

CORPORATE GOVERNANCE STATEMENT

On 1 July 2005, the Stockholmsbörsen Listing Rules incorporated the Swedish Code of Corporate Governance. This Code was updated during 2006. Unibet Group plc is required to:

- Explain how it applies the main and supporting principles of the Swedish Code of Corporate Governance.
- Confirm whether or not it complies with the Code's provisions and, where it has not complied, to provide an explanation why not.

The following statement has not been audited.

Directors

The Board of Directors of Unibet Group plc is collectively responsible for the success of the Group and for its Corporate Governance and aims to provide entrepreneurial leadership of the Group within a framework of prudent and effective financial controls that enable risk to be assessed and managed.

The Board comprises the Executive Chairman and four non-executive directors, all of whom are independent. The Swedish Code identifies the fundamental importance of independent non-executive directors in ensuring the objective balance of the Board, and sets out criteria to be considered in determining the independence of non-executive directors. In accordance with Provision 3.2.4 of the Code, the Board considers Peter Lindell, Peter Boggs, Daniel Johannesson and Henrik Tjärnström to be independent non-executive directors.

To ensure effectiveness, the Board's composition brings together a balance of skills and experience appropriate to the requirements of the business. The composition of the Board and recommendations for the appointment of directors are dealt with by the Nomination Committee and its activities are set out separately in this report.

The Board is responsible to the shareholders for the Group's overall strategy and direction and it usually meets on a quarterly basis throughout the year. A formal schedule sets out those matters specifically reserved for the Board and its Committees. Those matters include decisions on Group strategy and direction, acquisitions, disposals and joint ventures, capital structure, material contracts, corporate governance and Group policies.

The number of Board and Committee meetings attended by each of the directors during the year can be seen in the table below.

The Board has a standard agenda, including receiving and considering reports from the Chief Executive Officer and the Chief Financial Officer on the Group's operational performance, finances, ongoing strategy and risk profile, all of which are considered at the quarterly meetings. Where appropriate, matters are delegated to the Nomination, Audit and Remuneration Committees, and reports on their activities are included within this corporate governance statement.

Brief resumés of the Board and CEO can be found on the web page.

The Working Procedures of the Board of Directors

The Board of Directors has adopted written instructions for the Chief Executive. The roles of the Chairman and Chief Executive have been established in writing to ensure the clear division of responsibilities, and this has been agreed by the Board.

At least once a year the Board of Directors will review the strategy and visit the Group's different office locations, and meet without the management, CEO or CFO.

The Chairman is responsible for the leadership of the Board; setting its agenda and taking full account of the issues and concerns of all Board members; ensuring effective communication with shareholders; taking the lead on director induction and development; encouraging active engagement by all directors, and ensuring that the performance of individuals and of the Board as a whole, and its Committees, is evaluated at least once a year.

The Chairman ensures that the Board is supplied with accurate, timely and clear information. Directors are encouraged to update their knowledge and familiarity with the Group through meetings with senior management. As part of the induction process, an induction pack is provided to non-executive directors.

All directors have access to the company secretary who is responsible for ensuring good information flows within the Board and its Committees and between senior management and non-executive directors. The company secretary is also responsible for advising the Board, through the Chairman, on all corporate governance matters. Directors are encouraged to seek independent or specialist advice or training at the Group's expense where this will add to their understanding of the Group in the furtherance of their duties.

In accordance with Provision 3.1.2 of the Code, the Board has introduced a process to formally evaluate its own performance and that of its Committees and individual directors. The performance of the Board and its Committees has been the subject of Board discussion, led by the Chairman to consider effectiveness against performance criteria and potential risks to performance. The performance evaluations of Board members have been structured in such a way as to ensure a balanced and objective review of Directors' performance by using a system of questionnaires intended to stimulate discussion of factors including individual performance and commitment.

Following these performance reviews, the Chairman is responsible for ensuring that the appropriate actions are taken. The evaluations provide a feedback mechanism and have helped in identifying Board performance objectives as well as individual actions such as training.

Remuneration and D&O Liability insurance

The general meeting establishes the principles and the maximum amount of the Directors' fees. Employees cannot receive director's fees. A Director can, during a short period of time, supply consultancy services, but only if this is more cost-effective and better than any external alternative. Any such consultancy fee will be disclosed in the Annual Report. None of the Directors holds share options issued by the Company. Unibet has taken out Directors and Officers Liability insurance covering the risk of personal liability for their services to the Group. Cover is in place for an indemnity level of GBP 1 million.

Nomination Committee Report

The Nomination Committee has written Terms of Reference to lead the process for Board appointments and make recommendations to the Annual General Meeting thereon.

The Nomination Committee, which met twice during the year, comprises the Chairman of the Board, Anders Ström, and shareholders Staffan Persson (Committee Chairman) and Andreas Versteegh, all of whom were elected at the 2006 AGM.

Board and Committee meeting attendance

Name	Full Board	Audit Committee	Remuneration Committee	Nomination Committee
Anders Ström	5	–	2	2
Peter Boggs	5	–	–	–
Daniel Johannesson	5	–	1	–
Peter Lindell	5	3	1	–
Johan Lindgren	–	1	–	–
Henrik Tjärnström	4	4	–	–

Remuneration Committee Report

A report on Directors' remuneration and the activities of the Remuneration Committee is set out in the Annual Report.

Audit Committee Report

The Audit Committee advises and makes recommendations to the Board on matters including financial reporting, internal controls, risk management, and the appointment of auditors. The role of the Committee is set out in its written terms of reference.

The Committee, which met 4 times during the year, in addition to quarterly meetings to review the interim reports, comprises two independent non-executive directors, Peter Lindell and Henrik Tjärnström, who were elected at the 2006 AGM. The Committee is chaired by Henrik Tjärnström, a senior finance professional who has the relevant accounting and financial management expertise. Where appropriate, the Committee consulted with the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer regarding their proposals. The external auditors also attended three of the meetings.

Responsibilities include monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance. The Committee has reviewed the Group's financial statements and formal announcements relating to the Group's financial performance before their presentation to the Board. In so doing, it considered accounting policies, areas of judgement or estimate, and reporting requirements, as well as matters brought to their attention by the external auditors. The Audit Committee is responsible for assessing the requirement for a separate internal audit function. The Committee remains satisfied that the culture of embedded controls and continual peer review, together with the work of the Chief Financial Officer, the Group Security Controller and the Head of Trading, is effective in monitoring the established systems. An internal audit function would have limited additional benefit at this time due to the size of the Group, although this matter will be reviewed during 2007.

The Committee is responsible for reviewing the Group's systems of internal control and risk management, and determines the scope of work undertaken by the Chief Financial Officer, the Group Security Controller and the Head of Trading. It receives reports from the Chief Financial Officer, with whom the results are discussed on a regular basis.

The Committee is responsible for making recommendations to the Board in relation to the appointment of external auditors. It is responsible for monitoring the independence and objectivity of the external auditors, and for agreeing the level of remuneration and the extent of non-audit services. During the year, PricewaterhouseCoopers ('PwC'), reported to the Committee on their audit strategy and the scope of audit work. The Committee has reviewed the performance of PwC and the level of non-audit fees paid to PwC during the year. These are disclosed in note 4 on page 44. The provision of non-audit services, except tax compliance and routine taxation advice, must be referred to the Committee where it is likely to exceed a pre-determined threshold of GBP 50,000. Any work that falls below that threshold must be pre-approved by the Chief Financial Officer. PwC has, during the year, advised on the Group's corporate structure. By monitoring and restricting both the nature and quantum of non-audit services provided by the external auditors, the Committee seeks to safeguard auditor objectivity and independence.

Communication with investors

In the interests of developing a mutual understanding of objectives, the Investor Relations manager has met regularly with institutional investors to discuss the publicly-disclosed performance of the Group and its future strategy. Institutional investors have also been able to meet the Chief Executive Officer and the Chief Financial Officer.

The Board is kept informed of shareholder views and correspondence. Corporate and financial presentations are regularly made to fund managers, brokers and the media, particularly at the announcement of interim and year end results. Links to webcast presentations are published on the Group's website. All shareholders are invited to attend the Annual General Meeting in April where they have the opportunity to put questions to the Directors, including the Chairmen of Board Committees.

At the Annual General Meeting separate resolutions are proposed for each substantially different

issue to enable all of them to receive proper and due consideration.

Notice of the Annual General Meeting and related papers are posted on the Group's website between four and six weeks in advance of the meeting. Further information on the activities of the Group and other shareholder information is available via the Unibet Group's corporate website, www.unibetgroupplc.com.

The Board of Directors' Report on Internal Control over Financial Reporting for the Financial Year 2006

Introduction

According to the Maltese Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for internal control. This report has been prepared according to the Swedish Code of Corporate Governance Provisions 3.7.2 and 3.7.3 and is accordingly limited to internal control over financial reporting. This report, which has not been reviewed by the auditors, is not part of the formal financial statements.

Description

a. Control environment

The Directors have ultimate responsibility for the system of internal controls and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss.

b. Risk assessment

The Senior Management members are responsible for reviewing risks, and for identifying, evaluating and managing the significant risks applicable to their respective areas of business. Risks are reviewed and assessed on a regular basis by the Group Security Controller, the Head of Trading, the Audit Committee and the Board. The effectiveness of controls is considered in conjunction with the range of risks and their significance to the operating circumstances of individual areas of the business.

A comprehensive update of Unibet's risk assessment was conducted by Senior Management and reviewed by the Board ahead of publication in October 2006 of the prospectus related to the Scheme of Arrangement.

c. Control activities

Working throughout the Group, the role of the Group Security Controller and the Head of Trading is to identify, monitor and report on the significant financial and operating risks faced by the Group to provide assurance that Unibet meets the highest standards of corporate governance expected by its stakeholders.

The Audit Committee assists the Board in its review of the effectiveness of internal controls and is responsible for setting the strategy for the internal control review. In doing so, it takes account of the organisational framework and reporting mechanisms embedded within the Group, and the work of the Group Security Controller and the Head of Trading.

d. Information and Communication

The Board receives regular formal reports from Senior Management concerning the performance of the business, including explanations for material variations from expected performance and assessments of changes in the risk profile of the business that have implications for the system of internal control. In particular the Board receives direct periodic reports from the Group Security Controller.

The Board also takes account of the advice of the Audit Committee, reports received from the external auditors, and any other related factors which have come to its attention.

e. Monitoring

Further information concerning the activities of the Audit Committee in relation to the monitoring of Unibet's internal controls, including the annual evaluation of the requirement to implement a special internal audit function and review of the financial reports published quarterly, is contained in the Audit

Committee Report.

On behalf of the Board
Malta, 21 March 2007

Anders Ström
Chairman and Director

Peter Lindell
Director

Statement of Compliance with the Swedish Code of Corporate Governance

During the Scheme of Arrangement process in 2006 Unibet held a number of general meetings in the English language, which did not comply with Provision 1.4.3 of the Code, but was appropriate in the circumstances of a legal process applying to a UK company.

Anders Ström serves as a member of the Nomination Committee, although Provision 2.1.2 of the Code states that company managers are not to be members. The purpose of the Nomination Committee according to Provision 2.1.1 is to represent the company's shareholders and in these circumstances his participation in the committee is considered appropriate.

Unibet does not comply with Provision 3.8.2 of the Code, which requires the Audit Committee to have at least 3 members. Unibet considers that the Audit Committee as presently constituted is effective in meeting the requirements of Provision 3.8.3 of the Code.

With the exception of the matters noted above, and immaterial differences of procedure that result from the fact that Unibet is a Maltese-incorporated company (and prior to 1 November 2006 was a UK-incorporated company), the Directors believe that they are in compliance with the Swedish Code of Corporate Governance.