



MindArk PE AB (publ) develop, operate and market the Entropia Universe, a three-dimensional Internet-based virtual universe, globally available and free of charge for everyone with access through an Internet connection.

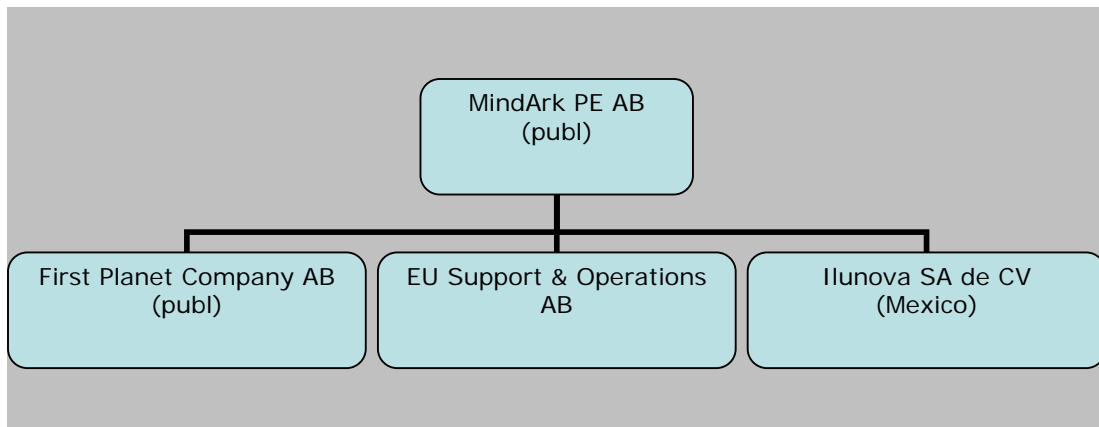
Financial statements for January – December 2008

2008 – An eventful year for MindArk and Entropia Universe

The ongoing development of Entropia Universe has continued according to plan during the fourth quarter. At the moment the focus is on integrating the graphical engine; CryENGINE2 into the Entropia Universe software.

In order to prepare the Entropia platform for the launch of our present and future partner's planets within Entropia Universe, MindArk has decided to restructure the company in order to better reflect the business model of the company. This has been done by the incorporation of two new subsidiaries.

Hence, the MindArk Group has the following structure from January 1st 2009



First Planet Company AB (publ)

First Planet Company AB has on December 31st acquired the rights to Planet Calypso from MindArk. The acquisition was made at book value, 2.9 million SEK. MindArk received payment in form of newly submitted shares in First Planet Company.

First Planet Company has taken over the operation of Planet Calypso from January 1st 2009.

Marco Behrmann is appointed CEO.



EU Support & Operations AB, (EUSO)

EU Support & Operations AB (EUSO), established as a service operation for MindArk's planet partners, has also started operations from January 1st 2009. EUSO is active in three different business segment areas: computer-server operations, customer support, and operation and development of web/media applications.

Cornelia Sundström is appointed CEO.

Ilunova SA de CV

Ilunova SA de CV in Mexico was established on February 1st 2008. The goal for this subsidiary is to supply services within computer programming, graphical production and customer support to MindArk and EUSO respectively.

Thorbjörn Berglund is appointed CEO and operates from Mexico.

MindArk PE AB (publ)

After the restructuring of MindArk PE AB into the MindArk Group, the parent company, MindArk PE AB will focus on development of new functionality for the three-dimensional platform, marketing towards new potential Planet Partners and integration of new partner planets into Entropia Universe, surveillance and balance of the global economy in Entropia Universe and central administration services for the subsidiaries in the MindArk Group.

Investments

Historically the total development costs for the Entropia platform has been accounted for as operative expenses in the income statement. In conjunction with the incorporation of the new subsidiaries, First Planet Company and EUSO, MindArk decided to capitalize the expenditure for the three-dimensional platform on the balance sheet from July 1st 2008 and onwards. The amount consists of total personnel cost for employees in the MindArk development team and the computer software used in the development work.

For the financial year 2008 a total amount of 11.7 million SEK has been booked on the balance sheet of which 6.0 million SEK has been booked during the third quarter and 5.7 million SEK during the fourth quarter.

The capitalized amount is included in the fixed assets on the balance sheet and in total revenues on the income statement respectively.

The investment will be subject to a depreciation plan in conjunction with the establishment of the first partner planets within Entropia Universe.

Other investments include expenses for the rebuilding of MindArk's property in Dresden of approximately 7 million SEK, and cost for computers and office equipment amounting to an additional 3 million SEK. The rebuild of the property in Dresden will be finalized during the summer of 2009.

MindArks currency exposure



All economic transactions within Entropia Universe are made in the virtual currency PED. MindArk monitors Exchange transactions to and from PED. Furthermore MindArk repurchase PED to the fixed exchange rate of 1 USD for every 10 PED. The exchange rate between USD and MindArk's accounting currency SEK has fluctuated considerably during 2008, from a little below 6 SEK for every USD to a little over 8 SEK for every USD.

MindArk's revenue in foreign currency, mostly USD is recalculated to SEK on a daily basis to the current exchange rate. Assets and liabilities in foreign currencies have been recalculated to the exchange rate as per December 31st, 7.75 SEK for every USD. The volatile exchange rate has lead to great variations in the revenues MindArk has accounted for in 2008.

MindArk decided during the autumn to increase its USD holding with the purpose of balancing the obligation to the users of Entropia Universe. The arrangement has had a positive effect on the financial revenues.

MindArk considers the obligation to the users as a contingent liability and it's accounted for in the memorandum items.

Operations during October – December 2008

On September 15 in 2008 the US-based Investment Bank Lehmann Brothers filed for bankruptcy under the US chapter 11 legislation. This lead to massive stress on the International financial system and also initiated a severe decline in the business cycle worldwide. Many companies in different types of businesses suffered from drastic reductions in their inflow of orders.

The credit crunch has not had a substantial effect on MindArk's business, it lead to a decline in customer net deposits into Entropia Universe during October – November 2008.

However, for the virtual Economy within Entropia Universe, this decline was short-lived. Due to the rapid response from MindArk, initiating various activities to counter the trend, the cash flow was reversed and in December MindArk accounted for a net deposit all time high, for a single month, 8.8 million SEK.

Net sales for the fourth quarter amounted to 17.1 million SEK (prev year 16.9 mSEK).

Operations during January – December 2008

Net sales amount to 67.9 million SEK (prev year 69.9 mSEK). The marginal decline is fully dependent on the fluctuations in currency exchange rate between USD and SEK.

Operative expenses amount to 62.7 million SEK (prev year 47.2 mSEK). Increased resources for the development work of the Entropia Universe platform stand out as the main reason for the increase.

Operating profit after depreciations amounts to 11.6 million SEK (prev year 17.0 mSEK).

Financial stability and cash position



The increased holdings in USD has had a positive effect on MindArk's financial net result during the last quarter and despite a sharp decline in market interest rates, MindArk could account for a financial net result of 1.1 million SEK (1.0 mSEK).

Financial assets amounts to 31.8 million SEK (47.3 mSEK). The decrease is dependent on investments in fixed assets. The majority of MindArk's financial assets are placed in bank deposit accounts.

MindArk has no interest-bearing liabilities.

Equity

MindArk account for an adjusted equity of 64.5 million SEK at the end of the financial year allocated through 114.6 million shares. Adjusted equity per share amounts to 0.56 SEK per share (0.49 SEK per share).

The company has no outstanding option certificates or similar programs which could dilute the shareholders equity.

Employees

At the end of the financial year the MindArk staff comprised of 74 people in all group companies. The average number of employees is 57 people (48 people).

Expected development for 2009

Due to the insecure forecast for the International Economy together with a slightly delayed time schedule for MindArk's launch of the first partner planets, MindArk cannot at this time submit a reliable prognosis for the outcome of 2009.

However, the Board is of the opinion that the MindArk operation will have a positive progress comparatively to the international Economy growth prospects. The launch of new partner planets and the Marketing activities performed by partners are estimated to be of great importance for corporate revenues in the second half of 2009.

Accounting principles

A description of the accounting principles used in this financial report can be found in the annual report for 2007.

This financial statement has not been subject to any review by MindArk's auditors.

For immerse information of the outcome in 2008, please refer to the following abstract of the consolidated income statement, balance sheet and cash flow analysis respectively.

Göteborg in February 2009
The Board of MindArk PE AB (publ)



CONSOLIDATED INCOME STATEMENT	(in tSEK)	January - December 2008	January - December 2007
Total revenues		79 573	69 709
Operating expenses		-62 765	-47 234
Amortization & depreciation		-5 246	-4 158
Items affecting comparability		0	-1 243
Operating profit		11 562	17 074
Financial items		1 149	1 034
Income tax on profit		-3 748	-5 189
Net profit		8 963	12 919

CONSOLIDATED BALANCE SHEET	(in tSEK)	December 31st 2008	December 31st 2007
Assets			
Fixed assets		33 608	15 095
Current assets		12 863	7 180
Cash and bank balances		31 821	47 375
Total assets		78 292	69 650
Equity & liabilities			
Equity		64 475	55 600
Provisions		3 565	2 945
Current liabilities		10 252	11 105
Total equity & liabilities		78 292	69 650
<i>CONTINGENT LIABILITIES</i>		51 000	35 000



CONSOLIDATED CASH FLOW STATEMENT	(in tSEK)	January - December 2008	January - December 2007
Cash flow from current operations		-2 174	21 923
Asset management operations		-13 007	-7 348
Financing operations		0	0
Total cash flow		-15 181	14 575
Opening cash and bank balances		47 375	32 979
Exchange rate differences		-373	-179
Closing cash and bank balances		31 821	47 375
KEY RATIOS - ENTROPIA UNIVERSE	(in tPED)	January - December 2008	January - December 2007
Net funds provided to Entropia Universe		112 672	113 539
Participants total assets on Calypso		73 877	59 963
Gross National Product on Calypso		4 200 000	3 950 000
KEY RATIOS - THE MINDARK GROUP			
Number of shares issued		114 635 000	114 635 000
Operating income	(in t SEK)	67 879	69 610
Equity per share	(in SEK)	0,56	0,49
Equity ratio		82%	80%
Operational profit margin		15%	26%
Return on equity		21%	33%
Earnings per share	(in SEK)	0,08	0,11
Average number of employees		57	48
Payment readiness	(in t SEK)	31 821	47 375
Payment readiness in percentage of operating income		47%	68%