

Information to the shareholders of 5050 Poker Holding AB (Publ.) and to players holding with accounts 5050poker

Background

On the 7th of June Microgaming, without prior warning, limited the number of tables that can be played simultaneously by one player from 20 to 2, seriously affecting 5050 Poker Ltd.'s ability to pursue business. As a result, a critical mass of players decided to leave 5050poker and withdraw their money. This "bank run", in addition to that Microgaming continuously has been fining 5050 Poker Ltd for having too many winning players, made visible that there was a negative balance in the clearing house, i.e. there were not enough money in the company account to cover the player's balances. As a consequence of this negative balance Microgaming decided to shut down the operations of 5050 Poker Ltd on the 15th of June. Since then, the company has been investigating how this situation could occur and how much money that is available to cover the players' balances.

Liquidation of 5050 Poker Ltd

The investigation has so far resulted in the following findings:

- The operational costs of 5050 Poker Ltd has for a long time exceeded the revenues, resulting in players' funds being used in the operations of the company.
- This has been enhanced by the fact that Microgaming, has been fining 5050 Poker Ltd. In excess of € 150.000, that incorrectly has been withdrawn from the players' accounts.
- The reason why this has gone undetected is that the Board of Directors of 5050 Poker Holding AB has, from the management of 5050 Poker Ltd. and the auditors of the company, been presented with false information on the size of the players' fund, the costs of operation as well as the size of the company's assets.

As a result of this, the Board of Directors of 5050 Poker Holding AB has decided to liquidate their subsidiary company 5050 Poker Ltd. The liquidation is due to the fact that LGA has requested guaranties to a level that exceeds the assets in the company. Therefore this decision is taken in the spirit of saving as much assets as possible to be able to pay back to the players. It is our belief that a liquidation of 5050 Poker Ltd will best serve the players' interest during the current circumstances.

Managing Director of 5050 Poker Holding AB, Patrick Sjögren, has been relieved from his duties

When the current situation became clear to the Board of Directors of 5050 Poker Holding, it was decided in consensus to relieve Patrick Sjögren from his duties as a Managing Director of 5050 Poker Holding AB. Therefore Patrick Sjögren does not represent the company any longer. However Patrick will assist in the process of investigating how the current situation could occur.

The board has appointed Cem Yeter and Olle Langenius, both Directors of 5050 Poker Holding AB, to fully investigate how the current situation could occur and to try to save as much of the shareholders' value as possible. The board's resolution is supported by a majority of the owners. This work will include in supporting the LGA in trying to find out how this could happen and how much player values that has been lost.

Assets in 5050 Poker Ltd do not cover players' funds

It has become clear that the losses in 5050 Poker Ltd has been built over a longer time, (more than one year). Due to the fact that incorrect information about the size of players' funds and the size of the company's assets has been presented to the Board of Directors, this situation has gone undetected. The request for bank guaranties from LGA cannot be met by the company, thus leaving 5050 Poker Holding AB no other option than to liquidate its subsidiary 5050 Poker Ltd.

This will most likely mean that most of the assets available will be used as paybacks to the players on a proportional ratio. Even though the exact figures are not available at the moment, there is no reason to believe that the payback ratio will be higher than 15% of the actual balance of the players' funds.

It is unclear how this situation has gone undetected by the appointed Auditors in Malta for 5050 Poker Ltd, nor by the auditors for 5050 Poker Holding AB, both having revised the accountings for 2011.

The Board of Directors of 5050 Poker Holding AB has ordered a balance sheet for liquidation purpose

As a result of the fact that 5050 Poker Ltd is being under liquidation, a decision to make a balance sheet for liquidation purpose (Sw: kontrollbalansräkning) for 5050 Poker Holding AB has been taken. This information has been previously communicated.

Since operations in 5050 Poker Ltd has stopped no revenues or dividends will be generated to the mother company 5050 Poker Holding AB. Therefore the Board of Directors will pursue the possibility to sell the company in order to save as much share holder value as possible.

About 5050 Poker Holding AB

5050 Poker Holding AB owns companies, which operate online gaming activities. The subsidiary 5050 Poker Ltd operates the online gaming label 5050poker.com. 5050 Poker Holding AB is listed on NASDAQ OMX First North with Thenberg & Kinde Fondkommission AB, +46 31 745 50 00, as Certified Adviser.