

PRESS RELEASE FEBRUARY 10, 2010

## Revised financial objectives and implementation of new sales concept

Eniro accelerates its transformation from print dependency to online opportunities through enhancing the product offering, implementing a new sales concept in order to strengthen customer relations and reducing the cost base.

During 2009, the structural decline in print in Eniro's main markets was accelerated by the downturn in the economy. Further, competition in online is expected to increase. To address this trend, Eniro is increasing the speed of the transformation through merging its separate sales forces into one powerful organisation, focused on packaged offerings generating customer leads, independent of distribution channel.

A key benefit from the new sales concept is an improved customer confidence, which is one of Eniro's main priorities in order to build long-term customer relations. However, the implementation of the new sales concept in full will in the short term lead to an increased operational risk.

### Outlook 2010

The print decline will not be offset in full by the positive effect from a faster transformation process. Given the late cyclical nature of the business, Eniro would not be able to benefit from an upturn in the short term. Approximately 40 percent of the order value for 2010 has been sold in 2009, corresponding to a decrease of approximately 4.5 percent. The total organic revenue decline for 2010 is estimated to be 5-10 percent.

The previously announced cost reduction target has been successfully achieved, and total operating costs are estimated to be at least 250 MSEK lower in 2010 in constant currencies compared to 2009.

### Revised long term financial objectives

Eniro's Board of Directors has today revised the long-term financial targets (3-5 years perspective) and the previous mid-term targets are replaced by a market outlook for 2010

- **Growth: *Positive revenue growth - primarily generated from a 1-3% growth p.a. for Directories Scandinavia*<sup>1</sup>**

Lower usage of printed directories and more competitive online offers will continue to challenge Eniro. During early phase of transformation lower customer retention and declining Average Revenue Per Advertiser (ARPA) is expected due to increased competition and changing customer behavior. Revenues generated by local brands will decline as they will be more difficult to transform to online. During the later phase of transformation Eniro will capitalize on a growing search market through online investment program, new sales concept and an increased customer base.

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<sup>1</sup> All operations in Scandinavia excluding Voice

- **Margin: *Continuous improvement in EBITDA margin beyond 2010 is expected to reach 30% in the long term (3-5 years) with strong cash-flow***

As of 2011 to 2013, the operating cost base is estimated to be lowered by 100 MSEK annually. A continuous improvement in EBITDA margin beyond 2010 is expected to reach 30% in the long term (3-5 years) with strong cash-flow.

- **Capital structure: *Net debt in relation to EBITDA not exceeding 3 times***

The increase in operational risk is met through reduced financial risk, and the aim is that net debt in relation to EBITDA should not exceed 3x.

- **Dividend: *Up to 50 percent of net income***

The dividend policy remains unchanged; stating that up to 50% of the year's net income can be distributed to shareholders.

"We have now seen signs of a more rapid decline in print usage, while competition in online is increasing. As a consequence of this trend, we are increasing the speed with which we transform Eniro from print dependency to online opportunities."

"We are devoted to local search, enabling business for our customers. But, we have not been good enough at explaining the added value to our customers, and we have not been flexible enough to create simplistic solutions in all distribution channels for our customers. Through the new sales concept, we will speed up the transformation process to online under a controlled print decline, and improve customer satisfaction ratings." says Jesper Kärrbrink, President and CEO of Eniro.

### **Capital Markets Day**

Eniro's management team will present a strategic and financial update at today's Capital Markets Day held at Berns Salonger, Berzelii Park, Stockholm at 09.00 – 12.00 CET.

The Capital Markets Day will be live webcasted and can be accessed through the following link [www.eniro.com](http://www.eniro.com). The webcast starts at 09.00 CET. For further information, see [www.eniro.com](http://www.eniro.com)

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[www.eniro.com](http://www.eniro.com)

Eniro is the leading directory and search company in the Nordic media market. Eniro's search database connects sellers to buyers and makes it easy to find people using Eniro's distribution channels Online, Printed directories, Voice and mobile. Eniro has operations in Sweden, Norway, Finland, Denmark and Poland.

Eniro is listed on the Stockholm Stock Exchange and has some 5,000 employees. In 2009, revenues amounted to SEK 6,581 M, with EBITDA SEK 1,807 M