0.4
Difference women	0.5	-1.8	0.7	-0.4

Employee turnover

%	2009 ¹	2008
Parent Company ¹	13	7
Subsidiaries	12	21
Group	13	15

¹ Number that left the Company during the year divided by average number of employees.

Female managers

%	2009	2008
Parent Company	34	36
Subsidiaries	46	45
Group	40	40

Percentage of employees with collective agreement

%	2009	2008
Percentage of employees with collective agreement	100	100

Numbers of employees by location and form of employment at 31 December 2009

Location	Extras	Probationary employees	Holiday replacements	Full-time	Replacements	Fixed-term Project	Total
Visby		3		375	13	8	399
Sundbyberg	1	4	1	320	12	13	351
Other Sweden				49		1	50
Sundsvall	59			106	4		169
Malmö	107	31		230	9		377
Gothenburg	105	32		277	12		426
Stockholm	112	26	1	307	9	3	458
Total	384	96	2	1,664	59	25	2,230

Numbers of employees by location and form of employment at 31 December 2008

Location	Extras	Probationary employees	Holiday replacements	Full-time	Replacements	Fixed-term Project	Total
Visby				361	19	9	389
Sundbyberg	5	3		324	8	3	343
Rest of Sweden	1	1		64	1	10	77
Sundsvall	70			102	10	1	183
Malmö	121	15	3	224	13		376
Gothenburg	110	44	1	248	19		422
Stockholm	151	37		305	19	10	522
Total	458	100	4	1,628	89	33	2,312

Other employee facts

Fulltime, part-time and temporary employees are entitled to the same benefits.

Svenska Spel does not accept any form of favouritism, discrimination or harassment. No such cases have been brought to the attention of management in 2009.

Since October 2009, salary and wage setting at Svenska Spel has followed a policy based on governmental guidelines. Salaries are individual and differentiated. Salary and salary development is based on work assignments, competency and performance.

A labour-law dispute from 2008 continued during the year and is expected to be resolved in 2010.

Svenska Spel operates on a national basis and in 2009 the risk of infringement of human rights has been deemed to be low.

In 2009, 419 employees in the Parent Company took advantage of the keep-fit contribution. In the subsidiaries, 519 employees took up the offer.

The number of accidents incurred for the Parent Company was four in 2009 and 40 in subsidiaries.

Responsibility for the **environment**

Svenska Spel is to advocate and contribute to a permanently sustainable community development by reducing the environmental impact of the business through constantly improving environmental awareness within the Company and working in a proactive manner when possible.

Strategy

Svenska Spel affects the environment directly through consumption of energy and other resources in daily operations, as well as indirectly through the suppliers.

Svenska Spel wants to make a positive environmental contribution through ecological products and community initiatives.

Paying attention to environmental effects is to be an integrated part of the daily work of planning, choice of investments, purchasing and working methods.

Control mechanism

Environmental management: Svenska Spel aims to receive certification on environmental management system ISO 14001 not later than 2010.

Legislation and regulations: Svenska Spel is to meet legislative and regulatory requirements as well as owner guidelines.

Environmental communication: Svenska Spel is to implement and follow "Guidelines for external reporting for companies with state ownership".

Monitoring and reporting

Each unit in Svenska Spel is to report its environmental work within the framework of Svenska Spel's overall governance model. An incentive system at department level is to be connected to Svenska Spel's most prioritised environmental objectives.

Organisation

Environmental work in the Svenska Spel Group is run by the CSR department. An environmental council is run under the



Svenska Spel's focus areas to reduce environmental impact

Focus areas

- **Shipping of goods**
- **Service transportation**
- **Paper**
- **Energy**

To minimise

- Consumption of energy, water and raw materials
- Carrier's environmental impact in terms of goods and employees
- Amount of waste and use of ecologically harmful material

To promote

- Reuse and recycling of waste
- Environmental awareness and knowledge amongst our stakeholders
- Environmental consideration in developing our products and services
- Purchase of ecofriendly and environmentally economical products and services

Facts on Svenska Spel's environmental measures

Material usage in tonnes

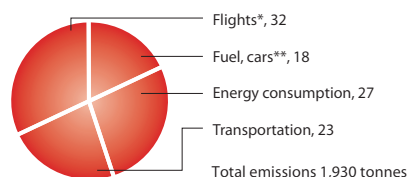
	2009	2008
Coupons	499	515
Ticket rolls	427	396
Programmes	246	236
Lotteries	261	254
Packaging, lottery shipments	10	37
Corrugated fibreboard	18	26
Office paper	18	15
Bingo cards	3	6
Total	1,482	1,485

Energy usage in kWh

	2009	2008
Electricity consumption Visby/ Sundbyberg	5,489,513	5,607,575
Electricity consumption Casino Cosmopol	9,573,716	8,666,006
Electricity consumption bingo halls ¹	397,872	853,868
Total electricity consumption	15,461,101	15,127,449
Of which renewable electricity	12,974,356	12,823,246
District heating/cooling Visby/ Sundbyberg	3,424,542	3,427,468
District heating/cooling Casino Cosmopol	4,039,390	4,012,080
Total district heating/cooling	7,463,932	7,439,548
Total energy consumption	22,925,033	22,566,997

1. Excluding bingo hall in Skärholmen. The bingo halls were closed on 1 July.

CO₂ emissions 2009, in %



* Change in calculation of flights with Gotlandsflyg, this year based on standard figures from Gotlandsflyg.

** Calculated on standard template for fuel.

auspices of the CSR department, with representatives from the various operational areas. The purpose is to support implementation of the corporate environmental policy. Representatives are appointed by Svenska Spel key management or their assignee.

Activities and results 2009

- Several energy-saving measures have been taken in Svenska Spel premises including transition to green electricity, calibration of fans and installation of movement detectors.
- New carriers and reduced batch size have led to major savings in terms of carbon emissions and costs.
- Svenska Spel is working continuously to optimise the amount of return lottery tickets and overruns. In addition, their final combustion has been moved to Gotland which reduces transportation to the mainland.
- The amount and usage of video conference equipment continues to increase and Svenska Spel can also now offer web conferences.
- 55% of employees with company cars have completed training in economical driving (Eco-driving).
- 92% of the Company's cars are now ecocars.
- Svenska Spel encourages its employees to travel by public transport where possible and has a number of Stockholm public transport cards that employees can borrow.

Focus 2010

- Implementation and certification of environmental management system ISO 14001.
- Fundamental, web-based environmental training for all personnel.
- Create and implement key indicators in the organisation.
- Environmental council meets once per month.
- Continue, further develop, communicate and assure implementation of the Company's environmental programme.
- Quarterly report to key management. ■

Comments on the CSR Report

GRI reporting

The GRI performance indicators are located under individual sections with a matrix for relevance assessment. The indicators have been classified based on whether they have a low or high impact on the criteria in relation to Svenska Spel's influence and control. Only those indicators that have a high impact with high influence are specifically reported. As the GRI performance indicators are not always relevant to Svenska Spel, the Company reports its own levels for areas such as gaming responsibility.

The estimates have been made based on Svenska Spel's own estimates of the Company's influence, control and impact on society. Stakeholder risk evaluations have also formed the basis for selection of relevant areas to report and comment.

The indicators not deemed relevant for the business in 2009 are not included in the relevance matrix. Measurement methods are explained under each individual indicator where it is considered appropriate.

Further information

Further information on Svenska Spel's CSR report is available on svenskaspel.se, along with further information pertaining to stakeholder dialogues.

The contact person for matters relating to Svenska Spel's CSR work is:
Zenita Strandäng, Manager CSR, + 46 498 26 3631
zenita.strandanger@svenskaspel.se

Assurance of Svenska Spel's CSR Report

Application level		C	C+	B	B+	A	A+
Compulsory	Own estimate						
Voluntary	Third party statement		Report certified by external party		Report certified by external party		Report certified by external party
	Reviewed by GRI						

Svenska Spel has prepared this report in accordance with the criteria for level C+ based on the application levels issued by the Global Reporting Initiative. See certified report on pages 113–114.



Svenska Spel's GRI profile

Standard indicators

		Page	Reported ● Partially reported ▸ Not reported ○
1. Strategy and analysis			
1.1	Statement from the most senior decisionmaker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy.	4–5, 78, 128	●
1.2	Description of key impacts, risks, and opportunities.	79–81	▸
2. Organisational profile			
2.1	Name of the organisation.	Cover	●
2.2	Primary brands, products, and/or services.	26–39	●
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	8–11, 30–39, 72, 78	●
2.4	Location of organisation's headquarters.	1, 6, 73, 116	●
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	12–17	●
2.6	Nature of ownership and legal form.	8, 73, 78, 91, 116	●
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	17	●
2.8	Scale of the reporting organisation, including number of employees; net revenue; total capitalisation.	2, 11, 20–39, 43–44, 50–52, 59, 102	●
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	3, 6, 31	●
2.10	Awards received in the reporting period.	26	●
3. Report parameters			
Report profile			
3.1	Reporting period..	1, 6, 42, 81	●
3.2	Date of most recent previous report.	42, 81	●
3.3	Reporting cycle.	41, 81	●
3.4	Contact point for questions regarding the report or its contents.	105	●
Report scope and boundary			
3.5	Process for defining report content.	79–81, 84–89	●
3.6	Boundary of the report.	81	●
3.7	State any specific limitations on the scope or boundary of the report.	81	●
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	81	●
3.9	Data measurement techniques and the bases of calculations.	81, 97, 102, 105–112	●
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	104	●
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	104	●
GRI content index			
3.12	Table identifying the location of the Standard Disclosures in the report.	106–112	●
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report.	113	●
4. Governance, commitments and engagement			
Governance			
4.1	Governance structure of the organisation.	116–127	●
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	124, 126	●
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	42–43, 124, 126	●
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	124	●
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	42–43, 60–61, 116	●
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	116	●

Cont. Standard indicators		Page	Reported ● Partially reported ▸ Not reported ○
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	116	●
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	4-5, 7, 18-19, 24, 28, 31-32, 35-37, 78-80, 82-84, 90-104	●
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	42-43, 116-123	●
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		○
Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	7, 95, Glossary	●
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives.	3, 23, 57, 93, 122-123	●
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations.	3, 6, 23, 122	▸
Stakeholder engagement			
4.14	List of stakeholder groups engaged by the organisation.	85-89	●
4.15	Basis for identification and selection of stakeholders with whom to engage.	81, 84	●
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	81, 85	●
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	81, 85-89	●

Economic responsibility

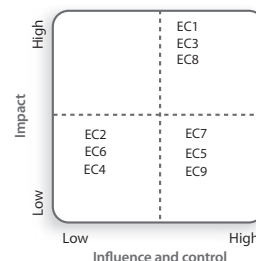
CSR governance

CSR governance in the area of Economic responsibility is covered on page 81. Description of strategy and policy in this area is on page 90. The CEO is responsible for developing overall policies, strategies, processes, tools and key indicators pertaining to Svenska Spel's economic responsibility.

High impact – high influence

Svenska Spel reports net revenues, costs and investments in society. Community investments are Svenska Spel's direct sponsorship investments. Svenska Spel also supports the Swedish Brain Foundation's research into dependency and is establishing a research council to support research into preventative measures for gaming problems. [EC1 and EC8]. The Annual Report presents information on provisions for pensions [EC3].

Relevance assessment



Economic performance indicators

Aspect: Economic performance		Page	Reported ● Partially reported ▸ Not reported ○
EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and government.	91	●
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.		○
EC3	Coverage of the organisation's defined benefit plan obligations.	47, 57, 59, 69	●
EC4	Significant financial assistance received from government.	57	●
Aspect: Market presence			
EC5 ADD	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		○
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		○
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		○

Cont. Economic responsibility		Page	Reported ● Partially reported ▸ Not reported ○
Aspect: Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	24, 91	●
EC9 ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.		○
Performance indicators for human rights			
Aspect: Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		○
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.		○
HR3 ADD	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		○

Business ethics and security

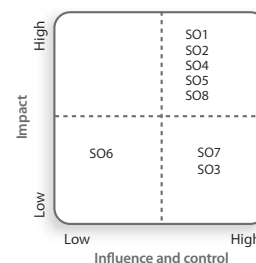
CSR governance

CSR governance in the area of business ethics and security responsibility can be found on page 81. Description of strategy and policy in this area is on page 92. The Finance/Security staff unit is responsible for developing overall policies, strategies, processes, tools and key indicators pertaining to Svenska Spel's employee responsibility. The operational areas are responsible for the control and monitoring of individual operations.

High impact – high influence

Svenska Spel has methods and procedures for minimising physical security risks associated with casino operations. Procedures are also reported here for minimising the negative social impact that the operation has in the form of gaming dependency [SO1]. Procedures for illegal gaming machines, gaming on credit, fraud and money laundering are also reported [SO1–2]. Measures taken relating to corruption incidents in the form of developing the ethics policy are reported under the ethics section [SO4]. Svenska Spel's views on the Gaming Inquiry are reported in depth in the Annual Report [SO5]. No amounts for substantial fines related to breach of prevailing legislation and regulations have been paid [SO8].

Relevance assessment



Social performance indicators

		Page	Reported ● Partially reported ▸ Not reported ○
Aspect: Society			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	95–99	●
Aspect: Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	31, 34, 92–94	●
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.		○
SO4	Actions taken in response to incidents of corruption.	92–94	●
Aspect: Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	2, 15	●
SO6 ADD	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		○
Aspect: Anti-competitive behaviour			
SO7 ADD	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.		○
Aspect: Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	108–109	●

Social responsibility

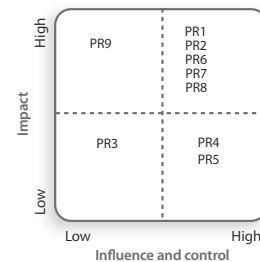
CSR governance

CSR governance in the area of Social responsibility is covered on page 81. Description of strategy and policy in this area is on page 95. The Information & CSR staff unit is responsible for developing overall policies, strategies, processes, tools and key indicators pertaining to Svenska Spel's social responsibility. The operational areas are responsible for the control and monitoring of individual operations.

High impact – high influence

In 2009, GAM-GaRD was introduced as a compulsory part of the product development process. GAM-GaRD is a licence-based responsible gaming tool that helps product developers identify risk components in a game. Svenska Spel has a responsibility to prevent money laundering, fraud, underage gaming and prevent the negative social consequences of gaming. This is reported via indicators under the section business ethics and security as well as Social responsibility [PR2]. The Swedish Market Court determined during the year that Svenska Spel does not have the right to use the concept "world best in responsible gaming" in its external communication. The phrase is no longer used and has been removed from places such as external websites and web-based Annual Reports. [PR7]. Svenska Spel has adopted its own ethical guidelines as well as those of national and international forums and marketing organisations [PR6].

Relevance assessment



Product responsibility indicators

			Reported ●
			Partially reported ◐
			Not reported ○
Aspect: Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	7, 18, 80, 92, 95	●
PR2 ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	34, 94	●
Aspect: Products and services labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		○
PR4 ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		○
PR5 ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		○
Aspect: Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	23	●
PR7 ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	109	●
Aspect: Customer privacy			
PR8 ADD	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	92–94	●
Aspect: Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		○

Responsibility for employees

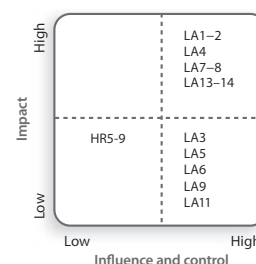
CSR governance

CSR governance in the area of Employee responsibility is covered on page 81. Description of strategy and policy in this area is on page 100. The Human Resources staff unit is responsible for developing overall policies, strategies, processes, tools and key indicators pertaining to Svenska Spel's employee responsibility.

High impact – high influence

Svenska Spel has six operational locations: head office in Visby on Gotland, office in Sundbyberg and four casino locations in Stockholm, Gothenburg, Malmö and Sundsvall [LA1–2]. All employees in the Group are covered by collective agreements [LA4, 9]. Working environment processes are focussed primarily on preventing problems associated with the high proportion of employees who meet players with gaming problems. Individual analyses and work with stress processes are implemented as needed. Continuous cooperation with the Swedish Social Insurance Office (Försäkringskassan) at individual level [LA7–8]. The makeup of the Board and management from a diversity perspective is reported in the Annual Report [LA13]. Svenska Spel performs annual salary mapping by region, services and gender [LA14].

Relevance assessment



Labour practices & decent work indicators

			Reported ●
			Partially reported ►
			Not reported ○
Page			
Aspect: Employment			
LA1	Total workforce by employment type, employment contract, and region.	102	●
LA2	Total number and rate of employee turnover by age group, gender, and region.	102	►
LA3 ADD	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	102	●
Aspect: Labour/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	102	●
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.		○
Aspect: Occupational health and safety			
LA6 ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.		○
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	102	►
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		○
LA9 ADD	Health and safety topics covered in formal agreements with trade unions.		○
Aspect: Training and education			
LA10	Average hours of training per year per employee by employee category.		○
LA11 ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		○
LA12 ADD	Percentage of employees receiving regular performance and career development.		○
Aspect: Diversity and equal opportunity			
LA13	Composition of governance bodies and allocation of other employees by gender, age group, minority group membership, and other indicators of diversity.	124–125	►
LA14	Ratio of basic salary of men to women by employee category.	102	●
Aspect: Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	102	●
Aspect: Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.		○

Cont. Labour practices & decent work indicators			Reported ●
			Partially reported ▸
			Not reported ○
Page			
Aspect: Child labour			
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.		○
Aspect: Forced and compulsory labour			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.		○
Aspect: Security practices			
HR8 ADD	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.		○
Aspect: Indigenous rights			
HR9 ADD	Total number of incidents of violations involving rights of indigenous people and action.		○

Responsibility for the environment

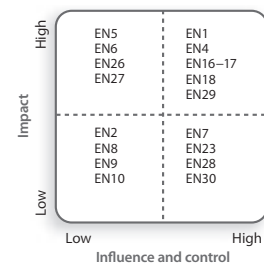
CSR governance

CSR governance in the area environmental responsibility can be found on page 81. Description of strategy and policy in this operational area is on page 104. The Information & CSR staff unit is responsible for developing overall policies, strategies, processes, tools and key indicators pertaining to Svenska Spel's environmental responsibility.

High impact – high influence

Svenska Spel is a major consumer of paper in ticket rolls, lottery tickets and office material. Reducing environmental consumption is a focus area in Svenska Spel's environmental process [EN1]. Energy consumption is largely office electricity, heating and operation of computer halls and gaming in casinos [EN4]. Transport of freight and services represents a major part of Svenska Spel's carbon emissions through transportation between Stockholm and Visby, as well as numerous overseas trips to suppliers and stakeholders in Europe, USA and Canada [EN16-17], [EN18], [EN29].

Relevance assessment



Environmental indicators

			Reported ●
			Partially reported ▸
			Not reported ○
Page			
Aspect: Materials			
EN1	Materials used by weight and volume.	104	●
EN2	Recycled material as percentage of materials consumption.		○
Aspect: Energy			
EN3	Direct energy consumption by primary energy source.		○
EN4	Indirect energy consumption by primary source.	104	●
EN5 ADD	Energy saved due to conservation and efficiency improvements.		○
EN6 ADD	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.		○
EN7 ADD	Initiatives to reduce indirect energy consumption and reductions achieved.		○

Cont. Environmental indicators		Page	Reported ● Partially reported ▸ Not reported ○
Aspect: Water			
EN8	Total water withdrawal by source.		○
EN9 ADD	Water sources significantly affected by withdrawal of water.		○
EN10 ADD	Percentage and total volume of water recycled and reused.		○
Aspect: Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		○
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		○
EN13 ADD	Habitats protected or restored.		○
EN14 ADD	Strategies, current measures and future plans for handling impacts on biodiversity.		○
EN15 ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		○
Aspect: Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	104	●
EN17	Other relevant indirect emissions of greenhouse gases by weight.	104	●
EN18 ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	104	▸
EN19	Emissions of ozone-depleting substances by weight.		○
EN20	NO _x , SO _x , and other significant air emissions by type and weight.		○
EN21	Total water discharge by quality and destination.		○
EN22	Total weight of waste by type and disposal method.		○
EN23	Total number and volume of significant spills.		○
EN24 ADD	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		○
EN25 ADD	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.		○
Aspect: Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		○
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		○
Aspect: Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		○
Aspect: Transport			
EN29 ADD	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	104	●
Aspect: Overall			
EN30 ADD	Total environmental protection expenditures and investments by type.		○

Combined Statement of Conformity

Combined certification report for AB Svenska Spel's CSR Report

To the readers of Svenska Spel's CSR Report

Introduction

On behalf of the Board of AB Svenska Spel, we have performed a review of information in Svenska Spel's CSR Report for 2009 as included on pages 77–112 of the Annual Report. The Svenska Spel Board and management is responsible for the continuous activities regarding environment, working environment, quality, social responsibility and sustainable development, and for the preparation and presentation of the CSR Report in accordance with applicable criteria. Our responsibility is to express a conclusion on the CSR Report based on our review.

Scope and focus of the review

Our review has been performed in accordance with FAR SRS (the institute for the accountancy profession in Sweden) draft recommendation "RevR 6 Assurance of sustainability reports". A review consists of achieving reasonable assurance that the information is free from material misstatement. A review includes examining, on a test basis, evidence supporting the quantitative and qualitative information in the CSR Report. A limited review consists of making inquiries, primarily of persons responsible for sustainability matters and for preparing the sustainability report and applying analytical and other review procedures. The procedures performed in a limited review do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. As this is a combined review we present our conclusion pertaining to the audit and limited review in a separate section.

Our assignment comprises review of the following areas with the purpose of achieving reasonable assurance (named audit below) or limited assurance (named limited review below):

1. Our limited review has been based on pages 77–112 of the Annual Report.
2. Our audit comprised the following information:
 - a. Social responsibility – The table "Key indicators for gaming responsibility" on page 97.

Our statement of conformity does not comprise the measures that are used or the basis on which the Company establishes information pertaining to the future (such as objectives, expectations and ambitions).

The criteria on which our review is based are those parts of the Sustainability Reporting Guidelines G3, issued by the Global Reporting Initiative (GRI), that are applicable to the CSR Report and the accounting and estimation policies that the Company has specifically adopted. We consider these criteria to be appropriate for preparation of the CSR report.

Our limited review included the following review procedures

The key procedures in our limited review consist of the following:

- a. update of our knowledge and understanding of Svenska Spel's organisation and activities,
- b. review of the suitability and application of the criteria for stakeholder information needs,
- c. review of the result of the Company's stakeholder dialogue,
- d. interviews with responsible managers, at Group level and in selected units, in order to judge whether the qualitative and quantitative information in the CSR report is complete, correct and adequate,

- e. assessment of reported information based on internal and external documents to judge whether it is complete, correct and adequate,
- f. assessment of the Company's expressed application level of the GRI guidelines,
- h. comparison of the reviewed information with the CSR information in the Company's Annual Report for 2009.

Our audit included the following review procedures

Our audit comprised the following review procedures:

- a. comparison of reported information to internal and external source documents and implementation of detail tests of selected indicators in the table "Key indicators for gaming responsibility" on page 97 of the Annual Report.

We deem the evidence acquired during our review gives us adequate and appropriate support for our conclusions, below.

Conclusions

Our conclusion based on our limited review

Based on our limited review, nothing has come to our attention that causes us to believe that the data and information in the CSR Report that is comprised by our limited review have not, in all material aspects, been prepared in accordance with the above stated criteria.

Our conclusion based on our audit

Based on our audit, we consider that the information in the CSR Report comprised in our assignment, has in all material aspects been prepared in accordance with the above stated criteria.

Stockholm, 12 March 2010


Deloitte AB

Lars Egenäs

Authorised Public Accountant

Torbjörn Westman

Specialist member FAR SRS



115–123

Corporate Governance Report

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Corporate Governance Report

AB Svenska Spel

AB Svenska Spel is a Swedish limited liability company with registered office in Visby, Sweden.

All shares in AB Svenska Spel are owned by the Swedish State. Ownership is exercised through the Ministry of Finance.

Corporate governance

Svenska Spel's corporate governance is operated partly on the basis of external frameworks including the Swedish Companies Act (2005:551) and other applicable Swedish legislation, the State ownership policy and other ownership directives or guidelines, the Swedish Code of Corporate Governance and Articles of Association; and partly on the basis on internal frameworks including the Rules of procedure for the Board, the CEO instructions and internal policies and guidelines.

The State ownership policy for 2009 includes guidelines for key matters of principle pertaining to the administration of the state-owned company. According to the ownership policy presented by the State, companies with state ownership are to apply the Swedish Code of Corporate Governance ("The Code"). A revised Code took effect on 1 July 2008 and has been applied during the year. The Code is applied on the basis of the conform-or-explain principle, which means that deviations from it are permitted but must be explained.

This Corporate Governance Report describes Svenska Spel's corporate governance, management and administration and the way in which the Board assures the quality of financial reporting and works with the independent auditors of the Company. This Corporate Governance Report has not been reviewed by the Company's auditors and is not part of the formal Annual Report. The diagram on page 117 shows the overall structure for corporate governance.

AGM

The AGM is the Company's highest decision-making body where shareholder influence is exercised. The matters dealt with at the AGM are regulated by the Swedish Companies Act.

The AGM is, in accordance with the Articles of Association, to be held not later than April each year and the Board is responsible for the Notice of AGM being sent to the central parliamentary offices not later than four weeks and not earlier than six weeks prior to the AGM. Parliamentarians are entitled to participate in the AGM. The general public is also offered the possibility to participate in the meeting. The AGM should include the appointment of Board and auditors, determination of fees for Board and auditors, and adopt the consolidated statement of comprehensive income and the balance sheet. At the AGM, the Board should also present its policy proposal for benefits for key management.

2009 AGM

The 2009 AGM was held on 15 April 2009 in Visby. The minutes from the AGM are available on the Company's website, svenskaspel.se.

Decisions taken at the AGM include the following:

- The 2008 financial statements were adopted and the Board and CEO discharged from liability for the 2008 financial year.
- The Board's proposal for profit distribution was adopted.
- The following directors were re-elected to the Board: Margareta Winberg, Stefan Borg, Björn Fries, Lena Jönsson, Lena Borgström Melinder, Lars Otterbeck and Eva-Britt Gustafsson.
- It was decided to appoint Margareta Winberg to the post of Chairman for the period until the next AGM.
- Directors' fees were determined. A fee will be paid to the Chairman of SEK 250,000 and to each of the Board's elected directors not employed by the Company of SEK 93,000. A special fee totaling SEK 70,000 is to be paid for work on Board committees, of which SEK 15,000 to the chairman of the Benefits Committee and SEK 7,500 each to the other two members of the Benefits Committee; and SEK 20,000 to the chairman of the Audit Committee and SEK 10,000 each to the two other members of the Audit Committee.
- The Board's proposal regarding the principals for key management employment terms and benefits was adopted.

Extraordinary General Meeting 2009

An EGM was held on 14 September 2009, at which the Board's proposals for guidelines for the payment of benefits to key management were adopted. The minutes from the EGM are available on the Company's website, svenskaspel.se.

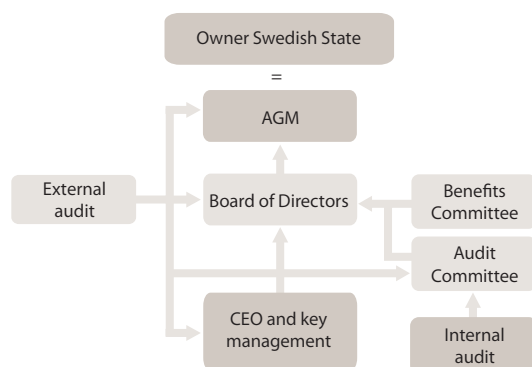
Board nomination process

Nomination of directors in state-owned companies is done in accordance with the principles described in the State's ownership policy. These principles replace the Code's regulations and means there is no Nominations Committee as provided in the Code.

The nomination process for directors is run and coordinated by the unit within the Ministry for Enterprise, Energy and Communications responsible for State ownership. A committee analyses the competency requirement based on the composition of the Board and the Company's business and situation. Any necessary recruitment requirement is then determined and the recruitment process initiated. The choice of directors is made from a broad recruitment base. When the process is finalised, the nominations are published in accordance with the regulations of the Code.



Structure for Svenska Spel's corporate governance



External regulations

- Swedish Companies Act
- Swedish Bookkeeping Act
- Swedish Annual Accounts Act
- Swedish Code of Corporate Governance
- State ownership policy
- State guidelines for external reporting
- Articles of Association

Internal regulations

- Rules of procedure for the Board
- Rules of Procedure for Audit and Benefits Committees
- CEO Instruction
- Internal policies, guidelines and instructions

Deviations from the Code

Svenska Spel follows the State ownership policy and the Code with the exception of the deviations presented in the following table.

Regulation	Deviation	Explanation/comment
Code regulation: (section 2.1-2.7): The Company has a Nomination Committee that represents the Company's shareholders.	A Nomination Committee per section 2.1-2.7 of the Code has not been established.	The Board nomination process is run and coordinated by the unit within the Ministry for Enterprise, Energy and Communications responsible for State ownership.
Code regulation: (section 11.2): The Corporate Governance Report is to include information about the independence of directors in relation to major shareholders.	The dependency relationship to major shareholders is not reported.	The ownership policy of the State states that the relevant provisions in the Code primarily aim to protect minority shareholders in the Company from spread ownership. It is not necessary for companies that are wholly-owned by the State to declare independence in this manner.

Board performance and responsibility

The Articles of Association specify that the Board is to comprise not less than three and not more than ten directors appointed by the AGM. Under Swedish legislation, employee organisations also have the right to appoint ordinary directors and alternates.

The Svenska Spel Board is responsible under the Swedish Companies Act for the organisation of the Company and administration of the Company's affairs. On an annual basis, the Board establishes Rules of Procedure for the work of the Board, instructions for the division of responsibilities between the Board and the CEO, and instructions for financial reporting to the Board. The Rules of Procedure govern such items as the division of responsibility between the Board and its two committees, the division of responsibility between the Board and the CEO, the frequency of meetings of the Board, and the key agenda items at ordinary board meetings. The work of the Board is primarily done within the framework of formal board meetings and the meetings of the Board's two committees, the Audit Committee and the Benefits Committee. According to its Rules of Procedure, the Board is normally to convene four meetings per year in addition to the statutory meeting.

The Board is responsible for financial monitoring and has regular meetings with the Company's auditors to receive their opinions. Auditors participate in the meetings of the Audit Committee and meet the Board as a whole at least once per year. The Board's meeting with auditors takes place without the presence of the CEO or other members of key management.

The Board is to regularly evaluate the work of the CEO and specifically deal with this matter at least once per year.

Board chairman

The Chairman of the Board is elected by the AGM. Under the Rules of Procedure for the Svenska Spel Board, the Chairman is to ensure that board duties are carried out effectively and that the Board meets its commitments. The work of the Chairman includes organising and leading the work of the Board, having regular contact with the CEO and ensuring that the Board receives satisfactory information and decision-making basis for its work. The Chairman is also responsible for coordinating Board opinion in relation to the owner in matters of material importance for the Company, to receive opinion from the owner and communicate it within the Board. The Chairman is to ensure that the work of the Board is evaluated annually and that the unit at the Owner responsible for board nominations is informed of the outcome of the evaluation.

Work of the Board 2009

In 2009 the Board held one statutory meeting, five regular meetings and six extraordinary meetings.

The Board has handled matters including the following in 2009:

- Financial statements and press releases
- Company and owner matters
- Annual report, auditors' report
- Appointment of CEO
- Interim reports and press releases for individual quarters
- Investment matters, major contracts and licence applications
- Owner's changed mandate and company matters
- Gaming Inquiry "A future gaming regulation" (SOU 2008:124)
- Strategic plan for the business and Svenska Spel's management model
- Responsible gaming measures
- Change process in Svenska Spel and reorganisation

The Board received assistance during the year from the secretary of the Board and Chief Legal Counsel Bengt Palmgren, who is not a director.

Composition of the Board

In 2009 the Board consisted of seven elected directors, including the Chairman. In addition, the Board had three directors and three alternates appointed by employee organisations until 14 September 2009, after which it had two ordinary employee representatives and two alternates. The CEO is not a director, but does attend board meetings. None of the directors are part of key management.

A description of each director's age, education, main professional experience, other significant assignments outside the Company and number of years as a director of Svenska Spel is presented on page 124. Three of the directors are men and four are women. The average age is 59. The employee representatives at the end of 2009 include one woman and three men with an average age of 47.

Board committees

The Board has established an Audit Committee and a Benefits Committee. The work of these committees is determined annually by the Board through specific committee procedures. The work of the committees is primarily to prepare issues for final resolution by the Board. The Board has given the committees right of decision in certain matters. Following each meeting, the committee makes a report to the Board on the issues handled. The minutes of each committee meeting are attached to the minutes of the subsequent board meeting.

Audit committee

The Audit Committee consists of three members, which are elected by the Board annually. Since the statutory meeting in April 2009, they are Lena Melinder (chairman), Björn Fries and Eva-Britt Gustafsson. In addition, one of the employee representatives is entitled to be present and participate in the committee meetings.

The Audit Committee is responsible for making preparations to support the Board in its assurance of the Company's financial reporting. The Committee works in cooperation with key management and

the auditors to monitor and assess the handling of complex accounting issues, the choice of accounting policies and the effect of these on the consolidated accounts. The committee is also to hold regular meetings with the Company's auditors to follow the focus and scope of the audit, discuss coordination between the external and internal auditing activities, review the Group's risks, and establish guidelines for determining which services other than auditing services the Group may procure from the Company's auditors.



Facts, Board of Directors

	Board	Attendance ¹	Benefits Committee	Attendance ¹	Audit Committee	Attendance ¹	Elected year	Independent ²
Directors elected by the AGM								
Margareta Winberg	Chairman	12/12	Chairman	6/6			2008	I
Stefan Borg	Director	9/12					2007	I
Björn Fries	Director	10/12			Director	3/4	2007	I
Eva-Britt Gustafsson	Director	11/12			Director	3/4	2008	I
Lena Jönsson	Director	10/12	Director	6/6			2007	I
Lena Borgström Melinder	Director	9/12			Chairman	4/4	2004	I
Lars Otterbeck	Director	9/12	Director	5/6			2007	I
Employee representatives								
Anders Andersson	Director	10/12					2005	D
Sabina Augustsson ³	Alternate	3/5					2005	D
Håkan Bergström ⁴	Director	4/4					2009	D
Peter Cernvall ⁵	Alternate	7/7					2009	D
Britta Höglund ⁶	Alternate	8/9					2008	D
Elin Mårtensson ³	Director	4/5					2005	D
Roland Norbäck ⁵	Alternate	6/7					2009	D
Martina Ravn ⁷	Director	12/12					2008	D
Bertil Sandström ³	Director	5/5					1996	D

1. Attendance pertains to the 2009 calendar year.

2. Directors and alternates appointed by employee organisations are employed in the Group and are therefore not independent in relationship to the Company.

3. Left the Board at the AGM on 15 April 2009.

4. Elected at the AGM on 15 April 2009. Left the Board on 14 September 2009.

5. Alternative since AGM on 15 April 2009.

6. Left the Board on 14 September 2009.

7. Alternative 2008, director since AGM on 15 April 2009.

The Board has delegated its right of decision to the Audit Committee for the focus of internal auditing, in part through preparation of annual internal auditing plans as well as guidelines for the non-auditing assignments that the Group may purchase from the Company's auditors.

Internal and external auditors take part in meetings of the Audit Committee, thus enabling information to be shared on a regular basis and for coordination between the internal and external auditing work as well as reviewing the Group's risks. The Company's CFO and Chief Legal Counsel also present reports at the Committee's meetings. The Audit Committee reports to the full Board of Directors subsequent to each meeting.

The Audit Committee held four meetings in 2009. The presence of members at committee meetings is presented on page 119. The work of the Audit Committee during the year involved a review of the financial reporting, annual financial statements, interim reports, auditors' review, the independent position of the auditors and the review of internal auditing. Certain assignments that are not audit-related and which have been carried out by auditing companies have been approved by the Audit Committee in accordance with the guidelines for such approval.

Benefits Committee

The Benefits Committee consists of three members, which are elected annually by the Board. The members of the Benefits Committee since the statutory Board meeting in April 2009 are Margareta Winberg (chairman), Lena Jönsson and Lars Otterbeck. In addition, one of the employee representatives is entitled to be present and participate in the committee meetings.

The main assignment of the Benefits Committee is to prepare issues related to benefits and other employment terms for key management. The Board has not delegated any right of decision to the Benefits Committee.

In 2009 the Benefits Committee met on six occasions. Committee meeting attendance is presented on page 119.

CEO and key management

The Board appoints the CEO in the Company. The CEO is responsible for the ongoing administration of the Company in accordance with the Board's guidelines and directions. Within the framework determined by the Board, the CEO leads the business and regularly informs the Board of significant business events. The CEO is to organise the Company's management to achieve appropriate governance and control of the business. Other members of key management are appointed by the CEO after consultation with the Benefits Commit-

tee. Key management is a forum for information, discussion and decision-making concerning corporate issues. Meetings of the key management group are led by the CEO and held every second week.

Svenska Spel's key management, including the CEO, is presented in further detail on page 127.

Auditors

External audit

The State ownership policy stipulates that the election of auditors for State-owned companies is always the responsibility of the owner. The final decision for choice of auditor is made by the owner at the AGM. The auditors' assignment is to review the financial reporting of the Company and the Group and the Board and the CEO's administration of the Company.

At the 2007 AGM, auditing company Öhrlings PricewaterhouseCoopers AB was elected as auditor. The auditing assignment is effective until the end of the 2011 AGM.

The auditor in charge is authorised public accountant Per Wardhammar. Wardhammar also has auditing assignments in EMC, Samhall and Botniabanan.

According to Svenska Spel's Articles of Association, the Swedish State Audit Institution (Riksrevisionen) is entitled to appoint one or more auditors to participate in the audit with the other auditors. On 15 April 2008, the State Audit Institution appointed authorised public accountant Anders Herjevik as auditor and Leif Lundin as alternate auditor. The appointment is effective until the end of the 2012 AGM. Neither Per Wardhammar or Anders Herjevik have audit assignments for companies that would affect their independence as auditors for Svenska Spel.

The auditors conducted their audit in 2009 based on an audit schedule established in consultation with the Board's Audit Committee. The auditors and accounting firm received remuneration for audit work and other legislated reviews and for consulting work and other audit-related services. Payment has also been made for independent consulting totalling SEK 712 thousand. Information on audit fees is found in Note 6 on page 61.

Internal audit

The Company has an internal auditing function, consisting of two people, which focuses on such tasks as security in the internal control system and conformity to regulations. The internal auditing function reports directly to the Board's Audit Committee. The focus of the internal auditing process is determined by the Audit Committee on an annual basis.

Subsidiary boards

The Svenska Spel CEO is the chairman of all subsidiary boards and other members are the Company's Chief Legal Counsel and its CFO.

Other benefit policies and terms of employment for the CEO and other key management

The policies for benefits paid to key management were adopted at an EGM held on 14 September 2009 and have the following content: The policies cover all members of key management.

1. Total benefits to the executive are to be reasonable and carefully considered. The benefit package should be competitive, have a ceiling, be appropriate and contribute to a sound ethical and corporate culture. Benefits should not be leading in relation to comparable companies but embody moderation.
2. Executive monthly salaries are to be fixed. There are to be no bonus and incentive schemes. Housing is not supplied.
3. Executives are entitled to company car with accessories for not more than 7.5 base amounts based on the Swedish Tax Agency's price list. If the right to company car is utilised, gross salary is to be reduced by SEK 2,700 per month.
4. Executives are entitled to keep-fit benefits of up to SEK 3,000 annually.
5. Pension benefits for executives are to be defined contribution, to the extent they do not follow appropriate collective pension plans, and the fee should not exceed 30% of fixed salary. Where defined-benefit pension benefits have been agreed, they are to follow an appropriate collective pension plan. Any increase in the collective pension plan for salary amounts exceeding the income levels covered by the plan is to be defined contribution. The Company's cost for executive pensions is to be carried during the active period of the executive's employment. No pension premiums for further pension costs are to be paid by the Company after the executive has retired. The normal retirement age for executives is 65.
6. On termination by the Company, the term of notice is not to exceed 6 months. On termination by the Company, severance pay may also be paid not exceeding 18 months' salary. Severance pay should be paid out monthly and consist only of fixed monthly salary with no supplement for benefits. Severance pay is thus not a pension base. On new employment or receipt of income from a business, the Company benefit is to be reduced by an amount equivalent to the new income during the period the termination salary and severance pay is paid out. On termination by the employee, no severance pay is to be paid. Severance pay is never paid past the age of 65.

Preparation of matters relating to employment conditions for key management is done as follows:

- Employment terms for key management are prepared by the Board through its Benefits Committee.
- Matters of employment terms for the CEO are made by the Board.
- Matters of employment terms for other executives are made by the CEO.
- Decisions on individual benefits are to be backed by a written report presenting the Company's costs.
- The Board ensures that benefits follow the guidelines by comparing benefits for equivalent roles in other state-owned and private companies that are comparable in terms of parameters such as size, complexity, and revenue, and which only conduct operations in Sweden.
- The Board's Benefits Committee is to make regular reports to the Board on its preparation of employment terms for key management.
- The CEO is to make regular reports to the Board of its decisions regarding employment terms for key management.
- The Board is, prior to the AGM, to make a written report on benefits to key management in accordance with the rules applicable to listed companies. In addition, the benefits for each individual manager is to be separately reported in the Annual Report in terms of fixed salary, benefits and severance pay. The Chairman is also to report orally at the AGM on management benefits and how they related to guidelines adopted by the AGM. The report to the AGM should also present how the guidelines are applied in the Company's subsidiaries.
- The Company's auditors are, prior to the AGM, to make a statement on the application of the guidelines adopted by the AGM according to the applicable rules for listed companies.
- The Board is to decide on a specific policy on employment terms for other employees that are based on the benefit policies specified in these guidelines. The Board's instructions to the CEO are to stipulate that the CEO is to make an Annual Report on application of the policy. The Board is also to ensure that these guidelines are applied in Svenska Spel subsidiaries. The Chairman is to promote application of the guidelines in dialogue with owners of other companies. ■

Report on internal control pertaining to financial reporting

This description of internal control has been provided by the Svenska Spel Board and has been prepared in accordance with the Swedish Code for Corporate Governance section 10:5 and 10:6 and is thus limited to internal control pertaining to financial reporting.

The report does not represent part of the formal financial statements.

Organisation of internal control

Svenska Spel's internal control pertaining to financial reporting is designed to provide confidence in the financial reporting and assure that it is prepared in accordance with appropriate laws, regulations and accounting standards.

Svenska Spel has a strong focus on risk management and internal control. This includes an established process for risk management, an effective internal auditing process and processes for financial reporting with defined internal checkpoints.

The internal control pertaining to financial reporting is defined as the process carried out by the Board, management and other affected personnel to gain reasonable assurance of the correctness of the financial reporting.

Internal audit

The Company has an internal auditing function which focuses on tasks such as security in the internal control system and conformity to regulations. The internal auditing function reports directly to the Board's Audit Committee. The focus of the internal auditing process is determined by the Audit Committee on an annual basis.

Control environment

Svenska Spel's internal control process aims to identify, value and minimise risks in the business.

The basis of internal control pertaining to financial reporting is the control environment with organisation, decision paths and responsibility. This is documented and communicated within Svenska Spel through governing documents such as policies, guidelines and instructions.

The Rules of Procedure for the Board, CEO Instruction and board committees clearly allocate roles and responsibilities, which is beneficial to areas such as the effective management of corporate risk.

The organisational structure, roles and responsibilities broken down by objectives per division are uniformly documented for the whole Group. Significant policies and instructions regarding financial reporting have been drawn up and adapted for the Group as a whole. A new or amended policy is adopted by the Board.

Descriptions of processes for internal control of financial reporting have been prepared for a number of key processes. The work routines and instructions for ongoing accounting work and end of year procedures are well documented and detailed. Policies exist for risk management, and risk analysis is carried out regularly at both the operational and Group level.

Risk assessment and control structures

The main and most significant risk for the Group's financial reporting is related to the process for accounting for gaming-related transactions. The process is very transaction intensive. The control system that has been built up around this process is deemed to provide a good level of certainty and reliability in financial reporting. Risk assessment is carried out annually as a basis for assessing the need for changes in internal control of financial reporting.

The process description implemented for financial reporting also includes risk assessment and control structures for managing risks.

A clear division of responsibility within the finance department and detailed work procedures are documented for financial reporting. The accounting processes are regularly evaluated and modified in line with generally accepted accounting practices, applicable laws and decrees, and other requirements that apply to the Group's financial reporting.

Compliance with policies and instructions that affect financial reporting is checked on a regular basis and deviations are reported to the relevant manager. Monitoring and control of the company's business and financial position in relation to established goals is carried out on a regular basis.

Certification

Svenska Spel is certified in accordance with the security standard of the World Lottery Association (WLA). The security standard also includes fulfilling the requirements pertaining to the management system for information security in ISO/IEC 27001:2006. The standard

includes requirements for the assurance of availability, accuracy and traceability for all business-critical information.

Information and communication

Important procedures and instructions of significance for financial reporting are updated and communicated to the relevant employees on a regular basis. Financial routines for managers are published on the Company's intranet, in conjunction with the Group's other policies.

Follow-up

The Board of Directors regularly reviews the information provided by key management and the Audit Committee.

The Audit Committee's work includes ensuring that action is taken if problems arise or measures proposed in connection with internal control activity and internal and external audits.

An annual review is made of the application of the Group's policies. The unit responsible for a policy is also responsible for checking its compliance. Monitoring takes place at the key management meeting in January when the unit responsible provides a written compliance report for the past year. This report is to report the occurrence of any significant deviations.

At the statutory Board meeting for AB Svenska Spel in connection with the AGM, the CEO provides a written report on the scrutiny of the Group's policies for the previous year.

The internal control process for financial reporting is to be reviewed and updated annually. Detailed instructions are updated regularly whenever a change occurs.

Visby, 11 March 2010

Margareta Winberg

Chairman

Stefan Borg

Director

Björn Fries

Director

Eva-Britt Gustafsson

Director

Lena Jönsson

Director

Lena Borgström Melinder

Director

Lars Otterbeck

Director

Anders Andersson

Director/
Employee representative

Martina Ravn

Director/
Employee representative

Board of Directors

Margareta Winberg, born 1947

Chairman since 2008.

Qualified teacher.

Other board assignments

Chairman of the Jämt-Brasilianska Friendship Association and Föreningen Årets Margareta. President of Winberg & Dotter AB.

Previous positions and assignments

Swedish Ambassador to Brazil 2004–2007, Minister 1994–2003, Member of Parliament 1981–2003.

Eva-Britt Gustafsson, born 1950

Director since 2008. President Apoteket Omstrukturering AB. Master of Science (Economics).

Other board assignments

Chairman of Akademiska Hus AB.

Previous positions and assignments

President Venantius AB, Bank director Nordbanken (Nordea), Vice-President Securum Finans AB.

Lars Otterbeck, born 1942

Director since 2007.

Doctor of Economics, Senior lecturer at Stockholm School of Economics.

Other board assignments

Chairman of Hakon Invest AB, Försäkringsaktiebolaget Skandia and the Swedish Industry and Commerce Stock Exchange Committee (NBK). Vice Chairman of Tredje AP-fonden and the Swedish Corporate Governance Board. Director of Old Mutual pic and Skandia Liv.

Björn Fries, born 1951

Director since 2007.

Senior Advisor Intellecta.

Previous positions and assignments

Manager of Prevention Centre Stockholm, Representative of the Workers' Educational Association (ABF), Representative of the Swedish Social Democratic Party, Local government commissioner in Karlskrona, National narcotics coordinator and coordinator of the Swedish Social Democratic Party's programme against youth violence.

Lena Jönsson, born 1958

Director since 2007.

General Director of the National Fortifications Administration. Master of Laws and graduate in administrative social work.

Other board assignments

Director of the inspection counsel of the National Service Administration.

Previous positions and assignments

General Director Swedish Gaming Board.

Anders Andersson, born 1954

Employee representative* (director) since 2007. Employee representative (alternate) since 2005.

System developer and system architect. Studies in mathematics and statistics at Uppsala University.

Previous positions and assignments

System technician, Postgirot and Tiptjänst/Svenska Spel

Stefan Borg, born 1945

Director since 2007.

Senior lecturer at the Karolinska Institute.

Other board assignments

Chairman of RFMA, Swedish Association against the Abuse of Alcohol and Drugs.

Other assignments

Member of the scientific counsels of the National Board of Health and Welfare and of the National Board of Institutional Care.

Lena Borgström Melinder, born 1957

Director since 2004.

General Counsel Boxer TV Access AB.

Master of Laws, Uppsala University.

Previous positions and assignments

Partner in Melinder Lundquist Advokatbyrå, General Counsel MTG, General Counsel Strix Television, President of Rally TV, Vice-President Sonet Film.

Martina Ravn, born 1972

Employee representative* (director) since 2009.

Employee representative (alternate) since 2008.

Process Manager Poker, Internet business area.

Master's degree (IT Economics), Gotland University.

Previous positions and assignments

Poker operator, Svenska Spel 2006–2008.

* Employees of Svenska Spel have the opportunity to influence the organisation through the employee representatives on the Board.

Alternates

(not shown)

Roland Norbäck, born 1953

Employee representative (alternate) since 2009.

Accounts officer, Finance & Group Support.

Peter Cernvall, born 1970

Employee representative (alternate) since 2009.

Project manager Restaurant Gaming & Bingo Halls business area.



Margareta Winberg



Björn Fries



Stefan Borg



Eva-Britt Gustafsson



Lena Jönsson



Lena Borgström Melinder



Lars Otterbeck



Anders Andersson



Martina Ravn



Key management

Meta Persdotter, born 1964

President and CEO since February 2009
Employed 2009
Location: Visby and Sundbyberg

Board assignments

Director of Haléns/Cellbes and Hemtex.

Previous positions and assignments

CEO Duka AB 2007, Sales and marketing manager Stadium Norden 2006–2007, Warehouse manager etc. IKEA 1995–2005.

Education

Executive management, female management, financial control IFL Stockholm School of Economics, Market economist DIHM, IHM Business School.

Thomas Agrell, born 1964

Manager Marketing operational area
Employed 2009
Location: Sundbyberg

Previous positions and assignments

Consultant Movement consulting 2008–2009, President MMX advertising agency 2006–2008, President LUI Marknadsinformation AB 2000–2006, Consultant LOTS 1998–2000, Marketing manager Cederroth AB 1995–1998, Category manager Arla 1993–1995, Product manager Fazer 1992–1993, Product manager 3M 1989–1992.

Education

Bachelor of Science (Economics), Stockholm University.

Marie Avander, born 1963

Manager Vegas operational area
Employed 2006
Location: Sundbyberg

Previous positions and assignments

Business area manager Restaurant Gaming Svenska Spel 2008–2009, Purchasing manager Svenska Spel 2006–2008, Purchasing manager Reitan Handel (Pressbyrå, 7-Eleven) 2001–2006, Sales, marketing, purchasing Reitan Handel 1993–2000.

Education

Marketing economy DIHM, IHM Business School.

Anders Hägg, born 1950

Chief Financial Officer
Employed 1994
Location: Visby

Previous positions and assignments

Acting President and CEO Svenska Spel May 2008–February 2009, CFO Svenska Spel 1994–2005, Controller, Swedish Armed Forces, Gotland Military Commando, Internal consultant for the Swedish Armed Forces 1975–1994.

Education

Bachelor of Science (Economics), Linköping University.

Anders Granvald, born 1960

Manager Development operational area
Employed 2003
Location: Visby

Previous positions and assignments

IT-manager Svenska Spel 2006–2009, Operations manager Svenska Spel 2003–2005, President Capital C 1998–2003, Project manager Alfred Berg Fondkommission 1994–1998, Project manager UNUM Life Insurance 1991–1994, Development and project management Digital Equipment 1983–1991.

Education

Bachelor of Science (Computer Science), Umeå University.

Per Jaldung, born 1967

Manager Casino Cosmopol operational area
Employed 2002
Location: Sundbyberg

Previous positions and assignments

Manager Casino business area 2008–2009, Casino manager Casino Cosmopol Gothenburg 2005–2008, Security manager Casino Cosmopol Stockholm 2002–2005, Secretariat manager Swedish Criminal Investigation Department 2001–2002, Criminal intelligence service, Swedish Criminal Investigation Department 1995–2000, Stockholm Police 1991–1995.

Education

Police senior management education 1999–2000 (Swedish Police College and University of Uppsala), Swedish Police College.

Bengt Palmgren, born 1952

Chief Legal Counsel
Employed 2000
Location: Sundbyberg

Previous positions and assignments

Company Solicitor, Akza Nobel 1997–2000; Corporate Solicitor, Posten 1990–1997; Chief Legal Officer Banco Finans 1983–1989.

Education

Master of Laws, Stockholm University.

Jörgen Olofsson, born 1965

Manager Production operational area
Employed 2007
Location: Visby

Previous positions and assignments

IT operations manager Svenska Spel 2007–2009, Development manager Swedish Tax Agency 2005–2007, various management positions Swedish Tax Agency IT 1998–2004, IT-project manager Swedish Tax Agency 1991–1997, IT manager Swedish Navy KA 3 1989–1991.

Education

Graduate engineer, Royal Institute of Technology, Management education, Swedish Tax Agency.

Anna Björklund, born 1964

Human Resources Director
Employed 2008
Location: Sundbyberg

Previous positions and assignments

Project manager Change Management, SEB 2005–2008, President Stensnäs Kurs & Konferens 2004–2005, President Pengar i Sverige AB 2003–2004, Production manager, Pengar i Sverige AB 2002–2003, HR manager, Pengar i Sverige AB 2000–2002, Various HR positions SEB, 1988–1999.

Education

Bachelor of Science (Human Resources and Labour Relations) with advanced studies in Personnel Management, English, Stockholm University.

Håkan Sjöstrand, born 1966

Manager Sales operational area
Employed 1998
Location: Sundbyberg

Previous positions and assignments

Manager Retail Outlet business area 2008–2009, Acting divisional manager Svenska Spel 2007–2008, Manager Retailer business area Svenska Spel 2005–2006, sales manager Retail Outlet Svenska Spel 2003–2005, Establishment manager Svenska Spel 2001–2003; Key account manager Svenska Spel 1998–2001, ICA Handlarnas AB 1994–1998, Länsförsäkringar 1989–1993.

Education

Degree in Marketing Management and Master of Organisational Leadership.

Chairman's statement



This marks the end of my second year as Chairman of Svenska Spel. The first was a year of learning and recruitment of a new CEO. The second, a year of working closely with the new CEO and of coming to terms with the content and magnitude of the change.

Meta Persdotter was appointed new CEO by the Board. We had a line-up of many talented women and men eager to become our CEO. At the time I was struck by two things: firstly that Svenska Spel is perceived as such an attractive company to work for and run, secondly by the impressive competency of the candidates. When Meta was in place though I felt, "yes, this is it!" and "yes, she can!" But an enthusiastic new CEO is obviously going to have ambitions.

She wants to make her mark on the organisation. There are changes to be made. And changes always take energy. There are moments of uncertainty before everything falls into place. But you also have to remember that participation creates good teamwork in the end. That individual employees understand the reasons for the change and the importance of their particular role to the company as a whole is vital for an organisation striving to be an efficient market leader. And very soon everything will fall into place!

In 2009 we have waited in vain for a proposition on the future gaming market. With my background I can to some extent understand the difficulty in making it happen. But nonetheless it is a pity, as greater order is needed on the gaming market in Sweden. Regulated Swedish gaming companies work under different conditions to those with their base in Great Britain or Malta. We deliver our surplus to the State, we have strict regulations and high demands and expectations on our gaming responsibility work. It all costs something. It would be far better and fairer if all gaming operators allowed to operate in Sweden did so on the

same terms, and thus it was a pity the government proposition came to a stop. On top of that, 2010 is an election year so we will probably have to wait another year, possibly even two.

Another governmental proposal has come through however that affects us. We will be delivering less money to the Swedish Sports Confederation than we used to apart from the "Idrottslyft" grant of SEK 500 million. The State will now receive our surplus and allocate the funds to sport through the "normal channels", in other words through the parliamentary budget.

Svenska Spel's primary interest, gaming responsibility, has been in focus during the year. A compulsory Spelkort gaming card has remained under discussion and an 18-year age limit on purchase of lotteries will be introduced in 2010. However for our long-term survival, we must also continue to develop. Our gaming surveys highlight the fact that many customers, particularly younger ones, choose games we are not licensed to provide. We are also seeing fewer people gaming for larger amounts. We have to further improve our responsibility tools, while at the same time we need to receive new licences if we are to remain competitive.

Finally I would like to take up the mandate supplement we received at last year's AGM, that Svenska Spel is to run its business cost-effectively on the basis of its mandate. The entire reorganisation is a step in this direction. But it is also very much a matter of changing old attitudes in the Company. It is easy to "be too kind" when a company is as profitable as Svenska Spel. It is difficult to question services, ideas and investments. This has to be changed. This applies to all companies of course, but perhaps more so now that the finance crisis has affected so many people. What if you lose your job or fall ill? Would you continue gaming or not? Would gaming be a glimpse of light, a longing for riches, or would you be busy just making ends meet? As long as we do not know the future behaviour of our customers we need to be careful in our business.

I would like to conclude by thanking all our employees for the past year. It has continued to be turbulent but it is wonderful to see the energy and enthusiasm you put into the process, into strengthening the Svenska Spel brand and working so hard to create the profit that brings pleasure to so many in Sweden. And a big thank you to Meta and the management team for a productive year. The next is already underway!

Visby, February 2010

Margareta Winberg
Chairman

Glossary

Financial concepts

Earnings per share Profit for the year divided by the average number of outstanding shares.

Equity ratio Equity including minority as a percentage of total assets.

Gross gaming revenue Revenue for all games and lotteries in the period, excluding stakes for multi-week games pertaining to future periods.

Net gaming revenue Gross gaming revenue less paid-out winnings.

Net sales from gaming operations, etc.

Net gaming revenue less commissions to retailers and other revenue pertaining to gaming operations.

Operating margin Operating profit after depreciation and amortisation as a percentage of total revenue.

Profit (surplus) The profit is that part of Svenska Spel's revenue that remains after paid-out winnings and deduction of costs for Svenska Spel's administration. The parliament has decided that SEK 500 million of the profit is earmarked for the Idrottslyft programme of the Swedish Sports Confederation. A portion of the profit from Penninglotten is paid to cultural projects. The remainder goes to the State Treasury.

Other concepts

Breach of Treaty The EU treaty (Treaty of Rome) was effected on 1 January 1958. It consists of 314 articles and specifically contains the ground rules for the common market. The EU Commission hears cases of suspected breaches of treaty, so called breach of treaty cases.

Business partners The restaurants and bingo halls that offer gaming on Vegas VLTs in premises in partnership with Svenska Spel.

Channelling Svenska Spel has the ambition to channel as much as possible of Swedish gaming from foreign internet companies to Svenska Spel's more secure environment.

Corporate Social Responsibility (CSR) A concept that involves companies voluntarily integrating social and environmental consideration in their business operations and in conjunction with their stakeholders. CSR can be divided into several areas: Business ethics responsibility, Environmental responsibility, Social responsibility and Economic responsibility (source: the European Commission).

Net gaming market The total known Swedish gaming market in SEK, based on the total net gaming revenue of gaming companies.

Net market share The total known Swedish gaming market in per cent, based on the total net gaming revenue of gaming companies.

Playscan Playscan ("Spelkoll" in Swedish) is a unique service on svenskaspel.se that is designed to proactively prevent problem gaming by identifying players at risk of developing gaming problems in the future. Players that activate Playscan are notified of any changes in their gaming behaviour.

Prudential approach The principle of prudential approach, as expressed in Svenska Spel's mandate, means that Svenska Spel shall, when introducing new games or entering new markets, take protective measures, observe the limitations and take the prudential measures otherwise required to prevent, hinder or counteract the risk of negative social consequences for consumers and the community.

Retail Outlets The retail chains, warehouses, grocery stores, petrol stations, etc. that sell Svenska Spel's games and lotteries under agreement.

Test visits Svenska Spel contracts external suppliers to make anonymous customer visits to retailers and business partners to check compliance with the rules related to age limits and identification checks.

Weekly budget The weekly budget is a responsible gaming tool on svenskaspel.se that involves the customers setting a limit for the amount they want to transfer to their gaming account each week. The limit amount is up to the individual customer to decide.



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