

Giving the dream a chance everyday

Norsk Tipping paid out NOK 44.3 million in prize money in 2011. 385 people received “a call from Hamar” with the happy news that they had become millionaires. And with that, 2011 saw the company’s vision, “we give the dream a chance”, become a reality for even more people.

About Norsk Tipping

Norsk Tipping is a corporation owned 100 per cent by the government. The Minister of Culture functions as the company’s general assembly, and the profits are distributed by the Ministry of Culture .

All games and gaming rules are subject to approval by the ministry.

Ordinary profits amounted to NOK 3.33 billion in 2011, and another NOK 260 million came in from the investment fund. These proceeds from Norsk Tipping are used for the benefit of good causes, where the majority of proceeds will be distributed via Tippenøkkelen in 2012. 45.5 per cent goes to sport, 36.5 per cent to culture and the remaining 18 per cent goes to other social and humanitarian causes.

Proceeds from the game Extra go to health and rehabilitation, under the direction of the Extra-Foundation Health and Rehabilitation. The profits amounted to NOK 223.7 million in 2011. NOK 1.6 million from Belago profits were allocated to the profits of the bingo owners.

The VinnVinn Scratch card gave NOK 1 million in proceeds to ten of the biggest humanitarian organisations in Norway (10H).

The Grassroots Share enables voluntary giving. The scheme works by allowing the customer to decide which team or association to award an amount equal to five per cent of the stake. In 2011 gamers distributed NOK 295 million via the Grassroots Share.

Through its wide variety of gaming products, Norsk Tipping offers excitement, entertainment and a reason to dream.

At the end of the year the company’s database had around 2.1 million registered players. Around 90 per cent of these, approximately 1.9 million, bought one or more games in the course of the year.

The company’s staff contingent comprised 366 permanent employees at the end of the year.

Ambitious goals moving ahead to 2015

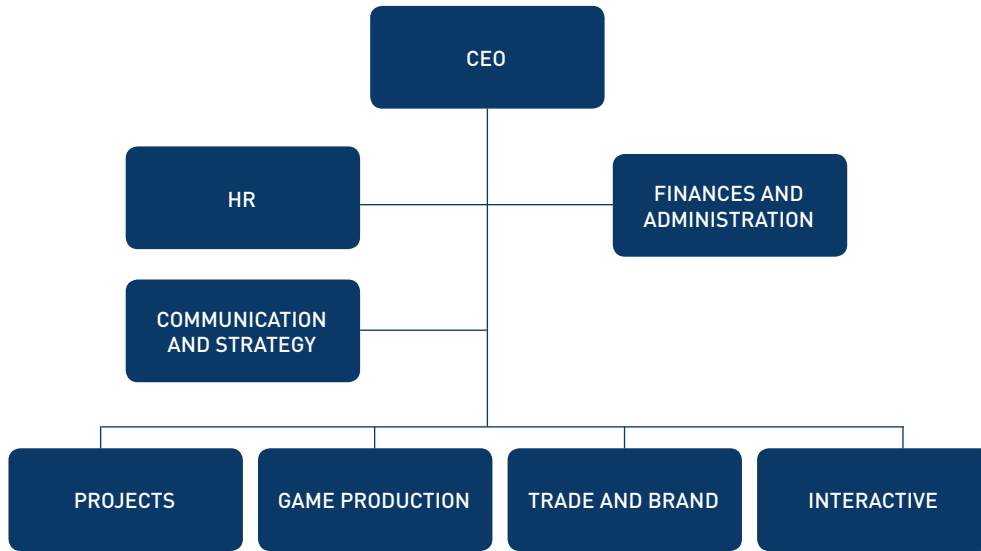
In 2011 Norsk Tipping ran a scenario process, followed by work on strategies for the coming years. The new strategic plan places greater focus on customer orientation. The goal for 2015 is to bring in 150,000 new customers and increase the market share to close to 70 per cent of total net revenues. This development is contingent on responsible gaming activities

The customer shall experience excitement, entertainment and a reason to dream

Excitement, entertainment and the reason to dream form the core of Norsk Tipping’s new strategy for how the company will promote itself in the market. The parent branding strategy points out how Norsk Tipping’s campaigns, sponsors and other profiling initiatives shall be communicated.

Streamlining the organisation to meet its strategic goals

In an effort to adapt the organisation to meet its strategic goals, the company embarked on a restructuring process in autumn 2011. Restructuring measures are based on prioritising resources for areas that strengthen business and customer orientation. These strong ambitions for growth and renewal will, however, not trigger too many new hires. The company has set a cap of 374 for the total staff compliment. At the end of the year Norsk Tipping had 366 permanent employees. 2012 will be characterised by restructuring aimed at getting the right competence in the right place within the organisation.



CEO Torbjørn Almlid: Records made yet again in 2011

The renewal process Norsk Tipping has embarked on became clearly evident in 2011. In terms of revenue the year started poorly, but picked up, ending with the last quarter being the best in the history of the company.

"Norwegian sports and culture expressed concern when the budget proposal was presented in October – with NOK 225 million less in profit distribution from Norsk Tipping. Now entering into the New Year, how would you sum up the past year, President and CEO Torbjørn Almlid?"

"The budget proposal was based on projections released in early summer, after struggling revenues in the first half of the year. But the blueprints show that 2011 gave very good financial results. The joy of playing was so great in the second half of the year that a number of our games, such as Viking Lotto, Joker, Multix and Flax, made sales records resulting in record high profits. Never before has Norsk Tipping sold more games than in the weeks preceding Christmas. Hence, the profits from our operations, which in its entirety goes to social causes, was NOK 55 million higher than in 2010. This is important to Norway's voluntary initiatives and therefore also important to us. Moreover, the Grassroots Share increased by NOK 31.5 million, reaching almost NOK 300 million. The Grassroots Share is carried as a financial cost for us, but we are happy supporters of this scheme because it is important to our customers and society."

"What are your thoughts on the reactions to the national budget – and after the final results?"

"Among other things, that money games are prone to random fluctuations, and money games are far more complicated than people think. It's not just a matter of spinning the wheel and things work by themselves. The enormous lucky number jackpot for Viking Lotto illustrates that big prizes lead to major sales growth. The reactions from the beneficiaries of our profits show what Norsk Tipping means to voluntary initiatives. The variation in revenues through the year shows very clearly that renewal is imperative, and we have done significant work in this area in 2011. We have adopted strategies for renewal of games, and this will bring about growth and more money for social causes in the years to come."

"Does the new strategy involve a change of course for the company?"

"Our new strategic plan acknowledges that Norsk Tipping, now and in the future, will have to deal with the digital age. The plan focuses on increased customer and business orientation and that Norsk Tipping shall be a streamlined and dynamic gaming company. We must ensure that it is the public's needs that guide development work. The keywords are "technology on the customer's premises." It must be easy to become a customer and to be a customer at Norsk Tipping."

"Has it not been so? Was the goal of two million customers achieved in 2011?"

"Yes, it was. But at the same time the new technology development projects we launched in 2011, with applications for smartphones and tablets, show that the potential is still huge. These launches have been extremely successful and have brought about major growth in games via digital surfaces."

"Are there aspects of increased accessibility – these simpler ways of delivering games, which could be cause for concern?"

"Not as long as responsibility is maintained. The assignment from our owner, the government, is to offer both responsible and attractive games, and to give the proceeds to good causes. This means that responsibility is a basic requirement for everything we do. Parallel to the development of new games, we are working on measures that will enable players to take responsibility for their own gaming by updating the system to facilitate the setting of personal playing limits. We are also in the process of realising a monitoring project that will enable us to keep track of players in the risk zone and implement countermeasures."

"Social responsibility is a key concept in business. From your perspective, what does this concept mean for Norsk Tipping?"

“For us social responsibility is primarily about responsible gaming. This is laid down in the company’s Articles of Association, adopted by royal decree in December 1992. It states in part that:

“The company shall, pursuant to the gaming rules laid down by the ministry, offer money games in a safe form under official control, with the aim of preventing the negative consequences of money games.”

We have formulated our responsibility to society as follows: to provide a responsible and attractive gaming opportunity and give proceeds to good causes. This nicely sums up what it is about. We cannot obtain money for voluntary initiatives in an unethical manner. Of course it is also important for us to reduce energy consumption, paper consumption, to sort waste according to source, get our employees to use public transport and so on, but Norsk Tipping is not a factory, so we don’t face the same environmental challenges that factories do. The sustainability of the company lies in the three points that describe the company’s social responsibility. Norsk Tipping is not here to make as much money as possible, but to steer the desire to play towards our responsible and attractive products. At the same time, we shall give as much money as possible to good causes. In regard to this requirement, we shall run the company as efficiently as possible. In this respect we shall reduce paper consumption, energy consumption and look at other factors that affect the environment, which are important not only for the environment but also for cost-efficiency. Our balance – our sustainability – is about taking care of various concerns in a way that ensures that the company remains credible in the eyes of its customers and policy makers.”

“What are the specific events from 2011 that you would like to highlight?”

“26 September saw us start to use the new IT solution for number games in our new building which is custom-made for the new technological highway we are building. It was a major effort that went extremely well. The new IT solution for our sports games is now following on its heels. This work forms the basis for renewal and change that is safer, quicker and more cost-efficient.

“And according to the strategic plan adopted in 2011 – where does this take the company?”

“To stand out in 2015 as a development-oriented and innovative gaming company that has the customer in focus, that can present attractive and new games, that is available on the customer’s terms with satisfied beneficiaries. We are ambitious and have set ourselves the goal of increasing our market share by around 10 per cent, to 70 per cent of total net revenues. By 2015 we intend to increase the contribution to good causes to between NOK 4.3 and 4.8 billion, including the Grassroots Share, which represents an increase of around one billion compared to today.”

“But the director’s report from 2009 stated that the ambition was to create NOK 4 billion for good social causes from a minimum of 2 million customers in 2012. In the report for 2010, 2012 is replaced by 2013. Is Norsk Tipping reaching the goal?”

“We’ve reached the goal in terms of the number of customers, but it’s not likely we will hit NOK 4 billion before 2014. This is a consequence of us having placed fewer Multix game terminals in the market than originally planned. We are also seeing that development work is complex and takes time. But we have opted to set ourselves ambitious goals. In 2011 we entered an important collaboration with 10 major Norwegian humanitarian organisations. Together, thus far, we have launched the Flax scratch card Vinn Vinn, and we plan to launch a new game in 2012. We expect Eurojackpot to become part of our product portfolio, and we are also launching a number of renewals of our existing games. We should be ambitious, because our responsibility to society involves ensuring that Norwegians choose our responsible games in preference to games offered by international companies. And I feel that we have reason to be optimistic and aggressive.”

“The goal of increasing the market share to approximately 70 per cent by 2015 suggests you believe in the monopoly model the Norwegian authorities have chosen. Do you believe that the Norwegian gaming monopoly is safe?”

“We are noting the development in our neighbouring countries. I believe that a number of our stakeholders, like us, keep abreast of what is happening elsewhere, like in Denmark. But I am confident that the model we have in Norway is the best for offering responsible games and the biggest possible proceeds to voluntary initiatives.

Highlights galore

2011 was a year filled with highlights. Norsk Tipping welcomed customer number two million, a new extension to the premises with custom-made computer halls was completed, new collaborations were entered into and several of the games set sales records.



Record pot and sales records

The Viking Lotto pot grew to record highs over the autumn and winter. At its peak the total pot was at NOK 200 million. This resulted in record sales. Norsk Tipping sold games for almost NOK 300 million in the week directly preceding Christmas. Sales records were also set for Joker, Flax and Multix in 2011.



Customer number two million

On 16 July Norsk Tipping welcomed customer number 2.000,000. At the end of the year there were 2.108.122 Norwegians with registered playing cards.



Gaming collaboration with humanitarian organisations

Norsk Tipping signed a collaboration agreement with ten of the major voluntary organisations in Norway, called 10H. The first game developed out of the collaboration is a scratch card called VinnVinn, which was launched in the autumn. Parallel with the development of VinnVinn the work on a new, TV-broadcast game has been in progress, and scheduled to be launched in 2012.



Lotto 25 years

The most popular Norsk Tipping game by far, Lotto, turned 25. This game has made a major contribution to Norsk Tipping - more than NOK 100 billion to social causes (converted to 2011 - NOK) in the 64 years the company has existed!



Sales boom via smartphones

New applications for smartphones have resulted in more customers choosing to play via mobile phone. Smartphones now account for 90 per cent of sales via mobile. Norsk Tipping's game application for iPhone was nominated for Gulltaggen, and remained at the top of the Norwegian download list for graphics applications for a long time.



Simpler login via Internet

Delivering games via Internet became available in 2002. Before that players had to use a card reader to play, which created difficulties for a number of players. In 2011 Norsk Tipping launched a more user-friendly solution where players can login with a username and password.



First Ringside opened

Ringside, a new entertainment concept for sports and gaming enthusiasts, opened in Oslo city. The goal of the concept is to provide the customers with a content-rich and unique sports and gaming experience. So Ringside broadcasts all the major sporting events live, arranges quiz nights and lectures, and offers light refreshments. An application for a license to serve beers was sent to Oslo municipality; which created reactions from environments working with problem gaming in Norway. The application was later withdrawn. The Ringside concept is a joint initiative between Norsk Tipping, Norsk Rikstoto, TV2 and Reitan service trade. Reitan runs Ringside, while TV2 sees to the sporting broadcasts and statistics.



Norway elected to host EL Congress

At the European Lotteries Congress, Norsk Tipping was elected to host the 2015 EL Congress, which will be held in Oslo. CEO and President Torbjørn Almlid was elected to the Board of the European Lotteries.



New advertising award for "ice-scraper"

The Flax movie advert "ice-scraper" was nominated for Gullfisken, and also won the prize for best scratch card advert during the EL Congress, as it did during the World Lottery Association Congress in Australia in 2010.



Norsk Tipping takes Archive Award

The Norwegian Society of Record Managers and Archivists celebrated its 50th anniversary by founding a special award to encourage good archiving practice in Norway. The first prize was awarded to Norsk Tipping for the work on implementing an electronic document management system. The justification is that Norsk Tipping has gone from a manual paper archive to an electronic document management system within a short space of time. All employees have been trained to use the new system.

fabelaktiv

Sold Fabelaktiv

Norsk Tipping sold its wholly-owned subsidiary, TV production house, Fabelaktiv. The buyer is a group of private investors from Hedia AS. Fabelaktiv still produces the TV draw show for Norsk Tipping.

Prioritised goals reached

After the first half of the year it looked as though Norsk Tipping would not reach its ambitious sales goals. The reactions from the beneficiaries illustrated clearly just how important Norsk Tipping is to the voluntary sector.

The projections submitted to the Ministry of Culture in June resulted in the Government estimating Norsk Tipping's contribution to be NOK 225 million less than the previous year in its national budget proposal.

Then the Viking Lotto pot grew to record highs, together with sales. Never before had sales been as high as in the weeks preceding Christmas. And with the Viking Lotto pot as the driving force, the operating profit amounted to NOK 55 million higher than record year 2010.

Ten prioritised goals

All ten prioritised goals for 2011, stipulated in last year's Annual and CSR Report were reached.

Belago placed in the market

The first new Belago gaming terminals for bingo halls was launched in February. Belago is a spin-off from Multix, but with different limits and games more appropriate to bingo halls. At the end of the year this gaming offer was available at 125 bingo halls, somewhat less than the original plan of 150. The introduction of the jackpot solution for Belago was delayed, but came into operation in January 2012.

Moved in to new extension

The plan to start using the new extension was on schedule, and the date for formal hand-over from the main contractor, Martin M. Bakken, to Norsk Tipping was 4 February. The new computer halls with new IT infrastructure are integral to Norsk Tipping's renewal process.

Electronic document management system

The electronic document management system, "360", was implemented. With this system it has become easier to find documents in the company's archive. All employees have been trained to use the new system. Norsk Tipping received an award from the Norwegian Society of Record Managers and Archivists for the work on implementing the system. In the reasoning it was pointed out that Norsk Tipping has gone from a manual paper archive to an electronic document management system within a short space of time – a comprehensive process with broad internal support.

Renewal of games

- Further development and a number of renewals were carried out in the Flax portfolio
- Joker was renewed. Players can now play more rows of Joker and thus increase their chances of winning.
- The TV draw was given a new visual expression and a new element - a photo competition. This is an SMS competition that is about trying to guess a picture that is revealed block by block, and is meant to make the TV broadcast more exiting for viewers.
- The preparations for presenting Lotto in the new studio design and the introduction of "SuperLotto" were completed. SuperLotto is an extra big pot held four times a year. The pot began to build up from 1 January 2012. "Give the dream a chance", a concept which gives viewers a chance to realise a dream through the Lotto shows, was also introduced from the end of the year.
- Oddsen 2.0 was launched. This is a renewal of the distribution of the Oddsen product, which is about extracting interesting data and presenting it to players. At the same time, work was done on preparing the introduction of Liveoddsen for summer 2012.

In-lane lottery sales launched at two new chains

In-lane lottery sales was launched at Kiwi and Bunnpris grocery chains, and is thus available at REMA 1000, Kiwi and Bunnpris. The negotiations with Coop Prix and Coop Extra were completed and implementation is underway, so this offer will also be available at the stores within these chains sometime in 2012.

Developing games in collaboration with humanitarian organisations

Norsk Tipping signed a collaboration agreement for the development of new games with ten major voluntary organisations in Norway, De 10 Humanitære AS (10H). The games will be owned and run by Norsk Tipping. The first game to give profits to 10H is a Flax scratch card called VinnVinn, which was launched in autumn 2011.

New IT solution for number games

As scheduled, on 26 September the operations for number games were moved over to the new technological platform. Until then sports games and number games were run on the same platform. Work on a new technological infrastructure for sports games has also been in progress during the year. This renewal will take place in spring/summer 2012. The new IT infrastructure provides major possibilities for the renewal of games.

Overall goals for 2012

The budget for 2012 aims to increase profits made in 2011 by around NOK 100 million. The plans for new launches are equally ambitious, and the company has defined a "top ten list" for goals that will be marked:

Jackpot for Belago

Jackpot is an important feature of bingo games and is a prerequisite if Belago is to compete with other games in bingo halls. A jackpot solution was introduced and put into operation in January.

Viking Lotto with national first prize pot

This is a product change that involves an increase in the row price, from NOK 4 to NOK 5. It also involves the introduction of a national lucky number jackpot, in addition to the common lucky number jackpot that all Viking Lotto countries (except Sweden) are competing for. The new national lucky number jackpot is paid out when Norsk Tipping's customers win the first prize and the lucky number is drawn. The lucky number jackpot will grow more quickly in Norway than the current solution, and the game will be more attractive to the players.

Solution for share bank

The new solution gives both our customers and retail partners a better tool to keep track of stakes and prizes for each participant in a share team. The shares are registered per participant, as opposed to the current solution where the entire game is registered under the retail partner. Any prizes are automatically paid out to the relevant participant.

In addition to providing a better overview of players' gaming behaviour, Norsk Tipping hopes this improved offer will serve to increase Lotto and Viking Lotto sales. For the time being the share bank will only be offered for these two products.

Implement limit setting system and procure analytical tools for monitoring

Norsk Tipping's responsibility platforms are imperative to the company's existence and development. In 2012 Norsk Tipping will further develop and improve certain areas within the company's responsible gaming efforts.

- The development of new products necessitates updates and further development of Norsk Tipping's limit setting system, which enables the customer to maintain control over his gaming activity on all games in all sales channels. The first phase will be implemented with the introduction of Liveoddsen. The next phase will be ready when online gaming is launched.
- Norsk Tipping will introduce a more continuous and specific monitoring of gaming behaviour and changes in gaming behaviour for the customers of the company. In this way the company is in a position to quickly correct games where an unfortunate development is noticed. A system for monitoring is scheduled for completion at the turn of 2012/2013.

Launch of Liveoddsen

The first phase of the renewal of sports games concerns the launch of Liveoddsen in conjunction with the European Championships in football in June 2012. This renewal will make Norsk Tipping's sports offer more competitive.

Complete implementation of new sports game engine – re-launch of Oddsen

The new technology platform for the sports games will facilitate the offering of new games to Norsk Tipping's customers, and is an important step toward a more modern and reliable infrastructure. The re-launch of new varieties of Oddsen games is scheduled for September 2012.

New games in collaboration with 10H

The TV game show "Nabolaget" is scheduled for launch in autumn 2012. With Nabolaget a new sales solution will be introduced together with a subscription, and the game will be distributed via VG Nett. The concept of the draw is geographically based. It involves the neighbours of the main winner also receiving winnings of a smaller sum.

Assess new agreement with main collaborative partner in football

Norsk Tipping has had a close partnership with Norges Fotballforbund (NFF) for a number of years now, in connection with the Norwegian top division football league, Tippeligaen. The current agreement expires in 2012, and in this regard the company is assessing this partnership in 2011. By Q3 2012 Norsk Tipping will have assessed if and how the company shall collaborate with Norwegian football after 2012.

Preparations to launch Eurojackpot

Eurojackpot will be launched internationally in March; however, Norsk Tipping is not ready to participate right from the start, both due to technical matters and due to strict prioritising of other projects. The company will develop and prepare for the launch of Eurojackpot in Q1 2013.

New contract for "ID and payment"

"ID and payment" is a major and important procurement to be carried out in 2012. The procurement concerns having a system in place for secure identification of the company's customers, secure payment, safe and secure pay out of winnings, and systems and procedures associated with this area. For about a decade now Norsk Tipping has had an agreement with Buypass for these services, and the agreement has not been put out for tender during this period. This is related to the fact that Norsk Tipping has assisted in establishing Buypass and the ID/payment solutions, as a collaborative partner and co-owner of the company. The work in terms of this procurement imposes strict and formal requirements on Norsk Tipping in order to ensure that real competition is achieved and that the participants compete on equal terms. Not least, it concerns how the company's employees relate to Buypass during the process. For this reason, separate procedures have been adopted for contact and communication with Buypass, which all employees must adhere to.

Norsk Tipping aims to select a provider in the course of 2012.

Goals for the company's social responsibility efforts

In addition to the company's ten prioritised goals mentioned above, Norsk Tipping has separate goals in terms of its social responsibility efforts. Together with the goal to realise monitoring, the company has the following goals:

- Through good information and preventive tools to make players aware of their own gaming, thus enabling them to take responsibility for own gaming activity and have control over gaming consumption
- Draw up a new strategy with goal parameters for social responsibility
- Draw up a separate environmental policy for Norsk Tipping
- Reduce the number of incidents of defaults on Player cards to 70 (128 in 2011).
- Keep sick leave below 4.2 per cent

Our games

Norsk Tipping's games retained their popularity in 2011 and secured profits from operations. Viking Lotto, Joker, Flax and Multix set sales records. And there is reason to note Norsk Tipping's solid grip on Internet and mobile phone transacting; more than NOK 2 billion in games was sold via electronic channels.



GROSS REVENUES (NOK)
3 627 million

ACTIVE PLAYERS
1 743 000

NUMBER OF PRICES
6 591 000

REPAYMENT
49.8%



GROSS REVENUES (NOK)
2 157 million

ACTIVE PLAYERS
1 482 000

NUMBER OF PRICES
10 620 000

REPAYMENT
46.1%*

* The low repayment percentage is due to parts of the prize amount being transferred to 2012 as the Lucky number jackpot was only paid out after the New Year.



GROSS REVENUES (NOK)
1 621 million

ACTIVE PLAYERS
247 000

NUMBER OF PRICES
1 926 000

REPAYMENT
66%



GROSS REVENUES (NOK)
1 121 million

ACTIVE PLAYERS
910 000

NUMBER OF PRICES
10 196 000

REPAYMENT
51.1%








GROSS REVENUES (NOK)
908 million

ACTIVE PLAYERS
801 000

NUMBER OF PRICES
1 604 000

REPAYMENT
49.6%

	GROSS REVENUES (NOK)	ACTIVE PLAYERS
	903 million	1 353 000
	NUMBER OF PRICES	REPAYMENT
	3 822 000	49.3%
	GROSS REVENUES (NOK)	ACTIVE PLAYERS
	675 million	298 000
	NUMBER OF PRICES	REPAYMENT
	3 124 000	54.4%
	GROSS REVENUES (NOK)	ACTIVE PLAYERS
	349 million	194 000
	NUMBER OF PRICES	REPAYMENT
	6 437 000	55.5%
	GROSS REVENUES (NOK)	ACTIVE PLAYERS
	406 million*	105 000
	NUMBER OF PRICES	REPAYMENT
	307 899 000	91.5%
	GROSS REVENUES (NOK)	ACTIVE PLAYERS
	1.4 million*	2 500
	NUMBER OF PRICES	REPAYMENT
	985 000	90.7%

* Since more than 90 per cent of Multix and Belago revenues are returned to players in the form of winnings, only net revenues for these games are reported.

NOK 10 million daily

Good social causes received NOK 5 billion from Norwegian money games in 2011. Norsk Tipping gave 74 per cent of this amount.

All profits from Norsk Tipping go to social causes. The majority of it is distributed via Tippenøkkelen.

NOK 4.3 million to sporting every day

The government, through the Ministry of Culture, distributed 45.5 per cent of the profits to sports. There was an additional NOK 22.8 million distributed from disposable reserves to sports.

Half of this amount goes to sporting facilities.

NOK 683.45 million goes to newbuilds and rehabilitation of sporting facilities in the municipalities.

Construction Policy Programme (Anleggspolitisk program)

The government distributed NOK 65 million through a separate construction policy programme. The money goes to construction in areas under pressure, to costly constructions and to equipment.

NOK 566 million to the Norwegian Olympic and Paralympic Committee and Confederation of Sports (NIF)

The Norwegian Olympic and Paralympic Committee and Confederation of Sports (NIF) received NOK 566 million in gaming proceeds in 2011, amounting to NOK 10 million more than the previous year. The money will be used to strengthen sporting initiatives for children and youth, and to further develop the top sports initiative.

Local teams and associations

NOK 156 million was distributed to local teams and associations running sporting and physical activities for children and youth.

Anti-Doping initiatives

NOK 22.6 million from gaming proceeds was granted to Anti-Doping initiatives. The grant will contribute to the development of Antidoping Norge, a foundation that acts as an independent control and prosecution authority.

Outdoor activities

NOK 12 million from gaming proceeds was distributed to outdoor initiatives for children and youth. This amounts to NOK 1 million more than the previous year.

Birthday present of NOK 11 million

On its 150th anniversary the government gifted NIF with half the proceeds from the Lotto draw carried out on 7 January 2012, in connection with the sports gala. The gift of NOK 11 million is earmarked for youth sporting efforts..

NOK 3.4 million to culture every day

36.5 per cent of gaming proceeds are distributed to culture. The government distributed NOK 1 250 million to these purposes in 2011. Of this amount NOK 833 million was allocated to the national budget. The remainder, amounting to NOK 417 million, was allocated by the Ministry of Culture to the following specific cultural initiatives:

The Cultural Rucksack: NOK 167 million

Through this scheme primary and secondary school pupils get to experience various forms of arts and culture.

Cultural buildings, meeting places and cultural communication arenas: NOK 125 million

The grant for cultural buildings is distributed with 40 per cent going to the centralised scheme for grants to cultural buildings and 60 per cent to the grant scheme for regional meeting places and cultural communication arenas.

Frifondordningen (LNU): NOK 125 million

These funds go to LNU, a Norwegian association for children and youth organisations, the Council for Music Organisations in Norway and the Norwegian Theatre Council, who distribute the money further to several hundred local initiatives and activities.

NOK 1.7 million to social and humanitarian causes each day

18 per cent of proceeds go to social or humanitarian causes. In 2011 this amounted to NOK 617 million. Of this sum NOK 56.6 million was transferred for distribution in 2012.

NOK 511 million to ten major humanitarian organisations

Ten of the largest humanitarian organisations in Norway received NOK 511 million in 2011, distributed as follows:

Distribution to humanitarian organisations

Norwegian Red Cross	NOK 215 million
Norwegian Sea Rescue (RS)	NOK 133 million
Norwegian Cancer Society	NOK 69 million
The Norwegian Association of the Disabled	NOK 20 million
The Norwegian Association of the Blind and Partially Sighted	NOK 18 million
Norwegian People's Aid	NOK 16 million
Save the Children Norway	NOK 11 million
Norwegian Refugee Council (NRC)	NOK 10 million
LHL – The Norwegian Heart and Lung Patient Organisation	NOK 12 million
Nasjonalforeningen for folkehelsen	NOK 7 million

Other organisations: NOK 50.8 million

Organisations that received proceeds from slot machines in 2011, and which are approved as lottery-worthy organisations can apply to the Norwegian Gaming Authority for funding. 354 organisations, 201 fewer than the year before, received grants. Of these 354 organisations, the majority (190) were within music/culture/recreation.

NOK 295 million in grassroots money for local teams and associations

Norsk Tipping offers its players a unique opportunity through the Grassroots Share. In short, it allows players to transfer five per cent of their stake to a team or association of their choice, without the winning odds or any prizes being affected.

734 000 Norsk Tipping customers distributed NOK 295 million to local teams and associations through the Grassroots Share. This amounts to NOK 31.5 million more than the previous year.

NOK 220 million to health and rehabilitation projects

The game Extra, which is broadcasted on NRK1 every Tuesday, is run by Norsk Tipping for the Extra Foundation Health and Rehabilitation, who owns the game. Proceeds go to health and rehabilitation projects.

In 2011 this foundation received NOK 235.4 million, and distributed a total of NOK 220 million to 103 different organisations.

The projects supported by ExtraFoundation Health and Rehabilitation represent an even distribution of preventative work, research and rehabilitation.

Funding for action plan to combat problem gaming

The government's first action plan to combat problem gaming was presented in 2005. The money to finance the initiatives comes from Norsk Tipping's profits. In 2011 the Norwegian government allocated NOK 12 million for the action plan. A new action plan, for 2012 – 2015, was presented at the beginning of 2012.

Development trends in the money games market in 2011

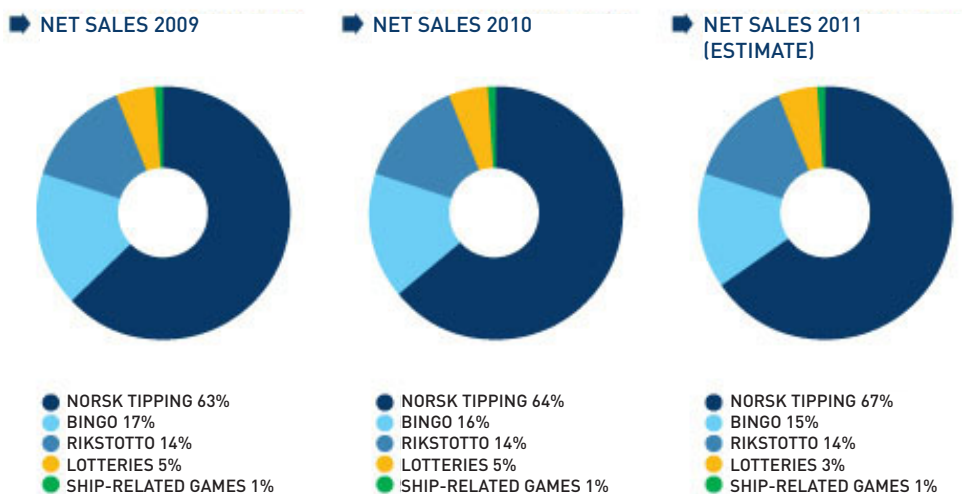
In January 2012 the Norwegian Gaming Authority presented a report concerning the ban on payments to foreign gaming companies, which was introduced in June 2010. The report concludes that the ban has not been as effective as intended. The Norwegian Gaming Authority estimates that Norwegians altogether staked as much in the unregulated money games market in 2011 as in 2010, i.e. around NOK 5 billion.

The regulated Norwegian money games market saw gross sales of NOK 27 billion. This represents an increase of around NOK 2 billion from the previous year. The majority of this growth is due to Norsk Tipping's Multix games, where winnings are largely played back, which in turn leads to high gross sales turnover. Norsk Rikstoto also saw an increase in sales in 2011.

The net sales for the regulated Norwegian money games market in 2011 is estimated at approximately NOK 8.7 billion, which represents an increase of around NOK 100 million from 2010.

The gaming market

The diagrams illustrate the market shares in the regulated Norwegian gaming market.



Continuously improving quality

Providing players with a responsible gaming offer is such a core aspect of Norsk Tipping's CSR practice that the company has chosen to address it in a separate section. However, Norsk Tipping's total CSR effort naturally has a broader reach.

Reducing the environmental footprint

Norsk Tipping works continuously on measures to reduce the company's environmental footprint. Even though the company does not have an established overall environmental policy, quality improvements in this field are addressed. The procurement policy also sets environmental standards (see below). The work of establishing Norsk Tipping's environmental policy will commence once the company's new CSR strategy is in place. In 2011 the company drew up a quality system that will secure increasingly higher quality in all types of processes.

Revision of procurement policy

In 2011 Norsk Tipping put together a new procurement policy, new guidelines, procedures and templates for procurements. This clarifies the roles and responsibilities within the area and helps comply with regulations both internally and externally. Monthly management reporting on procurement was introduced from 2011, securing better management and control in this area. The policy and guidelines focus on environmental considerations and CSR. On commencing each purchase a routine clarification is made of whether there are special environmental and/or ethical considerations, along with impartiality. Representatives from the procurement division have attended relevant training courses and fora within CSR and the environment. Training in public procurement was carried out for a number of company employees in 2011.

Norsk Tipping bought goods and services for around NOK 1 billion incl. VAT in 2011. 45 new purchases were advertised on www.doffin.no (database for public procurement) in 2011.

Good reputation among the people

Every year Norsk Tipping carries out a number of surveys on how the company, games and services are perceived by the world around us. Here is a summary of some of the most important surveys:

TNS Gallup's reputation survey

Of the 80 companies measured in this survey, Norsk Tipping was ranked number 18. The company scored high on "confidence and trust" and slightly lower on "overall impression" and "quality of products and services".

Synovate's profile survey

Synovate's annual survey of Norsk Tipping's profile among the people shows that more than half of those who responded partly agree that Norsk Tipping runs a socially beneficial business. The responses to "What is your general impression of Norsk Tipping?" were split as follows:

"What is your general impression of Norsk Tipping?"

Very good impression	27 per cent
Good impression	41 per cent
Neither good nor bad	24 per cent
Quite bad	4 per cent
Very bad	1 per cent
Don't know	3 per cent

Customers are satisfied with the service

Norsk Tipping's goal for the level of customer service experienced is set at 80 (on a scale of 1 to 100). This measure is taken by the company posing a series of questions to customers and retail partners about their last enquiry with Customer Services. Customer satisfaction in 2011 was 86. Results over 80 must be regarded as very good.

Norsk Tipping's Customer Services received on average more than 1 000 enquiries per day in 2011. The total number of incoming enquiries was 386 487. This represents an increase of 8.6 per cent from 2010. The increase in number of enquiries led to longer waiting times and a lower rate of service. One of the reasons for the increase was problems carrying out some of the Viking Lotto draws.

Customer Services also made 32 318 outgoing sales calls to retail partners.

8 046 media coverage items about Norsk Tipping

Norsk Tipping is one of Norway's most "talked about" companies. In 2011 there were 8 046 registered media coverage items in 580 different media. These figures are not comparable to statistics from the previous year as Norsk Tipping changed providers in 2011. Media monitoring company, InterMedium, which won the tender for this service, conducts a broader search than the previous provider.

The coverage was distributed as follows:

Positive coverage:	44 per cent
Neutral coverage:	48 per cent
Negative coverage:	8 per cent

Advertising

The task of channelling money gaming to Norsk Tipping's offers requires the company to market itself. Norsk Tipping's marketing follows the guidelines for marketing of government-controlled games in addition to our own marketing code of conduct. According to Nielsen Reklamestatistikk, the company used NOK 182.5 million on marketing communications in 2011 (gross media sales, excl.the Internet and direct marketing). This is 2.6 per cent less than the previous year. The company was the 14th largest advertiser in Norway in 2011, compared to ranking number 9 in 2010 and number 6 in 2009. At the same time as Norsk Tipping reduced marketing expenses, the total advertising market increased by 8 per cent gross. Norsk Tipping's competitors, meaning those who market money games to Norwegian players, including both unregulated foreign gaming companies as well as Rikstoto, increased their marketing by 50 per cent.

Norsk Tipping reports to the Norwegian Gaming Authority on a regular basis as regards its communications initiatives. The authority reported one incident of non-compliance with the marketing regulations in its report for the second half of 2010. This concerned advertising of games through a reply SMS to winners of an SMS competition. Norsk Tipping took note of the report and corrected the non-compliance.

The Norwegian Gaming Authority also had three remarks on marketing. In these the Norwegian Gaming Authority requests more visible advertising of the chances of winning.

The Norwegian Gaming Authority has not reported any non-compliance or made any remarks in the report for the first half of 2011. The report for the second half will be covered in the annual report and the CSR report for 2012.

Norsk Tipping is in dialogue with the Norwegian Gaming Authority to update the marketing code of conduct to adapt it to the new media channels.

Dialogue with stakeholders

The CSR panel, which was established in 2010, was discontinued after four meetings. The reason for this is that the level of support has been weak, and Norsk Tipping would like to use some of the other meeting arenas established by the company as a listening post for input in terms of the development of Norsk Tipping.

Some of these important arenas include the half-year meetings with representatives from compulsive gambling environments and other stakeholder groups.

Another forum is the Gaming Conference, which the company arranges together with Norsk Rikstoto. This conference was arranged for the first time in 2010. In 2011 the conference was moved from autumn to the winter and held on 9 February 2012. The theme was online gaming, which focused on the EU's efforts to regulate the online gaming market. More than 200 participants signed up for the conference.

Norsk Tipping also arranges annual meetings with the "Info and Contact Committee" which is composed of representatives of the company's physical sales segment, the retail partners. The "Country Conference" was held on 3 February. Norsk Tipping arranges this conference to meet retail partners and representatives of the chains, and to get feedback from this sales segment, which accounts for the majority of the company's total sales.

Focus on dynamic resource management

In a period of renewal and restructuring it is imperative that the company has the right competencies in the right place within the organisation. Work on dynamic resource management has been highly prioritised in recent years. At the turn of 2009/2010 internal guidelines for resource management were drawn up together with the union representatives. These guidelines describe the principles and methods for achieving purposeful and flexible use of employees/FTEs. Moreover, in the restructuring process that was started in autumn 2011, which will continue in 2012, an agreement was signed between the union representatives and the company on how the process will be conducted. During the year 5.46 per cent of the company's employees have gone over to new positions, and altogether 15.4 FTEs have been loaned out from permanent positions to temporary resourcing of projects or other prioritised work areas.

Progress with employee surveys

In the last couple of years the company has carried out annual primary measurements (H) and semi-annual check-off measurements (A). These employee surveys show a good sense of well-being. Absence due to illness is low, and fell from 4.4 per cent in 2010 to 4.0 per cent in 2011. This is lower than the goal of 4.2 per cent. These results have been achieved due to managers focusing on adhering to their commitments pursuant to the agreement concerning inclusive employment (IA) which Norsk Tipping has signed.

Based on results from the primary measurement some areas were prioritised as common areas for development in the company. These areas are: Goal and results focus, Management support, Talent utilisation and Knowledge and idea development.

All of these areas have shown positive development in the first primary measurement. Responses have been over 90 per cent in all measurements. Changes from the primary measurement in 2010 to the check-off measurement in 2011 are presented in the table below.

Measurement areas	H 2010	A 2011
Goal and results focus	5,17	5,51
Management support	5,18	5,43
Knowledge and idea development*	3,99	5,09
Talent utilisation	4,98	5,14

* The questions under Knowledge and idea development were changed in 2011. The words "in Norsk Tipping" were changed to "in my job". The questions are answered on a scale of 1 – 7, where 7 is the highest score.

Impact on the environment

Norsk Tipping works for continuous improvement in environmental efforts. The company has been successful in significantly reducing the number of coupons and programmes sent out. For example, the number of coupons was reduced by 43 million in 2011.

In 2011, however, there was an increase in the number of receipt rolls sent out for gaming terminals. This is due to increased sales of games.

A new extension spanning five hundred square meters, with a canteen, offices and computer halls brought with it an increase in power consumption. It is the new computer halls in particular that contribute to increased power consumption. The new building is connected to district heating and the heat from the computer halls will be used in other parts of the premises when all the servers are in place.

2011 saw an increase in waste volumes. This is also connected to the completion of the new extension. All new computer equipment that is procured for the computer halls are delivered in wooden boxes, which contributes to the increase in waste wood. There is also currently the issue of equipment being delivered on disposable pallets which can't be recycled.

The increase in mixed and electro-waste is due to the clearing of inventory in the premises Norsk Tipping bought some years back. These premises, called the "Toyota building" are ready for renovations, which has contributed to the increase in waste volumes.

Standing firmly on three legs

Norsk Tipping's business can be compared to a stand – a tripod, where the one leg is “Attractive games”, the second is “Proceeds to good causes” and the third is “Responsible games”. Without the last leg the entire stand falls. This means that responsibility is the foundation on which Norsk Tipping is developed into a more attractive gaming company.

Norsk Tipping's Responsible Gaming Policy creates the basis for how the company works with responsible gaming.

Responsible gaming forms part of the agreement with the retail partners, and new retail partners undergo training at Norsk Tipping. In 2011 Norsk Tipping had 58 days of training for employees of retail partners. Representatives for all new retail partners are required to undergo training at the company's premises in Hamar. In 2011 all employees of the concept store Ringside attended training prior to the opening.

Conscious and responsible players

Norsk Tipping aims for its players to be aware of their own gaming behaviour, take responsibility for own gaming activity and be in control of their consumption in terms of money games. Comprehensive information and tools are imperative in order to achieve this. The websites norsk-tipping.no and spillenett.no, along with social media are the channels used to distribute this information. Norsk Tipping is in the process of procuring tools that enable players to take the initiative to analyse their own gaming patterns, in order to assess the development over time and to receive tailored information and guidance from Norsk Tipping. A procurement process is underway. The plan is to implement this tool between the end of 2012 and beginning of 2013.

18 year age limit introduced

Norsk Tipping introduced an 18 year age limit for all games in February 2011. On the traditional games the compulsory Player card sees to it that the 18 year age limit is respected. As regards Flax, on the other hand, the retail partners are responsible for checking that the age limit is upheld.

Voluntary limit setting

At the same time as the 18 year age limit was introduced, the players were given the option to set their own personal limits for stakes on all Norsk Tipping's games, with the exception of two: Belago and Multix, where there are defined loss limits in place, and Flax, since the game is not registered. Playing limits can be set via “Min side” on norsk-tipping.no. Players can set limits on how much they want to play for per day, week, month and year, and the limits will apply in all sales channels. At the end of the year 2 699 players had set personal limits for their games.

For Multix and Belago there are general limits which are already fixed. These limits are respectively NOK 400 per day and NOK 2 200 per month for Multix, and NOK 800 per day and NOK 4 000 per month for Belago. The players can themselves define lower loss limits than the pre-defined limits for these games as well. 3 380 Multix players and 159 Belago players had done so by the end of the year.

Certified as a responsible gaming provider

In April Norsk Tipping was certified according to the European Lotteries' Responsible Gaming Standard. The standard is composed of 10 key areas in different aspects of running a responsible gaming business. For each key area the company has to score a minimum of 75 per cent in order to qualify for certification. The certificate is an attestation that responsible gaming is an integrated part of daily operations.

In the autumn the company was certified at the highest level pursuant to the World Lottery Association's framework for responsible gaming.

This certification is important to Norsk Tipping primarily because it shows that the company has a framework in place for responsible gaming and that the company upholds the standards of the industry in a good manner. In order to remain certified, Norsk Tipping has to establish goals and indicators for responsible gaming. These indicators are not yet in place; however, they are currently in the process of being developed, simultaneously with the monitoring project (see below).

Monitoring of problem gaming

Norsk Tipping's comprehensive data on gaming behaviour shall be used to start initiatives for players who are about to develop gaming problems.

In a collaboration between Norsk Tipping, The Norwegian Gaming Authority, Ko-Rus Øst, Spelinstituttet and SIRUS, a series of measures were presented to measure customer playing behaviour, prevent problem gaming, measure the effect of tools used for responsible gaming and to document how the company's problem gaming measures are working.

The measures include:

A common survey on the playing habits of Norwegians conducted among the people

In recent years Norsk Tipping has funded one survey, while the Norwegian Gaming Authority has financed another. In the report from the monitoring project, a research fund to be funded by the Norwegian money games industry was proposed. Input from the project group was that the fund, planned administered by the Norwegian Gaming Authority, would finance studies and research projects. Whether or not this fund is realised will be finalised when the government's new action plan to combat problem gaming is in place.

Measuring behavioural data

Norsk Tipping will use data on players' gaming behaviour as an analytical tool to determine the scope of problem gaming and to identify games and gaming groups for which measures should be assessed. An analytical tool of this variety will be procured and installed during 2012 – 2013. Until this tool is in place, a report shall be drawn up that shows the development within gaming groups that clearly display the impact of consumption and losses. This report will be included in the fixed monthly reports to management.

Research data

Norsk Tipping can make data available for the purposes of research. The company would like to invite independent research environments to initiate projects.

Good security and quality work

Norsk Tipping registered 128 cases of defaults on Player cards, which is 63 less than the previous year. With more than two million Player cards in circulation it is reasonable to conclude that the number of default cases is very low. The goal is to have fewer than 70 cases per year. The company reviews these cases as part of a fixed weekly internal process, and every quarter they are discussed in the management group.

In 2011 procurements were made with the intention of additionally strengthening gaming security. These involve SMS notifications to the customer when a card is left behind with the retail partner. Another service is SMS notifications to the customer when a game is cancelled. There have been occasions when the player has a receipt that shows a game to be valid, yet the game has later been cancelled. SMS notifications will reduce the risk of this happening. These SMS services were launched in January 2012.

It is the belief of the company that a uniform quality system developed in 2011 will help create better processes, both internally and for customers.

Regular dialogue with stakeholder groups

Norsk Tipping wants regular and open dialogue with representatives of organisations and environments concerned with problem gaming. The quarterly forum was started as a teleconference meeting with problem gaming environments in 2010. The members of the quarterly forum agreed in 2011 to change the format of the forum to a semiannual meeting at Norsk Tipping's premises in Hamar, in addition to regular newsletters from the company and dialogue as the need arises for any of the parties. Norsk Tipping sees on-going dialogue as important for the renewal process the company is currently in. The meetings and on-going contact helps keep the company stay abreast of the issue of problem gaming and input on how issues in this

field should be handled. The problem gaming environments can also keep abreast of Norsk Tipping's development and operations.

Responsible gaming development

A great deal of time is dedicated to responsible gaming in the development of new games and services. Each game is assessed separately, and the company takes special measures where necessary. Employees in this field are involved at the project start phase, and the company always includes assessments from one or more third parties. In working with online gaming, which has been in progress in 2011, the company obtained assessment reports from psychologist Thomas Nilsson of Spelinstitutet in Sweden, and Professor Mark Griffiths of Nottingham Trent University. Special responsible gaming measures are also in place for Liveoddsen, Multix and Belago.

Fewer Oddsens calls to Helpline

The total number of calls to the Helpline from or concerning players increased from 901 to 1010 the past year. The biggest increase relates to computer games not offered by Norsk Tipping. Oddsens remains the Norsk Tipping game most Helpline calls relate to, however, the number of calls where Oddsens is mentioned as the main problem fell slightly in 2011. The statistics show that the number of calls where Multix is mentioned as the main problem has doubled, from 12 to 25. Of a total 553 first-time calls relating to money games where the main problem game is mentioned, 132 calls, or 24 per cent, related to games offered by Norsk Tipping.

The monitoring efforts that Norsk Tipping has started will keep close track of the development in this regard.

Research on Multix

Norsk Tipping has assigned the University of Bergen to conduct research on data from Multix. This is ground-breaking research work, as no other country in the world has 100 per cent registered games on slot machines thereby giving a complete overview of each and every customer's playing patterns. The research results will increase the understanding of what can prevent the unfortunate aspects of gaming.

Statistics

Key figures for Norsk Tipping's games and sales channels, customer services, gaming revenues to county councils, profit distribution and impact on the environment can be found here.

KEY FIGURES GAMES 2010 - 2011

Spill	Gross sales		No. active players		Number of prizes		RTP, %		Average sales per player	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Extra	908 296 320	926 774 310	801 009	810 937	1 604 178	1 781 898	49.6%	49.3%	1 134	1 143
Flax	1 121 115 600	1 021 245 200	910 000*	940 000*	10 195 924	9 922 873	51.1% *	52.0% *	1 233	1 086
Joker	902 996 140	897 494 860	1 352 885	1 369 910	3 821 780	3 801 188	49.3%	49.1%	667	655
Keno	349 333 895	352 464 660	194 248	189 634	6 437 257	6 551 492	55.5%	55.7%	1 798	1 859
Lotto	3 627 044 880	3 700 586 376	1 742 960	1 754 688	6 591 071	6 707 940	49.8%	50.0%	2 081	2 109
Oddsen	1 620 815 433	1 564 561 837	247 341	239 937	1 926 474	1 834 976	66.0%	65.5%	6 553	6 521
Tipping	674 672 313	707 024 253	298 300	302 151	3 123 931	3 295 683	54.4%	54.4%	2 262	2 340
Viking Lotto	2 157 107 712	2 049 583 308	1 482 366	1 429 413	10 619 821	10 016 416	46.1%	51.7%	1 455	1 434

* Flax: The number of active players is an estimate based on market measurements. The RTP per cent for Flax is calculated based on booked prizes. This represents a change in the reporting method, which is why the figures for 2010 have also changed in relation to the previous year's annual report.

KEY FIGURES BELAGO AND MULTIX

	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Belago	1 409 077	-	2 551	-	984 640	-	90.7%	-	552	-
Multix	405 656 215	320 005 950	104 990	99 361	307 898 518	236 186 012	91.5%	90.9%	3 864	3 221

Reporting of sales for Multix and Belago was changed in 2011 from gross figures to net figures. This provides a more accurate picture of the players' game consumption as more than 90 per cent of revenues from Multix and Belago is played back.

Directors' Report

Norsk Tipping is a wholly government-owned limited company located in Hamar. The company distributes money games pursuant to the Norwegian Gaming Act and is assigned by the government to offer attractive and responsible games, where the proceeds are given to good causes. The company follows the Norwegian recommendations for corporate governance.

Overview of developments in 2011

Sales record

Norsk Tipping's total operating revenue increased from NOK 14.7 billion to NOK 16.2 billion. A record sized lucky number jackpot in Viking Lotto has contributed to a sales record for this game. When measured against ordinary game rounds, the lucky number jackpot doubled revenues after the autumn. Further development and renewal of the Flax portfolio was well received in the market, and revenues saw a 10 per cent increase to just over NOK 1.1 billion.

Multix had sales to the tune of NOK 4.8 billion in 2011, representing a growth of 35 per cent. The Multix games have a high return to player and replay of winnings rate. The sales less prizes (net gaming revenues) have increased from NOK 320 million to NOK 405 million. In 2011 gamers distributed NOK 295 million via the Grassroots Share, representing an increase of NOK 32 million from 2010.

An increasingly larger share of revenues from the company's products is coming via electronic channels. In 2011 Norsk Tipping had sales of NOK 2.1 billion via electronic channels (exclusively), respectively NOK 1.6 billion via the Internet and NOK 0.5 billion from mobile phones. This represents a total growth of 26 per cent since 2010 in these channels. The investment in electronic channels makes the company's products more available to the customers, at the same time as the company reduces its costs.

At the end of 2011 distribution of the In-lane lottery sales concept was established in three supermarket chains; REMA 1000, Kiwi and Bunnpris. Work is now underway for implementation at other chains. This concept makes Norsk Tipping's games available directly at checkout counters, making the company's products more accessible for the customer, while at the same time attracting new customers. By the end of the year In-lane lottery sales was established in 1 232 stores, with total sales of NOK 210 million.

Launch of new products

The Ministry of Culture adopted changes to the regulations surrounding bingo, and in this regard Norsk Tipping was assigned by the ministry to develop a solution to replace the previous bingo machines in bingo halls. Amendments to the bingo regulations were intended to bring that portion of the gaming market under control and within responsible limits. In 2011 the company launched gaming machines in bingo locations with a game portfolio with the brand name Belago. These amendments were, however, postponed until 1.1.2012. So the increase in sales that were estimated to arise out of games in bingo halls have not been realised in 2011 and are expected to do so in 2012.

In 2010, Norsk Tipping signed an agreement with ten major humanitarian organisations in Norway, through their company, De 10 Humanitære AS (10H). Pursuant to the agreement Norsk Tipping will establish new games that will generate revenues for these organisations. The Vinn—Vinn scratch card was established in September as the first game whose revenues go to the ten humanitarian organisations. Sales revenues from this product amounted to NOK 16 million.

Norsk Tipping presented its plans for online games to the Ministry of Culture and the Norwegian Gaming Authority in 2011, and the company is aiming to launch its online gaming offer during 2013.

The company has participated in developing the Eurojackpot number game together with a

number of other European countries. The first prize for this game will be in the range of EUR 10 – 90 million. The game is scheduled to launch March 2012 in Europe. This game is approved by the Ministry of Culture, and Norsk Tipping plans to launch it in early 2013.

Responsible gaming

Norsk Tipping's activities rest on the company's ability to prevent undesired gaming behaviour. The company therefore maintains special focus on offering attractive games within responsible and safe limits for the customer. This is all encompassing for the business as a whole and for the products the company offers. Extensive work has been started on making the tools to reduce undesired playing behaviour even more effective and useful to the customers. In this regard, large-scale collaborations have been started with research environments in this field.

Cost development

In 2011 the company implemented new IT infrastructure that facilitates more efficient future operations and development of the company's product portfolio. The company plans to continue modernising the basic IT systems in 2012.

Other operating expenses have seen an increase from 2010 to 2011. The investment in IT means that the company has borne costs for both the old and new IT systems for a period of time now. The company's development of new products and services also brings with it an increase in costs. Building extensions to the company's premises have increased costs associated with running the property. The company is maintaining significant focus on cost developments and measures that will give future savings will be initiated.

Norsk Tipping's business activities and results are completely reliant on market acceptance, which makes it necessary for the company to be visible, trustworthy and innovative to customers and partners alike. The company, therefore, uses a great deal of money on advertising and partnership agreements, which give good exposure and attention to the company's products and responsibility to society. The total contractual amount as regards the company's partnership agreements was NOK 100 million in 2011. The agreements have been signed with important organisations in the fields of culture, sport and the community. The unparalleled largest of these is with Norwegian football. The company assessed this agreement in 2011 and based on this and other evaluations the company plans to draw up and adopt a sponsorship strategy in 2012.

Balance sheet

At the end of 2011 the company's total assets amounted to NOK 4 530 million with equity at 3.3 per cent. Corresponding figures for 2010 were NOK 4 648 million and 9 per cent. The drop in equity compared to 2010 is due to the company's owner having used the investment fund to boost profit pay-outs over net profit. The company's investment fund has in recent years been used to meet the expectations presented in Report 39 to the Storting of 2007, concerning voluntary giving for all. The low equity must be seen in relation to the company's distinctive nature, which involves the activities through the year resulting in the accumulation of profits to be paid out the next year. At the time that beneficiaries are paid out the equity is strengthened due to the activity of the following year.

In the short term there is relatively little uncertainty as regards future development of the company's financial situation. Law of privilege applies to the company and this along with the company's predictable framework means that the equity and financial position is satisfactory despite the low equity ratio.

The subsidiary company Fabelaktiv AS was sold in 2011 as the business falls outside Norsk Tipping's core activities.

The new ownership contributes to the development of the company's TV show draws.

The sale was completed after a thorough process to ensure that the company's intention in selling the shares was made clearly known and to ensure equal treatment of potential buyers.

Cash flow

Gaming revenues make up the company's most significant source of cash flow, and gaming revenues less deduction of winnings has increased by NOK 219 million. Net cash flow from operational activities in 2011 amount to NOK 3 515 million. In 2010 this figure was NOK 3 896, including the effects of the dissolving the prize fund of NOK 392 million.

Receivables from retail partners have increased by NOK 50 million due to the settlement date following weekdays.

Financial risk

Norsk Tipping has a minor amount of foreign transactions and holdings that are somewhat exposed to financial market risks. Additionally, the company bears a credit risk as regards the settlement from retail partners. Settlements for the previous week's sales are paid the following week by way of automatic debits. Guarantee and deposit schemes have been established to significantly reduce the credit risk. The company has no significant bad debts from retail partners in 2011, and total bad debt in 2011 amounts to NOK 1 million. The company is fairly liquid because, in its daily operations, it generates substantial disposable income. The company's cash reserves are in the positive at NOK 3 369 million at the end of the year, with little uncertainty as regards expectations for next year.

Going concern

The Board finds that the financial statements give a true view of the results of the company's operations and financial position at year-end.

The annual financial statements are prepared on the going concern assumption. The Board is not aware of any conditions of import during the financial year, or after the end of the financial year, that bear any significance for this assumption, or for the financial year otherwise.

Research, development and renewal

Norsk Tipping has no R&D activities per definition in the Norwegian Accounting Act. However, the company is undergoing a great deal of renewal and development of new products, systems and solutions in a number of areas. Major projects in 2011 have been the renewal of IT infrastructure and gaming systems linked to number games and sports games. Other projects involve the development of Belago, renewal of existing games (Joker and preparations to launch Super Lotto in 2012) and the development of control systems for the company's games. The control system is meant to replace parts of the Norwegian Gaming Authority's control and checking of the company's draws. In total, the company has invested NOK 91 million in intangible assets in 2011.

The company has worked with the research, development and renewal approach in 2011, and will have an even more aggressive approach to research within gaming and responsible gaming in 2012.

Future development

The current situation and framework conditions provide a good basis for the company's growth and development. In the coming years the company plans to modernise its business substantially by introducing new games and forms of distribution. The company is putting great effort into being more customer-focused and offers simple and attractive products and services that attract new target groups and generates profits for good causes.

The company aims to increase its market share in the money games market through its collaboration with bingo operators, and to recover market shares from international gaming companies by renewing its sports games and developing online games. The basic assumption of responsibility is inherent and will also be developed further, in step with the development of the gaming portfolio.

The international gaming market is under rapid change. A growing number of financially strong players are entering the market, and marketing to the customers is becoming more and more aggressive. Internet gaming, and not least mobile gaming, is seeing strong growth, and competition from unregulated providers is substantial even in the Norwegian market.

In response to this Norsk Tipping plans to strengthen cooperation with other government lottery companies. The company has started an extensive programme to renew and further develop the product range, especially on digital surfaces. This is imperative if the company is to maintain and increase pay-outs to social causes. The renewal and development efforts are taking place within the framework of responsibility under which the company operates. Norsk Tipping's revenues will primarily be secured by more people finding entertainment and excitement in the company's products, rather than by increasing sales among existing customers.

Work environment

Norsk Tipping is an IA company (inclusive workplace) and desires an inclusive company culture characterised by diversity. The company aims to have a more balanced staff composition as regards age, gender and cultural background. This goal is in line with the purpose of the Norwegian Anti-Discrimination Act and the Anti-Discrimination and Accessibility Act. The company has initiated several measures to facilitate inclusion, and participates in the inter-regional project "Næringslivet som motor for inkludering" and the Confederation of Norwegian Enterprise (NHO) project "Global Future". To strengthen gender equality women in particular are encouraged to apply for selected positions.

In 2011 the company started using its new building extension. The building complies with the requirements of universal design with ergonomically organised workspaces and a canteen for the company's staff. A cultural day was also held for the staff where the strategic plan through to 2015 was presented, and then worked on in groups in order to motivate the staff to see opportunities and room for action. Employee surveys are conducted annually with the purpose of benchmarking employee well-being and identifying potential improvement areas. The company is satisfied with the development as regards the results of the surveys.

The number of women in management amounts to 30 per cent, while 38 per cent of the 366 permanent employees are women.

Sick leave has dropped somewhat since the previous year, and was 4.0% in 2011 compared to 4.4% in 2010.

No accidents or injuries in the workplace were registered for 2011.

External environment

The single biggest impact on the external environment comes from the production and distribution of paper-based material to retail partners. The company pays constant attention to the scale of such materials, and the goal is to reduce the distribution of surplus materials.

Energy consumption has increased by 1 700 Mwh, attributed to moving into the new extension.

Allocation of profits

The company is exempted from the Norwegian Limited Liability Companies Act and the associated statutory limitations on the amount of distributable equity. Pursuant to the guidelines for funds falling under Norsk Tipping AS the balance sheet item investment funds corresponds with distributable equity. As at 31.12.2011 the investment fund amounts to NOK 0 million.

Allocation of profits	NOK million
Profits Extra Foundation for Health and Rehabilitation	223.7
Measures to combat compulsive gambling	12.0
Profits for distribution through Tuppenøkkelen	3 352.2
Profits to bingo owner's causes	1.6
Profits to De 10 Humanitære AS	1.0
Transferred from investment fund	-260.2
Total distributed	3 330.3

Lars Sponheim, styrets leder

Silvija Seres

Paal Fure

Torill E. Mortensen

Gjermund Nedgård

Inger Hege Hansen

Dag Bayegan-Harlem

Torbjørn Almlid, administrerende direktør

Annual financial statements

PROFIT AND LOSS ACCOUNT

In NOK millions	Note	2011	2010	2009
OPERATING INCOME				
Gaming revenues	1	16 219.1	14 749.8	12 574.7
Other operating income	2	46.4	47.8	100.2
Total operating income		16 265.4	14 797.6	12 674.9
OPERATING EXPENSES				
Prize winnings		10 411.6	9 161.4	7 322.1
Gaming commissions		810.7	786.4	754.3
Salaries & Payroll	3	304.8	248.7	267.8
Write-offs and reversed impairments	6	181.1	182.6	166.9
Other operating expenses	4	998.8	946.5	1 018.8
Total operating expenses before transfer to good causes		12 707.0	11 325.5	9 529.9
TRANSFER TO GOOD CAUSES				
Grassroots Share		295.4	264.0	210.9
Operating profit before dissolution of prize fund		3 263.1	3 208.1	2 934.0
Dissolution of prize fund		0.0	392.0	0.0
Operating profit after dissolution of prize fund		3 263.1	3 600.2	2 934.0
Financial income	5	69.4	89.4	102.4
Financial expenses	5	2.2	5.2	12.6
ANNUAL PROFITS		3 330.3	3 684.3	3 023.8
ALLOCATION OF ANNUAL PROFITS				
Profits Extra Foundation for Health and Rehabilitation		223.7	235.4	231.9
Measures to combat compulsive gambling		12.0	12.0	12.0
Profits for distribution through Tuppenøkkelen		3 352.2	3 425.0	3 425.0
Profits to bingo owner's causes		1.6	0.0	0.0
Profits to De 10 Humanitære AS		1.0	0.0	0.0
Transferred from investment fund		-260.2	-138.1	-645.1
Transferred to restricted equity fund		0.0	150.0	0.0
Total distributed		3 330.3	3 684.3	3 023.8

BALANCE SHEET

In NOK millions	Note	2011	2010	2009
ASSETS				
Fixed assets				
Intangible assets				
Intangible assets	6	259.6	227.7	226.1
Total intangible assets		259.6	227.7	226.1
Tangible fixed assets				
Land, buildings and other real estate	6	259.6	230.5	81.3
Motor vehicles, machinery, inventory and equipment	6	329.8	313.1	379.7
Total tangible fixed assets		589.5	543.7	461.0
Financial assets				
Investment in subsidiaries	7	4.5	10.5	6.2
Investment in associated companies	7	32.4	23.0	19.0
Investment in other companies		0	0	0.2
Loans to associated companies	8	0	0	2.7
Other long-term receivables	9	30.3	31.2	26.0
Total financial assets		67.1	64.6	54.0
TOTAL FIXED ASSETS		916.2	836.0	741.2
Current assets				
Goods	10	13.7	10.2	13.2
Accounts receivable				
Receivables from venue operators	11	179.8	129.6	143.1
Other accounts receivable	12	51.3	26.6	42.9
Total accounts receivable		231.1	156.2	186.0
Bank deposits, cash and similar	19	3 368.6	3 645.3	4 022.0
TOTAL CURRENT ASSETS		3 613.4	3 811.7	4 221.2
TOTAL ASSETS		4 529.6	4 647.7	4 962.4

BALANCE SHEET

In NOK millions	Note	2011	2010	2009
EQUITY AND LIABILITIES				
Equity				
Paid-in capital				
Share capital	13	0.2	0.2	0.2
Total paid-in capital		0.2	0.2	0.2
Earned capital				
Earned capital	14	150.0	150.0	0.0
Fixed equity reserve	14	0	260.2	398.3
Total earned capital		150.0	410.2	398.3
TOTAL EQUITY		150.2	410.3	398.5
Liabilities				
Allocation for commitments				
Pension commitments	18,19	111.8	84.0	91.5
Total allocation for commitments		111.8	84.0	91.5
Other long-term liabilities				
Fund - games	15	0	0	370.6
Total other long-term liabilities		0	0	370.6
TOTAL LONG-TERM LIABILITIES		111.8	84.0	462.1
Short-term liabilities				
Accounts payable	8	141.9	85.6	74.9
Prize winnings		44.4	62.8	48.9
Advance pay out of stakes		201.2	161.6	165.1
Government taxes owed		27.7	27.0	31.8
Other short-term liabilities	16	473.0	371.9	329.3
Residual profits for pay out	17	3 379.5	3 444.4	3 451.9
Total short-term liabilities		4 267.5	4 153.4	4 101.8
Total liabilities		4 379.4	4 237.4	4 563.9
TOTAL EQUITY AND LIABILITIES		4 529.6	4 647.7	4 962.4

Lars Sponheim, styrets leder

Silvija Seres

Paal Fure

Torill E. Mortensen

Gjermund Nedgård

Inger Hege Hansen

Dag Bayegan-Harlem

Torbjørn Almlid, administrerende direktør

CASH FLOW STATEMENT

In NOK millions	Notes	2011	2010	2009
CASH FLOW FROM OPERATIONAL ACTIVITIES				
Result		3 330.3	3 684.3	3 023.8
Gains from sale of fixed assets		0.9	4.5	-0.1
Investment write-offs	6	181.1	182.6	166.9
Change in receivables from venue operators	11	-50.2	13.5	-135.4
Change in other short-term receivables, current assets and stock		-28.2	19.3	4.4
Change in accounts payable		56.3	10.7	-3.9
Change in pension commitments		27.8	-7.5	30.4
Change in other long-term receivables		-2.5	-10.6	7.1
Net cash flow from operational activities		3 515.4	3 896.9	3 093.1
CASH FLOW FROM INVESTMENT ACTIVITIES				
Incoming payments from the sale of fixed assets		0.0	0.8	0.1
Outgoing payments for purchase of fixed assets	6	-259.7	-272.2	-350.7
Net cash flow from investment activities		-259.7	-271.4	-350.5
CASH FLOW FROM FUNDING ACTIVITIES				
Net changes to fund games		0.0	-370.6	35.9
Net changes in short-term liabilities		123.0	48.2	182.7
Net changes in investment fund/restricted equity		-260.2	-16.4	-645.2
Pay-out of allocations		-3 395.2	-3 663.5	-3 022.3
Net cash flow from funding activities		-3 532.4	-4 002.3	-3 448.9
Net changes in cash		-276.7	-376.9	-706.3
Cash reserves at the beginning of the period		3 645.3	4 022.1	4 728.4
Cash reserves at the end of the period		3 368.6	3 645.3	4 022.1

Norsk Tipping AS uses the indirect model for preparation of the cash flow statement.

Notes to the Annual Financial Statements

All values are reported in thousands unless otherwise specified.

Accounting principles

The annual report is set up according to Regnskapsloven's regulations and accounting practices with adaptations due to the special nature of Norsk Tipping according to Lov om pengespill m.v. dated 28 August 1992 no. 103 (Pengespilloven).

General information

Norsk Tipping AS is subject to Pengespilloven. The Department of Culture determines the statutes, appoints the Board and instructs the Board. The Board is to ensure that the business is run according to the company's purposes and guidelines. The Board is responsible for a satisfactory organization and management of the company, and shall, among other things, ensure that registration and management of capital is subject to adequate control.

Consolidation

Subsidiaries of Norsk Tipping are not of relevance when judging the corporate's position and results. In accordance with Regnskapsloven §3-8, it is therefore not prepared consolidated accounts.

Use of estimates

The management has used estimates and assumptions that have influences the income statement and the valuation of the company's equity and liabilities, as well as uncertain equity and obligations on the day of the balance sheet during the preparation of the annual report according to the generally accepted accounting principles.

Currency

Transactions in foreign currency are converted using the currency rate at the time of the transaction. Monetary fields in foreign currencies are converted to Norwegian Kroner by using the currency rate of the day of the balance sheet. Non-monetary fields measured in historical currency rates expressed in foreign currencies are converted to Norwegian Kroner using the currency rate at the time of the transaction. Non-monetary fields measured by real value expressed in foreign currency are converted using the currency rate of the measurement date. Changes in the currency rates are recorded continuously within other financial fields.

Revenues

Accounting of revenues (including sales of player cards) and associated prizes and commissions does not correspond fully with the calendar year. In 2011, game related income and costs encompass 52 playing rounds/weeks. The stakes for multi-week games are categorised by period for each of the respective rounds/weeks and the commission is accordingly delineated.

Income from other sales is recognized when delivery is complete and the most significant risk and returns are transferred.

Tax

The company is exempt from taxation.

Classification and valuation of balances

Current assets and current liabilities encompass fields that are due within one year after the time of acquisition as well as fields related to the operating cycle. Other fields are classified as fixed assets/non-current liabilities.

Current assets are valued at the lower of cost of acquisition and real value. Current liabilities are recognised at the nominal amount applicable at the time of establishing the liability.

Fixed assets are valued at the cost of acquisition, less depreciation and write-offs. Non-current liabilities are recognised at the nominal value at the time of establishing the liability.

Research and development

The company complies with the rule of exemption in Regnskapsloven §5-6 for cost accounting of basic research and development costs.

Fixed and intangible assets

Fixed and intangible assets are recognised and depreciated linearly over the expected lifetime of the asset. Maintenance of fixed and intangible assets is recognised continuously as operating costs, while additions or improvements are assigned the asset's cost and depreciated according to the asset's expected lifetime.

In the case where the recoverable amount of the asset is lower than recognized value, the asset is depreciated according to the recoverable amount. Recoverable amount equals the highest net sales value and value-in-use. Value-in-use equals the net present value of the future cash flow that can be expected to be generated by the asset.

Expenses for in-house development of software, brands, distribution channels and systems are subject to an evaluation of whether or not the company, due to these expenses, obtains immaterial assets that according to NRS (F) where immaterial assets are to be recognized and depreciated over its expected economic lifetime according to the principle of alignment.

Subsidiaries/related companies

Subsidiaries and related companies are recognized after the cost methods in the company accounts. The investment is recognised by the cost of acquisitions of the stocks unless depreciation has been necessary. Depreciations have been made to real value when value losses are due to causes which not to be considered temporary and depreciation is considered generally accepted accounting practice.

Dividends, group contributions and other distributions from subsidiaries and related companies are recognized as income the same year that it is passed in the General Assembly.

Inventory

Inventory is recognised at the lower of cost of acquisition and net sales price. Net sales price equals estimated sales price during normal operation less calculated necessary expenses for completing the sale. Cost of acquisition is assigned using the FIFO method and includes necessary expenses accrued through acquisition of the goods and costs of transforming the goods into its current state and location.

Receivables

Retail partner receivables, trade receivables and other receivables are listed in the balance sheets at nominal value less provisions for expected losses. Provisions are based on individual assessments of each receivable. Other trade receivables are treated as unspecified provisions to cover estimated losses.

Current investments

Current investments (shares classified as current assets) are valued at the lower of cost of acquisition and real value at the day of the balance sheet. Received dividend and other distributions from the companies are recognized as other financial income.

Pension

Defined pension plans are valued at the present value of future pension accounts are accrued at the balance sheet date. Pensions are valued using real value.

Changes in defined pension plans due to changes in pension plans are recognised over the expected average remaining service period.

Cumulative effect of changes in estimates and changes in financial and actuarial assumptions (actuarial gains and losses) less than 10% of the greater of the pension obligations and plan assets at the beginning of the year is not recognized. When the cumulative effect is above the 10% limit at the beginning of the year, the excess over expected mean remaining service period is recognized. The net pension cost of the period is classified as salaries and personnel cost.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents encompass cash, bank deposits and other current, liquid investments.

Value added tax (VAT)

Norsk Tipping AS' ordinary activities are exempt from VAT according to Merverdiavgiftsloven §5b subsection no. 6. Costs and investments include VAT.

NOTE 1 - GAMING REVENUES

Each game has had the following sales turnover over the past three years

Gaming revenues	2011	2010	2009
Lotto	3 627 045	3 700 586	3 761 733
Viking Lotto	2 157 108	2 049 583	1 737 657
Joker	902 996	897 495	821 001
Tipping	674 673	707 024	732 234
Oddsens	1 620 815	1 564 563	1 549 594
Flax	1 121 119	1 021 245	977 847
Keno	349 334	352 465	380 136
Extra	908 296	926 774	950 452
Multix	4 773 720	3 530 056	1 664 016
Belago	83 950	-	-
Total gaming revenues	16 219 056	14 749 791	12 574 670

Gaming revenues cover 52 weeks of play in 2011.

Revenues for 1st to 2nd January 2011 are included in the accounts for 2010 of altogether NOK 117.8 million, and associated costs (prize winnings and gaming commissions) of altogether NOK 72.0 million.

Revenue for 1st January 2012 is included in the accounts for 2011 of altogether NOK 19.2 million, and associated costs (prize winnings and gaming commissions) of altogether NOK 13.3 million.

The company's business activities target the Norwegian market. There are no natural geographical divisions in the market.

NOTE 2 - OTHER OPERATING INCOME

Other operating income	2011	2010	2009
Sale of Player cards	25 368	32 576	83 336
Miscellaneous revenues	20 997	15 269	16 859
Total	46 365	47 845	100 195

NOTE 3 - SALARIES & PAYROLL

Salaries & Payroll	2011	2010	2009
Salaries and compensation	211 526	201 399	181 631
Employer taxes	34 846	32 795	30 280
Pension costs	53 803	11 200	51 933
Other social measures	4 606	3 239	3 922
Total	304 781	248 633	267 766
Payments in kind	7 806	7 804	10 395

Due to the changes in the presentation of costs associated with temporary employees the comparison figure for "Salaries & Payroll" in 2009 and 2010 is reduced by respectively NOK 8.4 million and NOK 10.8 million, with a corresponding increase in other operating expenses.

Payments to management employees in 2011	President & CEO	Board of Directors
Salaries and compensation	2 099	1 017
Other remunerations	21	
Pension costs	4 066	

The salary and other employment terms of the President and CEO are determined by the Board of Directors, while the Ministry of Culture determines the compensation to the Board of Directors.

The President & CEO has signed an agreement concerning pension on severance pay for up to 20G from the time of turning 60 years. Pension pay-outs vary between 56 and 70% depending on age.

The President & CEO gets 3 months' severance pay for ordinary termination of employment before turning 65 years old, or up to 12 months' severance for involuntary termination, unless otherwise specially agreed in connection with the exit. In cases where the employee is appointed to a new position, or derives income from business activities, the severance pay beyond the first three months will be reduced accordingly. There are no other agreements concerning special severance packages or similar for other employees of Norsk Tipping AS.

A total of 10 current and previous employees in management positions with salaries in excess of 12G have signed agreements concerning retirement pensions that secure 66 per cent of the salary from the time of turning 67 years old, along with additional benefits. Refer otherwise to unfunded pension schemes in Note 18.

The company's funded pension schemes satisfy the statutory requirements laid down in the Norwegian act relating to compulsory service pensions.

Current remunerations to the Board:

Chairperson NOK 217 000

Deputy Chair NOK 140 000

Board Member NOK 120 000

Deputy members are compensated at the rate of NOK 6 500 per attendance.

The company has no bonus schemes for managers or other employees.

The number of FTEs in 2011 was 377. In 2010 it was 373.

The company offers its employees home loans on the same terms and conditions as Statens Pensjonskasse. Employees can additionally apply for short-term loans amounting to a maximum of 4 months' salary. Refer to Notes 9 and 12. Neither the President & CEO, Chairman of the Board nor other related parties have utilized these offers.

There have been no audit fees or other forms of remuneration paid to the auditor (Auditor General of Norway).

NOTE 4 - OTHER OPERATING EXPENSES

Other operating expenses	2011	2010	2009
Operation of facilities and machines	162 714	135 815	129 829
Telecommunication	50 362	40 999	57 363
Advertising	143 322	148 665	173 682
Partnership agreements, marketing and information	162 532	155 989	144 906
Cost associated with the Norwegian Gaming and Foundation Authority	36 645	37 572	40 636
Costs associated with the Player card	21 681	26 924	56 151
Consulting and remunerations	51 742	53 798	67 752
External services associated with software development and maintenance	34 695	18 128	15 805
Distribution and shipping costs	38 199	36 320	33 838
Print materials and supplies	32 781	42 273	44 202
Services associate with the Player card	133 424	128 587	132 946
TV production	22 668	18 677	20 897
Other expenses	108 004	102 785	100 772
Total	998 769	946 532	1 018 779

Due to the changes in the presentation of costs associated with temporary employees the comparison figure for "Consulting and remunerations" in 2009 and 2010 has increased by respectively NOK 8.4 million and NOK 10.8 million, with a corresponding reduction in personnel costs.

NOTE 5 - FINANCIAL INCOME AND EXPENSES

Financial income and expenses	2011	2010	2009
Interest income	55 552	58 140	86 115
Other financial income	0	5 501	118
Financial income subsidiaries and associated companies	12 272	22 600	12 100
Exchange rate gains	1 560	3 120	4 026
Total financial income	69 384	89 361	102 359
Interest costs	384	254	158
Other financial expenses	69	444	5781
Exchange rate losses	1 703	4 511	6 690
Total financial expenses	2 156	5 209	12 629

The company has accounts in NOK, EUR, SEK and USD. Deposits in foreign currency accounts are limited according to needs associated with on-going operations.

The company has no forward exchange contracts.

NOTE 6 – FIXED ASSETS AND INTANGIBLE ASSETS

FIXED ASSETS

Fixed assets	Art	Vehicles	Mach., inventory and equip.	Land, build.	Total
Purchase cost as at 1.1.2011	1 236	4 821	1 351 497	375 945	1 733 499
Phased out in the year	-	-	350 909		350 909
Added in the year	168	-	127 663	40 338	168 169
Purchase cost as at 31.12.2011	1 404	4 821	1 128 251	416 283	1 550 759
Acc. write-offs and impairments	-	4 783	799 871	156 634	961 288
Book value as at 31.12.2011	1 404	38	328 380	259 649	589 471
Annual write-offs	-	21	110 228	11 238	121 487
Impairment plan (linear)	No write-offs	5 yrs	3-6 yrs	20-25 yrs	

Leasing costs for 2011

Vehicles (leasing period 3-5 years) 2,226

Additionally, the company has expensed a few less significant leasing contracts related to office machinery and equipment.

INTANGIBLE ASSETS

	In-house IT infrastructure	Brands/ games	Distribution channels	Total
Purchase cost as at 1.1.2011	78 190	21 410	267 354	366 954
Phased out in the year				-
Added in the year	69 587	9 660	12 245	91 492
Purchase cost as at 31.12.2011	147 777	31 070	279 599	458 446
Acc. write-offs and impairments	45 109	14 338	139 410	198 857
Book value as at 31.12.2011	102 668	16 732	140 189	259 589
Annual write-offs	9 592	4 801	45 230	59 623
Impairment plan (linear)	5 yrs	3-7 yrs	5-7 yrs	

The biggest development projects in 2011 were the basic IT systems for number games and sports games, and the technical development of a solution for the Belago game.

All intangible assets concern development projects carried out by Norsk Tipping. The projects concern the development of new solutions and customisations of solutions purchased from external vendors. The costs associated with payroll and other personnel costs for employees directly involved in development work have not been reported as the company does not have a reliable measure of these.

All projects carried to the balance sheet are expected to give positive cash flow over the lifespan as opposed to if the projects had not been carried out. Thus, there is no impairment on the value of some of the projects.

WRITE-OFFS

Write-offs	2011	2010	2009
Intangible assets	59 622	52 714	32 480
Fixed assets	121 487	129 903	134 431
Total write-offs	181 109	182 617	166 911

NOTE 7 – INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Company	Procured this year	Bus. office	Share-holding	Voting rights	Cost price per share	Book value
SUBSIDIARIES						
Norsk Tipping Nettnavn AS	2004	Hamar	100%	100%	110	110
Norsk Tipping Domene AS	2008	Hamar	100%	100%	106	106
NT DS AS	2009	Hamar	100%	100%	4294	4294
Total subsidiaries					4 510	4 510
ASSOCIATED COMPANIES						
Buypass AS	2006/2009/2011	Oslo	50%	50%	32 360	32 360
Total associated companies					32 360	32 360
TOTAL					36 870	36 870

Norsk Tipping Nettnavn AS, Norsk Tipping Domene AS and NT DS AS are, pursuant to Article 3-8 second paragraph of the Norwegian Accounting Act, not consolidated in the accounts of Norsk Tipping AS. The reason for excluding these companies from the consolidated accounts is that they are of no significance in determining the position or results of the group.

The accounts for Norsk Tipping Nettnavn AS show a deficit of NOK 4 000 and equity NOK 133 000.

The accounts for Norsk Tipping Domene AS show a deficit of NOK 7 000 and equity NOK 100 000.

The accounts for NT DS AS show profits of NOK 7.5 million and equity NOK 1.1 million. The positive results are due to gains from the sale of shares in Buypass to Norsk Tipping AS, and dividends from Buypass.

The accounts for the Buypass Group show profits of NOK 30.4 million and equity NOK 90.2 million. Dividends of NOK 10.2 million for 2010 were recognised as income in Norsk Tipping's accounts for 2011.

Subsidiary company, Fabelaktiv AS, was sold in 2011.

NOTE 8 – OUTSTANDING ACCOUNTS WITH SUBSIDIARIES AND ASSOCIATED COMPANIES**OUTSTANDING ACCOUNTS WITH SUBSIDIARIES AND ASSOCIATED COMPANIES**

Loans to associated companies	2011	2010	2009
Subordinated loans *)	0	0	2 712
Long-term loans	0	0	0
Total loans to associated companies	0	0	2 712

	2011	2010	2009
Short-term debt companies in the group	811	1 673	2 003
Short-term debt associated companies	9 152	6 103	8 984
Short-term receivables companies in the group	38	5	0

*) Subordinated loans in 2009 are NT DS AS. The loan is settled with shares in Buypass AS.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties	Sale of goods/services	Purchase of goods/services
Buypass AS (associated company)	0	157 953
Total	0	157 953

The purchase of goods and services from Buypass AS relate to transactions and identification linked to the Player card. The pricing of the purchases from Buypass AS is based on negotiations between the companies according to the arm's length principle.

NOTE 9 - OTHER LONG-TERM RECEIVABLES

Other long-term receivables	2011	2010	2009
Long-term loans to employees *)	30 230	31 104	25 882
Other accounts receivable	44	59	74
Total	30 274	31 163	25 956

*) The company offers home loans to employees on the same terms as Statens Pensjonskasse.

NOTE 10 - INVENTORY

The inventory comprises Player cards and stock purchased for the store and canteen. This item is estimated at the lowest value of the cost price and the estimated sales price.

Inventory	2011	2010	2009
Player card	12 852	8 924	11 433
Store/canteen stock	819	1 302	1 768
Total	13 671	10 226	13 201

NOTE 11 - RECEIVABLES FROM VENUE OPERATORS

Norsk Tipping AS makes weekly settlements in arrears with its retail partners, and accounts receivable balances are continuously outstanding.

At the end of the year the company had 4,028 retail partners.

NOTE 12 - OTHER ACCOUNTS RECEIVABLE

Other accounts receivable comprise prepaid/periodised costs and other accounts receivable maturing less than a year after the end of the accounting year.

Other accounts receivable	2011	2010	2009
Accounts receivable	506	319	186
Prepaid costs	40 693	17 846	16 902
Employee loans/salary advances *)	8 612	7 140	6 020
Other short-term accounts receivable	1 494	1 322	19 791
Total	51 305	26 627	42 899

*) Employee loans/salary advances to employees have a duration of up to 4 years. The interest gains are subject to tax.

NOTE 13 - SHARE CAPITAL

Norsk Tipping's share capital comprises three shares, each with a nominal value of NOK 50,000. The government, through the Ministry of Culture, owns 100 per cent of the shares.

NOTE 14 - EQUITY

Pursuant to the Norwegian Gaming Act and guidelines from the Ministry of Culture, the company has an investment fund which corresponds with "other equity" in other corporations.

EQUITY

	Share capital	Earned capital	Investment fund	Total
Equity as at 31.12.2010	150	150 000	260 167	410 317

ANNUAL CHANGES TO EQUITY

Injected from annual profits			3 330 308	3 330 308
Disposal of annual profits			-3 590 475	-3 590 475
Equity as at 31.12.2011	150	150 000	0	150 150

In addition to ordinary gaming revenues for 2011, the remaining funds from the company's investment fund are allocated to annual disposal for pay out through Tuppenøkkelen. Additionally, NOK 12 million is allocated to measures to combat compulsive gaming.

NOTE 15 – FUND - GAME

Prior to 31.12.2010 there was a separate fund for each game, apart from Keno and Multix. The table below shows the balance for each game/fund.

Fund – Game	2011	2010	2009
Lotto	0	0	22 153
Viking Lotto	0	0	148 483
Joker	0	0	31 531
Tipping	0	0	2 976
Oddsens	0	0	2 519
Flax	0	0	161 669
Extra	0	0	1 266
Total	0	0	370 597

On 10 December 2010, the Ministry of Culture laid down new guidelines for the funds under Norsk Tipping AS. Consequently, the prize funds were dissolved on 31.12.2010.

Since the funds have been dissolved the costs previously covered by funds will be expensed on an on-going basis.

NOTE 16 - OTHER SHORT-TERM LIABILITIES

Other short-term liabilities	2011	2010	2009
Deposits from venue operators	19 330	13 856	11 354
Bonus pots linked to games	76 597	10 039	18 184
Holiday pay owed	22 564	21 859	19 926
Liabilities player accounts	198 030	198 604	160 031
Grassroots Share for pay out	112 978	94 311	98 413
Unclaimed winnings, Flax	5 977	6 000	0
Periodisation	37 524	27 265	21 387
Total	473 000	371 934	329 295

NOTE 17 - RESIDUAL PROFITS FOR PAYOUT

Residual profits for payment correspond with the annual disposal of profits less on account payments of NOK 211 million to the Extra Foundation Health and Rehabilitation.

NOTE 18 – PENSION LIABILITIES

Norsk Tipping has both funded (financed through the fictitious assets in the Government Pension Fund - SPK) and unfunded pension schemes. The funded pension schemes are managed by SPK (see detailed description of the scheme below). The unfunded pension schemes apply to agreements for employees and former employees in senior positions with salaries exceeding 12G, and two pension arrangements for former senior executives.

Furthermore, in 2005 and 2006, the company has made agreements concerning administrative pension for resignations due to organisational changes.

Government Pension Fund

Description of the system:

Norsk Tipping AS has a collective pension scheme for its employees in the Government Pension Fund. The pension scheme includes benefits pursuant to Lov om Statens Pensjonskasse (pensjonsloven). The benefits encompass retirement, disability, spouse and child support. The calculation of benefits from 62 years and on according to the AFP scheme for the public sector is valid in addition. The pension benefits are coordinated with Folketrygden benefits. The company's share of the premium is accounted for under salary and personnel costs every year.

The premium amount and calculation of pension liabilities of the SPK pension scheme are determined by actuarial principles. The system is not based on funds. Pension payments are guaranteed by the state (Pensjonsloven §1). Management of pension funds ("fictitious funds") is simulated as if the funds had been invested in non-current government bonds. The pension scheme cannot be transferred the same way a private pension scheme can, and this calculation assumes that the scheme continues in line with SPK. In the simulation, it is assumed that the bonds are held until the expiration date. The pension funds are therefore valued at recognised value.

FUNDED PENSION COSTS

Pension costs	2011	2010	2009
Net present value of the pension earned this year	31 680	30 562	29 994
Interest cost of pension liabilities	17 456	17 810	17 174
Return on pension funds	-14 458	-13 541	-10 374
Employees' excess for pension scheme	-3 876	-3 722	-3 399
Administration costs	677	624	527
Net pension costs before amortisation	31 479	31 733	33 922
Recognised effect of estimate deviations	6 482	6 514	6 581
Employer fee each period *	4 071	2 289	6 189
NET PENSION COSTS FUNDED PENSION SCHEMES	42 032	40 536	46 692
Number of active employees in the calculation	376	378	362

* Employer fee equals net defined pension liabilities multiplied by the current percentage employer fee. Net actuarial gains and losses not recorded in the balance sheet include employer fee.

PENSION LIABILITIES

Pension liabilities as of 31.12	2011	2010	2009
Projected pension liabilities	572 476	440 547	421 204
Employer fee	40 436	25 564	26 387
Pension funds (market value)	-285 693	-259 245	-234 064
Net accrued pension liabilities	327 219	206 867	213 527
Unrecognised effect of estimate deviations	-264 633	-162 383	-161 035
Net pension liabilities	62 586	44 484	52 492

ECONOMIC ASSUMPTIONS:

	2011	2010
Discount rate %	2.60	4.00
Expected salary adjustment %	3.50	4.00
Expected G adjustment %	3.25	3.75
Expected return on reserves %	4.10	5.40

NRS (V) Pensjonsforutsetninger (january 2012) is assumed for the economic assumptions.

The actuarial assumptions for demographic factors and retirement are based on assumptions commonly made within insurance.

Unfunded pension schemes and administrative pension

The company has unfunded pension schemes as described in note 3, in addition to agreements with employees concerning administrative pension when resigning from the company. The administrative pension agreement encompasses 10 employees which are entitled to 66% of their salary until they reach an age of 67 years.

UNFUNDED PENSION AGREEMENTS AND ADMINISTRATIVE PENSION

Unfunded pension agreements and administrative pension	Unfunded agreements	Administrative pension
Provisions as of 01.01.2011	34 917	4 602
New provision/cost in the period	11 437	2 504
Paid out 2011	1 455	2 806
Liabilities as of 31.12.2011	44 899	4 300

TOTAL PENSION LIABILITIES AS OF 31.12.2011

Total pension liabilities as of 31.12.2011

Unfunded pension schemes	44 899
Funded pensions schemes	62 585
Administrative pension	4 300
Total pension liabilities	111 784

NOTE 19 – BANK DEPOSITS, CASH AND SIMILAR

In the field bank deposits, cash and similar, tax withholdings are included as NOK 10.4 million.

An adequate amount is deposited into a separate tax withholding account.

GRI Index and audit

Since 2001 Norsk Tipping has based its annual reporting on the voluntary reporting standard, Global Reporting Initiative. The standard aims to facilitate open and reliable reporting of sustainability. This involves the company reporting on a threefold bottom line that covers finances, environment and social responsibility. GRI involves a large number of reporting indicators. The GRI Index below stipulates the indicators Norsk Tipping addresses, and where they are addressed in the company's Annual and CSR Report for 2011.

According to the GRI's guidelines, Norsk Tipping's Annual and CSR Report for 2011 satisfies the requirements for Application Level C+. This assessment is based on the number of GRI indicators Norsk Tipping addresses in its annual report, and is confirmed by the Det Norske Veritas' audit of the report. Read more about the GRI Standard on their website.

About the table

References in the right-hand column of the table show where the indicator is addressed. Each indicator is also addressed directly in the table below. Indicators labelled NR are not reported in the annual report as the indicator is of little relevance to the activities or lie outside the company's area of influence.

1. STRATEGY AND ANALYSIS		
Indicator		
PROFILE		
1.1	Statement from management	Partly covered, President and CEO
1.2	Description of most significant effects, risks and opportunities linked to sustainability	Partly covered, President and CEO
2. ORGANISATION'S PROFILE		
2.1	Name of reporting organisation	Norsk Tipping
2.2	Key products and/or services, including brands	Our games
2.3	Organisation's operating structure	About us
2.4	Location of organisation's headquarters	Hamar, Norway
2.5	Number of countries where the organisation has operations	Norway
2.6	Ownership and legal business form	Corporate governance
2.7	Description of markets covered	Our games, gaming market
2.8	Scope of reporting organisation	About us, Key figures Subsidiaries not covered in the reporting
2.9	Significant changes in the reporting period	No significant changes in 2011

2.10	Awards received in the reporting period	Archive Award from the Norwegian Society of Record Managers and Archivists, the Flax movie advert "ice-scraper" was nominated for Gullruten, and also won the prize for best scratch card advert during the EL Congress, as it did during the World Lottery Association Congress in Australia.
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3. REPORTING PARAMETERS

Profile of the report

3.1	Reporting period	Financial year 2011
3.2	Date of publication of previous report	12 May 2011
3.3	Reporting cycle	Annual
3.4	Contact person for report or its contents	magne.vikoren@norsk-tipping.no, silje-onsrud.bye@norsk-tipping.no

Scope and limitations of the report

3.5	Process for deciding the contents of the report	Corporate governance
3.6	Limitations of the report	The report covers the relevant financial, environmental and social effects of Norsk Tipping's operations.
3.7	Significant restrictions in the scope or limitations of the report	There are no significant changes in the scope of measuring methods in relation to last year's report.
3.8	The basis for reporting of partner companies, subsidiaries, leased facilities, outsourced operations or other units which have a substantial effect on comparability from one period to the next.	Subsidiaries not covered in the reporting
3.9	Methods for measuring and estimating	Partly covered, CSR and Statistics
3.10	Explanation of information that has changed since the previous reports	No changes in 2011
3.11	Significant changes in the scope or measuring methods in relation to previous report.	No changes in 2011
3.12	GRI Index	This table

Verification

3.13	Guidelines and practice for independent verification or the report	The report is reviewed by an external auditor - Det Norske Veritas
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4. MANAGEMENT, COMMITMENTS AND INVOLVEMENT

Management

4.1	Organisation's management structure	Corporate governance
4.2	Description of whether the Board Chairperson is a member of group management	Corporate governance
4.3	Number of independent Board members	Corporate governance

4.4	Possibility for shareholders and employees to make proposals and recommendations to the Board	Corporate governance
4.5	Relationship between Board members' compensation and organisation's results	Corporate governance
4.6	Processes in place for the Board to avoid conflicts of interest	The Board follows Norsk Tipping's Code of Ethics
4.7	Processes for determining competencies and qualifications of Board members as regards financial, social and environmental concerns	Corporate governance
4.8	Internally developed (self-imposed) rules and guidelines for behaviour, and principles for implementing financial, social and environmental concerns	Norsk Tipping's Code of Ethics, Corporate governance
4.9	The Board's processes and methods for identification and management of the organisation's financial, social and environmental results	Partly covered, Corporate governance
4.10	Processes for assessing the Board's efforts as regards financial, social and environmental topics	Corporate governance
Attitudes to external initiatives		
4.11	The company's attitude to and practice of preventative principles	Responsible gaming
4.12	External principles or initiatives supported or endorsed by the company	Responsible gaming
4.13	Membership in industry associations and stakeholder organisations	Responsible gaming
Involvement with stakeholders		
4.14	List of the company's stakeholders	Norsk Tipping's stakeholders
4.15	Basis for identification and selection of stakeholders to collaborate with	Norsk Tipping's stakeholders
4.16	Approach to collaboration with stakeholders, including frequency and type of collaboration	CSR Responsible gaming Highlights Goals and goal achievement Statistics
4.17	Key topics and concerns addressed in stakeholder work and the company's response to these	Responsible gaming Highlights Goals and goal achievement CSR

FINANCIAL PARAMETERS

Financial development

EC1	Directly generated and distributed financial wealth creation, including sales turnover, operating expenses, compensation costs, donations, investments in local environment, profits, financial costs and taxes to the government	Financial accounts
EC2	Financial implications and other risk factors for the company as a result of climate changes	NR

EC3	Coverage of organisation's pension plan	Financial accounts
EC4	Financial aid of significance from the government	Norsk Tipping does not receive such aid
Presence in the market		
EC5	Company's average salary compared with local minimum salary	NR
EC6	Guidelines and practice for purchases from local vendors	NT is subject to the Public Procurement Act. This act does not provide for geographical considerations in the choice of vendors
EC7	Procedures for local appointments and portion of management recruited from the company's local area	NR
Indirect financial effects		
EC8	Development and significance of investments in infrastructure and services that are primarily of social value	Statistics
EC9	Substantial, indirect financial effects of the company's activities	Statistics

ENVIRONMENTAL PARAMETERS

Material consumption

EN1	Material consumption according to weight or volume	Statistics
EN2	Portion of material consumption based on recycled raw materials	The production of all coupons and odds programmes is approved in accordance with the Nordic Swan environmental label. To receive the Nordic Swan Label the entire product or service's lifecycle must be as environmentally adapted as possible

Energy

EN3	Direct energy consumption divided by energy source	Statistics
EN4	Indirect energy consumption divided by energy source	NR
EN5	Energy saved through ENØK measures	NT has not established goal figures
EN6	Initiatives to offer energy-efficient products or services, and consequent energy reductions from these initiatives	NR
EN7	Initiatives to reduce indirect energy consumption and results achieved	Partly covered, CSR and Statistics

Water

EN8	Total water consumption	NT has not established goal figures
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EN9	Water resources significantly impacted by water consumption	NR
EN10	Amount of water that is recycled	NR
Biodiversity		
EN11	Location and size of property in or close to areas of substantial biological value	NR
EN12	Description of significant impact on areas of substantial biological value	NR
EN13	Protected or regenerated areas	NR
EN14	Strategies, measures and plans for handling the impact on biodiversity	NR
EN15	Number of species in the IUCN's red list of species and national protected areas impacted by the business	NR
Emissions and waste		
EN16	Total direct or indirect emissions of greenhouse gasses according to weight	NT has not established goal figures
EN17	Other indirect greenhouse gas emissions	NR
EN18	Initiatives to reduce greenhouse gas emissions and the results of these initiatives	Norsk Tipping as guidelines for transport. These contain a request to use public transport where possible, and to use one of the company vehicles for business travel when using a vehicle is necessary. Norsk Tipping uses Norway Post for packages and letters and Tollpost for pallet goods. Both providers have a clear and active attitude to environment-friendly operations. In the new extension to the premises district heating is used to reduce greenhouse gas emissions.
EN19	Emission of substances that are harmful to the ozone according to weight	NR
EN20	Emission of NOx and SOx according to type and weight	NR
EN21	Total water emission according to quality and destination	NR
EN22	Tonnage of waste according to type and allocation method	Statistics
EN23	Amount and volume of significant irregular emissions	NR
EN24	Transport of hazardous waste	NR
EN25	Description of water regions and other habitats of value to biodiversity impacted by the company's water emissions	NR

Products and services		
EN26	Measures for minimising environmental consequences of products and services	Partly covered, CSR
EN27	Amount sold products and packaging that is recycled	NR
Compliance with laws and regulations		
EN28	Financial value of fines and amount of non-financial sanctions for failure to comply with environmental regulations	No fines in 2011
Transport		
EN29	Significant environmental impact of transport of goods and materials and transport of employees	Partly covered under indicator EN18
General		
EN30	Total environmental costs and investments according to type	NT has not established goal figures

SOCIAL PARAMETERS

Working conditions and decent work		
Employment		
LA1	Number of employees according to function, type, employment contract and region	Statistics
LA2	Number of employees and turnover according to age group, gender and region	Statistics Board of Director's Report
LA3	Benefits for permanent, full-time employees that part-time employees and temps do not get	None
Relationship between employees and management		
LA4	Number of employees subject to collective agreements	Norsk Tipping has a number of collective agreements that apply to all employees, including insurance agreements. 61 per cent of all employees are organised through LO-stat/NTL, SAN/NITO, SAN/TEKNA trade unions.
LA5	The minimum warning period for significant operational changes, and is this included in the collective agreements	NR
Health and safety in the workplace		
LA6	Number of employees represented in formalised HSE committees	All employees are represented. The company's formal HSE committee is the Work Environment Committee (AMU) and AKAN committee.
LA7	Injuries, occupational illnesses, loss of work-days, absence and number of deaths according to region	Statistics Board of Director's Report

LA8	Programmes for training and risk reduction established to increase safety of employees, their families and the local community as regards serious accidents and illnesses.	Healthy life programme, annual fire drill, first aid training and use of defibrillator, guidelines for violence and threats in the workplace (includes annual training for sales managers, customer services and reception staff), annual emergency preparedness drill
LA9	HSE topics covered in the agreements between the company and employees	NT is an IA (inclusive employment) company
Training and education		
LA10	Average number of hours used on training per employee according to job category	NT does not count the number of hours
LA11	Programmes for development and characteristics of lifelong learning that develop the employee's worth in the employment market	Personal development objectives are a theme in the annual employee development appraisal/ annual agreement appraisal. The goals are drawn up together with the immediate manager and form part of the annual agreement. After turning 55 the employee can get financial advice, so that assessments relating to later career and retirement are based on sound facts and own personal finances.
LA12	The number of employees who have regular personnel and development appraisals	All employees
Diversity and equal opportunities		
LA13	Composition of management bodies and distribution of employees according to age, gender, minority background, etc.	Board of Director's Report
LA14	Salary differences between women and men according to job category	Statistics
Human rights		
Investment and procurement procedures		
HR1	Proportion and number of major investment agreements containing clauses concerning human rights or have been subject to human rights screening	Norsk Tipping's Code of Ethics for vendors with a clause concerning respect for basic human rights is acceded to all the company's contracts
HR2	Number of major vendors that have been subject to human rights screening and measures initiated in this regard	Not described
HR3	Number of hours of employee training in the relevant principles and procedures for human rights, including the number of employees that have undergone such training	NT has not established goal figures
Non-discriminatory		
HR4	Identified cases of discrimination and measures initiated	None

The right to freedom of association and collective bargaining		
HR5	Activities where risks to the employees right to freedom of association and collective bargaining are identified, and measures initiated	NR
Child labour		
HR6	Activities where risks for child labour are identified, and measures initiated to help eliminate child labour	NR
Forced and compulsory labour		
HR7	Activities where risks for forced and compulsory labour are identified, and measures initiated	NR
Safety procedures		
HR8	Number of company's safety personnel who have had training in the relevant parts of the company's guidelines for human rights	NR
Rights of the indigenous people		
HR9	Number of infringements on the rights of the indigenous people and measures initiated	NR
Society		
Local community		
S01	Type, scope and effect of programmes aimed at evaluating and handling the company's impact on the local community	NR
Corruption		
S02	Percentage and number of business units that have been analysed for risk for corruption	Corporate governance
S03	Number of employees that have received training in the company's guidelines and procedures to combat corruption	All new employees receiving training in the company's Code of Ethics. The Code of Ethics provides rules for how to avoid putting oneself and the company in situations that can cause doubt surrounding integrity and independence
S04	Measures initiated relating to cases of corruption that have been identified	No cases in 2011
Participation in the public arena		
S05	Positions in political matters and participation in politically influential work	None
S06	Value of financial and non-financial contributions to politicians, political parties or groups	NT does not make contributions of this nature
Anti-competitive operations		
S07	Number of formal disputes regarding anti-competitive activities, abuse of monopoly status and their outcomes	None
Compliance with laws and regulations		
S08	Fines and number of warnings regarding failure to comply with laws and regulations.	None

Product responsibility		
Health and safety for customers		
PR1	Phases in the life-cycle of the products and services where assessments pertaining to possible improvements are made, and the number of product and service categories covered by this	Responsible gaming
PR2	Number of breach of rules and voluntary agreements associated with the health and safety aspects of products and services	Norsk Tipping has not been involved in breaking any laws, or breach of voluntary guidelines associated with product labelling or health and safety aspects associated with its own products and services in 2011
Labelling of products and services		
PR3	Requirements relating to labelling of products according to type and information requirements, and number of products and services subject to these requirements	Principle 4 of Norsk Tipping's Responsible Gaming Policy
PR4	Number of breach of rules and voluntary agreements on product labelling in terms of consistency	CSR
PR5	Activities and practices linked to customer satisfaction, including measuring of customer satisfaction	CSR
Statistics		
Market communication		
PR6	Programmes to ensure compliance with laws, rules and voluntary guidelines concerning market communication, including advertising, marketing and sponsorship	The government's guidelines for marketing of games
Our own responsible gaming policy		
Half-year reports from the Norwegian Gaming Authority		
PR7	Number of breaches to the regulations or voluntary guidelines concerning market communication	CSR
Protection of privacy		
PR8	Number of documented complaints linked to infringement of privacy or loss of customer data	None
Compliance with laws and regulations		
PR9	Financial value of fines for breach of laws and regulation linked to products and services	None