

## Unibet Group plc Interim report January - June 2007

- Gross Winnings Revenue amounted to GBP 16.5 (18.4) million for the second quarter of 2007 and GBP 38.8 (35.8) million for the first half year.
- Profit before tax for the second quarter of 2007 amounted to GBP 1.7 (5.6) million. Profit before tax for the first half year amounted to GBP 10.5 (13.6) million.
- Profit after tax for the second quarter of 2007 amounted to GBP 1.6 (3.9) million. Profit after tax for the first half year increased to GBP 9.9 (9.5) million largely driven by tax restructuring.
- Earnings per share were GBP 0.057 (0.140) for the second quarter of 2007 and GBP 0.350 (0.339) for the first half year.
- Number of active customers at the end of the quarter was 221,235 (223,104).
- Cash flow from operating activities in second quarter of 2007 amounted to GBP 5.5 (7.2) million and GBP 13.4 (15.2) million for the first half year.

### “Unsatisfactory Quarter”

“This has been the punters’ quarter. The poker competition has continued in primarily Sweden, Norway and Denmark. Additional costs, partly being one-off costs, together with the demanding political/legal situation have had an impact on the business.”

“The sports book margin in the second quarter has been substantially lower than average compared to our historic outcome (4.0%). The lower margin is a result of a large number of favourites winning in the major football leagues, ice hockey and tennis tournaments during the quarter”. However, the sports book margin for the first half-year has been in-line with our expectations of 6.8%. The third quarter has started with a return to normalised sports book margins.”

“The lower result for the quarter is a consequence of substantial lower gross winnings and an increase in operating expenses, partly being one-off costs for the quarter. In Sweden especially, the competition has continued after the introduction of on-line poker offering by the monopoly. Our expectation is that this situation will stabilise during second half of 2007. Management has during the quarter initiated a number of new marketing initiatives, strengthened the regional market leadership and started several process and productivity improvements. Main cost drivers during the quarter have been:

- Increased resources for marketing and live-betting
- Investments in productivity gains and payment solutions and

- Legal counselling being more intense than ever;
- De-monopolization France and Sweden
- Blocking of the Pro-Tour cycling team Unibet.com.”

“During the second quarter the EU Commission has clearly stated that the monopoly situation in two key countries Sweden and France is a breach of the fundamental principles of European law. Despite increased activity from the EU Commission, short-term the resistance remains on a national level. Amongst other things this has adversely affected the Unibet sponsored cycling team, Unibet.com, from being denied to participate in the Tour de France during the second quarter. Even if the difficulties in France continue, our view is that the French and the European gaming market will inevitably be de-monopolized.”, says Petter Nylander, CEO of Unibet.

Today, Wednesday 15 August 2007, Unibet’s CEO Petter Nylander will host a presentation in English at FinancialHearings, Operaterrassen in Stockholm at 9.00 CET.

Please go to [www.financialhearings.com](http://www.financialhearings.com) to sign in.

For those who would like to participate in the telephone conference in connection with the presentation, the telephone number is +44 20 7806 1966.

Please call in, well in advance and register.

The presentation is also web cast live on [www.unibetgroupplc.com](http://www.unibetgroupplc.com).

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