Year-end report 2011

STOCKHOLM, February 9, 2012

Eniro's cash flow increased by SEK 307 M in the fourth quarter and an extra loan payment of SEK 150 M will be made in the first quarter 2012

Fiscal year 2011

- In line with previously communicated forecasts, operating revenues totaled SEK 4,323 M (5,326), an organic decline of 11 percent
- Online revenues rose 1 percent, and the largest market, Sweden, rose 9 percent
- EBITDA amounted to SEK 991 M (605), equal to an EBITDA margin of 23 percent (11)
- Operating cash flow for the year amounted to SEK 230 M (151)
- Cost savings amounted to SEK 458 M (435)
- Earnings per share for the period were SEK -2.13 (-248.43)
- Net debt declined to SEK 3,675 M (3,951)

Fourth quarter: October – December 2011

- Operating revenues, seasonally impacted by a high proportion of printed directories, totaled SEK 1,194 M (1,482), down 16 percent organically.
- Online revenues declined 5 percent. The development in the quarter was effected by a correction of accrued revenues. The online revenues were unchanged, excluding for the correction.
- EBITDA amounted to SEK 319 M (409), equal to an EBITDA margin of 27 percent (28)
- Earnings per share for the period were SEK 1.25 (5.85)
- Operating cash flow rose by SEK 469 M to SEK 307 M (-162)
- The covenants of the loan agreement were fulfilled

Events in the fourth quarter

- Eniro acquired specific assets in De Gule Sider in Denmark
- Eniro and Google signed a strategic co-operation agreement
- Eniro signed a letter of intent to purchase the directory assistance service 118 800
- Eniro Norway is concentrating its operations and will phase out the Gule Sider directory in 2012

After the close of the period

- Eniro aims to make loan payments of SEK 650 M in 2012, of which SEK 150 M will comprise an extra repayment of loans in the first quarter and SEK 500 M in contractual loan payments

SEK M	2011	2010		2011	2010	
	Oct-Dec	Oct-Dec	%	Jan-Dec	Jan-Dec	%
Operating revenues	1,194	1,482	*-16**	4,323	5,326	*-11**
EBITDA	319	409	*-22*	991	605	*64*
Net income	125	148	*-16*	-213	-4,620	*n/m*
Operating cash flow	307	-162	*n/m*	230	151	*52*
Total operating cost	871	1,114	*-21*	3,329	4,208	*-21*
Interest-bearing net debt	3,675	3,951	*-7*	3,675	3,951	*-7*

* Organic development is adjusted for currency, publication shifts, acquisitions and divestments.

Comments from the President and CEO

Strong fourth-quarter cash flow strengthened Eniro's financial position significantly, thus indicating that Eniro's business model works. Net debt declined from SEK 3,951 M at January 1 to SEK 3,675 M at December 31. The fourth-quarter improvement in cash flow contributed to cash and cash equivalents of SEK 557 M at year-end. Eniro plans to make an extra loan payment of SEK 150 M during the first quarter of 2012, thus bringing total loan payments in 2012 to SEK 650 M.

The company's strengthened financial position enabled two acquisitions during the quarter. Eniro has signed a letter of intent to purchase the 118 800 directory service, thus providing access to a profitable business with a strong cash flow. The acquisition strengthens Eniro's position in the search market. The acquisition is subject to a detailed examination by the Swedish Competition Authority. At year-end, Eniro also acquired the operations of De Gule Sider in Denmark, reinforcing Eniro's position as the largest online/mobile player in the Danish search market. The acquisition is expected to generate a positive impact on earnings in the current year, 2012.

Eniro has made considerable progress in creating a strong media company aimed at growing media channels. Efforts have concentrated on Eniro's three strategic focus areas: Market position, Quality and Profitable growth. A sharper focus on user benefit has resulted in improved quality and a more attractive customer offering. 72 percent of the order intake derived from online activities and this figure continues to increase. The concentration of operations and significant organizational changes contributed to a significantly reduction in the cost base. During the year, the company reduced its costs by SEK 458 M compared with 2010, surpassing the published target of SEK 350 M. Accordingly, savings in 2010 and 2011 totaled SEK 893 M. The assessment is that the company's capacity to continue adapting its cost base to the prevailing market scenario remains favorable.

The objective of achieving organic revenue growth as of 2012 stands firm. Our view of the macroeconomic trend has not changed since the preceding quarter. The situation in Eniro's primary customer group, small and midsize businesses, remains stable. We continue to believe in a shift in our revenue mix as a result of the co-operation with Google and other third-party partnerships regarding sponsored links. External business partners will generate a positive impact on sales in 2012, although margins in the Media products business area will be lower. Eniro's partnerships will enable the company to strengthen its offering in the search-word market, which is expected to continue to develop strongly. Eniro's assessment that its EBITDA for 2012 will remain at the same level as in 2011, based on changes in the revenue mix and continued savings of SEK 200 M in 2012, stands firm.

The organic decline in revenue was due to a greater number of planned publications being printed in the fourth quarter than in the third. Overall, revenues declined 11 percent organically for the full-year, which was in line with a previous announcement of about 10 percent. Mobile services continue to be the area that is increasing the most and we occupy a strong position in the growing market for mobile advertisements. During the quarter, three vertical apps, Eniro Akut, Eniro på Väg and Eniro i Stan, were launched in Sweden, with a considerable number of downloads. The apps are currently being rolled out in other Nordic countries.

Johan Lindgren,
President and CEO

Group summary

Fourth-quarter results

Operating revenues during the fourth quarter totaled SEK 1,194 M (1,482). Revenues of SEK 34 M from divested operations in Finland were included in results for the fourth quarter of 2010. The organic revenue decline during the fourth quarter of 2011 was 16 percent, due to seasonal patterns and a greater number of planned publications being printed than in the third quarter.

The company reported an organic decline in operating revenues of 14 percent for Directory Scandinavia, 0 percent for Voice and 44 percent for Poland.

Online revenues declined 5 percent organically. A contributing factor to the lower online revenues in the fourth quarter year-on-year was a delayed sales start in 2010, which led to a higher percentage of revenues in the second half of 2010. The development in the quarter was effected by a correction of accrued revenues. The online revenues were unchanged, excluding the correction. The percentage of online revenues in relation to overall revenues for Directory Database Services continued to rise year-on-year, amounting to 61 percent.

Print decreased 25 percent organically. The seasonally high percentage of printed directories during the fourth quarter resulted in lower online revenues during the quarter compared with the full-year average. For the full year, the online share of overall revenues for Directory Database Services was 67 percent.

The rate of cost savings was higher than planned. Costs were SEK 149 M lower year-on-year, adjusted for divested operations and exchange-rate effects. Cost savings during the quarter derived primarily from staff, paper and printing costs.

The number of full-time employees declined during the quarter by 85 to 3,626 at December 31, 2011. A strategic decision to establish a separate sales team for the Media products business area will generate a need for about 100 more sales representatives in early 2012.

EBITDA for the quarter was SEK 319 M (409).

A negative earnings effect of SEK 5 M due to asset divestments in Finland was included in the quarter previous year. Adjusted EBITDA, excluding restructuring costs and costs affecting comparability, amounted to SEK 338 M (451), corresponding to a margin of 28.3 percent (30.4).

During the quarter, Eniro decided on the following acquisitions, and took the following strategic decisions:

- In late December, Eniro communicated the acquisition of specific assets in De Gule Sider in Denmark. The acquisition strengthens Eniro's leading position in local searches in the Danish market.
- In October, Eniro and Google signed a strategic co-operation agreement within the framework of which Eniro will become an authorized reseller of Google AdWords™. The agreement broadens and reinforces Eniro's package offering in sponsored links.
- As part of efforts to stabilize revenues and strengthen Eniro's position, the company signed a letter of intent to acquire the Swedish directory inquiry service 118 800. The Swedish Competition Authority has initiated a detailed examination of the acquisition.
- Eniro Norway is concentrating its operation and will phase out the Gule Sider directory in 2012. The decision will lead to cost efficiency enhancements while also making the Gule Sider business an exclusively online service.

Full-year 2011

Operating revenues during the year totaled SEK 4,323 M (5,326). The preceding year included revenues of SEK 280 M from divested operations in Finland. The organic revenue decline for the year was 11 percent. The previously communicated forecast estimated an organic revenue decline of about 10 percent, which was in line with the actual result.

Total operating costs were SEK 458 M lower than in the preceding year, adjusted for divested operations and exchange-rate effects. The cost savings for the year derived mainly from lower staff and consultants costs combined with lower costs in Print. In the previously communicated target for 2011, savings of SEK 350 M were expected compared with the cost base in 2010, excluding exchange-rate effects and the impact of the divestment and restructuring of the Directories business in Finland. Accordingly, cost savings during the year were higher than expected.

EBITDA for 2011 was SEK 991 M (605). During the 2010 fiscal year, operations in Finland were discontinued and restructured, resulting in an adverse impact on earnings of SEK 626 M.

Adjusted EBITDA, excluding restructuring costs and costs affecting comparability, amounted to SEK 1,074 M (1,266).

Operating Revenues

SEK M	2011	2010	2011	2010
	Oct-Dec	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Directories Scandinavia	873	1 033	3 190	3 713
Voice	223	225	899	968
Poland	98	190	234	365
Finland Directories	-	34	-	280
Total	**1 194**	**1 482**	**4 323**	**5 326**

Revenue by category *)

SEK M	2011	2010	2011	2010
	Oct-Dec	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Online	470	490	1 891	1 908
Print	305	417	934	1 386
Total Directory Database services	**775**	**907**	**2 825**	**3 294**
Media products	52	49	188	173
Other products	46	77	177	246
Total Directories Scandinavia	**873**	**1 033**	**3 190**	**3 713**
Voice	223	225	899	968
Poland	98	190	234	365
Finland Directories	-	34	-	280
Total Group	**1 194**	**1 482**	**4 323**	**5 326**

*) see heading "Other information" regarding revenue distribution betw een online and print

EBITDA

SEK M	2011	2010	2011	2010
	Oct-Dec	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Directories Scandinavia	206	288	750	941
Voice	100	70	340	340
Poland	28	77	-16	45
Finland Directories	-	-5	-	-609
Other	-15	-21	-83	-112
Total EBITDA	**319**	**409**	**991**	**605**
of which items affecting comparability				
Restructuring cost	-15	-22	-43	-80
Other items affecting comparability	-4	-20	-40	-581
Total adjusted EBITDA	**338**	**451**	**1 074**	**1 266**

Directories Scandinavia

Directories Scandinavia includes all search services in the distribution channels online, directory and mobile in Sweden, Norway and Denmark including such brands as eniro.se, Gula Sidorna, Din Del, Gule Sider, kvasir.no, krak.dk, eniro.dk, Mostrup Grøne Vejviser and Den Røde Lokalbog. Directories Scandinavia accounted for around 74 percent of Eniro's revenues in 2011, excluding divested Finnish operations.

Fourth-quarter results

Operating revenues for Directories Scandinavia amounted to SEK 873 M (1,033), an organic decline of 14 percent. Revenues decreased due to seasonal revenue fluctuations, whereby the quarter was clearly adversely impacted by lower Print revenues. While prepaid revenues in the balance sheet were 9 percent higher than in the third quarter of 2011, they were lower year-on-year.

Online revenues from Directory Database services fell 5 percent organically, while revenues from Print declined 25 percent. A contributing factor to the lower online revenues in the fourth quarter year-on-year was a delayed sales start in 2010, which led to a higher percentage of revenues in the second half of 2010. The development in the quarter was effected by a correction of accrued revenues. The online revenues were unchanged, excluding the correction. The share of online revenues continued to rise in relation to total revenues.

Revenues from Media products increased 5 percent organically, while Other products declined 28 percent organically, which was in part due to the planned discontinuation of minor operations, including Summa in the Norwegian market.

During the quarter, Denmark launched product search, which means that the service has now been launched in all Nordic countries. As of 2012, the regional Gule Sider directory and the local Ditt Distrikt directory will be merged in the Norwegian market, entailing efficiency enhancements and a concentration of operations. After the merger, Gule Sider will be an exclusively online brand. Consolidation of print titles and a transition to the A5 format in the Swedish and Danish markets will also occur.

In late December, Eniro acquired specific assets in De Gule Sider in Denmark, thus strengthening Eniro's position as the largest online/mobile player in the Danish search market. The purchase consideration was SEK 27 M, which will be paid in cash on completion of the transaction. Since DGS entered bankruptcy in November, the operation was taken over as early as December 30, 2011. The acquisition was not subject to examination by the competition authority. Prior to bankruptcy, DGS had forecast sales of about DKK 240 M in the sections acquired by Eniro. About 40 percent of sales derive from directory operations, which Eniro will not continue to pursue. Accordingly, Eniro estimates that sales in 2012 will be significantly lower than forecast. The acquisition is expected to generate a positive contribution to Eniro's earnings for the 2012 fiscal year.

Towards the end of the fourth quarter, Eniro launched three vertical iPhone applications in Sweden: Eniro på Väg, Eniro i Stan and Eniro Akut. The apps were well received with more than 50,000 downloads from the Appstore. In the first quarter of 2012, the launch will continue in the rest of the Nordic countries.

Operating revenues in the Swedish market declined 18 percent organically.

Operating revenues in the Norwegian market fell 7 percent organically.

In Denmark, revenues decreased 15 percent organically.

EBITDA for Directories Scandinavia amounted to SEK 206 M (288). The EBITDA margin was 24 percent (28).

Adjusted EBITDA amounted to SEK 217 M (314).

Full-year 2011

Operating revenues for Directories Scandinavia totaled SEK 3,190 M (3,713), an organic decline of 11 percent.

Operating revenues in the Swedish market fell 10 percent organically.

Operating revenues in the Norwegian market decreased 12 percent organically. The revenue decline was due to a continued decrease in printed directories, as well as the focus on sponsored links for Kvasir. Excluding the Kvasir effect, the decline was 6 percent.

In Denmark, revenues fell 13 percent organically.

EBITDA for Directories Scandinavia amounted to SEK 750 M (941) and the EBITDA margin was 24 percent (25).

Adjusted EBITDA amounted to SEK 818 M (951).

Directories Scandinavia

SEK M	2011	2010	2011	2010
	Oct-Dec	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Operating revenues	**873**	**1 033**	**3 190**	**3 713**
Sweden	431	519	1 527	1 690
Norway	288	323	1 191	1 427
Denmark	154	191	472	596
EBITDA	**206**	**288**	**750**	**941**
EBITDA margin, %	*23,6*	*27,9*	*23,5*	*25,3*
of which items affecting comparability				
Restructuring cost	-7	-22	-28	-55
Other items affecting comparability	-4	-4	-40	45
Total adjusted EBITDA	**217**	**314**	**818**	**951**
EBITDA margin, %	24,9	30,4	25,6	25,6

Voice

The segment Voice includes directory assistance services Eniro 118 118 in Sweden, 1880 in Norway and 0 100 100 in Finland. Voice accounted for approximately 21 percent of Eniro's revenues in 2011.

Fourth-quarter results

The market for personal search services is undergoing major change. While competition is sharpening, the use of smartphones and tablets is increasing. Volumes in traditional directory services are declining. Eniro is focusing on enhancing Voice services in order to offer a personal search service that will encourage increased usage, while working actively on price models.

Operating revenues for Voice amounted to SEK 223 M (225), whereby the organic volume trend was unchanged year-on-year. Volumes declined in all markets due to increasing use of smartphones. For revenues in Sweden, the volume decline was largely offset by a price rise in May.

EBITDA amounted to SEK 100 M (70), positively impacted by the Swedish price increase and cost adjustments. The EBITDA margin was 45 percent (31).

To strengthen the search offering and Eniro's position in the profitable Voice segment, Eniro signed an agreement to acquire the directory inquiries service 118 800. The transaction will have a positive impact on the company's cash flow. The purchase consideration was SEK 20 M, which will be paid in cash when the transaction has been finalized, as well as a variable portion amounting to a maximum of SEK 30 M, which will which be based on the acquired operation's performance in the coming two years.

118 800, which is profiled as a low-price alternative among Swedish directory services, reported sales in 2010 of approximately SEK 70 M, with EBITDA of slightly more than SEK 19 M. The acquisition is subject to approval from the Swedish Competition Authority, which has initiated a detailed examination of the transaction. A decision is expected to be made in February. If approved, a takeover is expected to take place on April 1, 2012.

Full-year 2011

Operating revenues for Voice amounted to SEK 899 M (968), an organic decline of 5 percent. Volumes declined in all markets, but were partly offset by price increases.

EBITDA amounted to SEK 340 M (340) and the EBITDA margin was 38 percent (35).

Voice

SEK M	2011	2010	2011	2010
	Oct-Dec	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Operating revenues	**223**	**225**	**899**	**968**
Sweden	127	127	520	547
Norway	23	28	95	130
Finland	73	70	284	291
EBITDA	**100**	**70**	**340**	**340**
EBITDA margin, %	*44,8*	*31,1*	*37,8*	*35,1*
of which items affecting comparability				
Restructuring cost	-	0	-	-1
Other items affecting comparability	-	-		-
Total adjusted EBITDA	**100**	**70**	**340**	**341**
EBITDA margin, %	44,8	31,1	37,8	35,2

Poland

The segment Poland includes Eniro's print and online operations in Poland under the Panorama Firm brand. Poland accounted for around 5 percent of Eniro's revenues in 2011.

Fourth-quarter results

The Polish market displayed a sharper decline in printed media. Eniro has a strong market position in Poland in Print and has taken the initiative to improve the online offering. However, the Polish market for online services is not as well developed as the market in Scandinavia.

Online revenues continued to rise sharply from a low level during the quarter, up 64 percent year-on-year. Seasonally, revenues from printed directories represent a high percentage during the fourth quarter. The accelerating decline in the Print market generated a significant loss of revenues during the quarter.

Operating revenues for Poland totaled SEK 98 M (190), an organic decline of 44 percent, due to lower demand for printed directories.

The review of the sales organization, and the activities that were initiated in spring 2011 to increase the proportion of online revenues, continued to generate effects during the fourth quarter.

EBITDA for Poland amounted to SEK 28 M (77).

Full-year 2011

The order intake during the year declined compared with 2010 due to the structural decline in print. Online revenues continued to increase sharply, but from low levels.

Operating revenues for Poland amounted to SEK 234 M (365), an organic decline of 30 percent, due to lower demand for printed directories.

For the full-year 2011, Poland recognized a loss, which was in line with previous communications and warnings. EBITDA amounted to a loss of SEK 16 M (profit: 45).

Poland

SEK M	2011	2010	2011	2010
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating revenues	**98**	**190**	**234**	**365**
EBITDA	**28**	**77**	**-16**	**45**
EBITDA margin, %	*28,6*	*40,5*	*-6,8*	*12,3*
of which items affecting comparability				
Restructuring cost	0	-	-1	0
Other items affecting comparability	-	-	-	-
Total adjusted EBITDA	**28**	**77**	**-15**	**45**
adjusted EBITDA margin, %	28,6	40,5	-6,4	12,3

Earnings, cash flow and financial position

Year-end report, 2011

Earnings

Operating income for the year was SEK 136 M (-4,176). During the third quarter of 2011, goodwill was impaired by SEK 376 M (4,261), of which SEK 167 M was due to the Norwegian directory inquiries operation and SEK 209 M to the Polish operation. In 2010, impairment losses totaled SEK 4,264 M, of which the Norwegian operation accounted for SEK 3,652 M.

Net financial items amounted to SEK -364 M (-563) and were negatively impacted by higher interest rates and a lower exchange-rate gain of SEK 9 M (gain: 38). Net debt declined during the year, resulting in lower financial costs. The preceding year was charged with nonrecurring costs in conjunction with a rights issue and the closing of derivatives.

The result before tax was SEK -228 M (-4,739).

Earnings per share amounted to SEK -2.13 (-248.43).

Taxes

During the year, tax revenue of SEK 15 M (+119) was recognized. During the fourth quarter, tax revenue of SEK 0 M (+213) was recognized.

The 2011 tax rate was 18 percent (16). As a result of considerable tax-loss carry-forwards in Sweden, Denmark and Finland, Eniro is expected to have low tax expenses in the coming years.

Investments

During the period, Eniro's net investments in business operations, including online investments, amounted to SEK 141 M (221).

Cash flow

Operating cash flow for the period rose to SEK 230 M (151). Cash flow was positively impacted by an improvement in working capital and lower investments. Cash flow included a negative impact from a nonrecurring pension premium payment of SEK 70 M during the second quarter. Tax payments of SEK 184 M (226), including SEK 101 M in additional tax regarding the period 2001-2005 in the subsidiary Eniro Holding AS (Findexa Norway AS), had a negative impact on cash flow.

Cash flow from financing activities was affected by loan payments totaling SEK 263 M for the credit facility.

Financial position

Refinancing of existing credit facilities was carried out on January 13, 2011. The terms of the new facility are described on pages 67-68 of the 2010 Annual Report.

The Group's interest-bearing net debt amounted to SEK 3,675 M on December 31, compared with SEK 4,000 M on September 30, 2011.

At the end of the period, outstanding debt under the existing credit facilities amounted to NOK 1,448 M, DKK 76 M and SEK 2,407 M. Of this facility, NOK 1,350 M and SEK 360 M has been hedged at a fixed interest rate until August 2012, corresponding to approximately 46 percent of the facility.

Eniro plans to pay SEK 650 M on existing loans in 2012, of which SEK 500 M comprises agreed loan payments and about SEK 150 M an extra loan payment. SEK 150 M of the agreed loan payments will be paid by June 30 and an additional SEK 150 M by December 31, 2012. In addition to the above specified payment, a payment of about SEK 200 M will be made in August pertaining to the financing of closed interest-rate swaps. The planned extra loan payment of about SEK 150 M is expected to be made in the first quarter of 2012. The loan payments are expected to be made using accrued cash flow.

At the end of December 2011, Eniro had an unutilized credit facility of SEK 238 M. Cash and cash equivalents and unutilized credit facilities amounted to SEK 795 M.

At the end of the fourth quarter, the Group's indebtedness, expressed as interest-bearing net debt in relation to EBITDA, excluding other items affecting comparability, amounted to 3.6, compared with 3.5 on September 30, 2011.

Holdings of treasury shares

Following the completion of the share-match program, Eniro held 3,266 treasury shares at December 30, 2011. The average holding of treasury shares during the fourth quarter was 3,266.

Other information

Reduced retirement benefit obligations

During the second quarter, Eniro reduced its pension liabilities in the balance sheet by paying insurance premiums to Alecta. This led to a nonrecurring cost of SEK 36 M, mainly due to actuarial losses being recognized according to IFRS. The payment of pension premiums amounted to SEK 70 M.

Collateral of SEK 60 M in cash and bank concerning the expanded pension guarantee to PRI will be pledged during the first quarter of 2012.

Forecast for 2012

Operating revenues
The objective of achieving organic revenue growth as of 2012 stands firm.

EBITDA
The objective is to retain EBITDA in 2012 at the same level as in 2011, assuming a changed revenue mix and continued savings.

Costs
During 2012, total costs are expected to decline by an additional SEK 200 M, compared with 2011.

The planned cost savings do not include effects from divestment and acquisition of operations, or the higher third-party costs that arose due to the strategic shift in the revenue mix towards higher revenues from third-party partnerships.

Capital structure
The target is net debt in relation to EBITDA not exceeding a multiple of three.

Dividend
The reduction in net debt will be assigned priority over dividend payments, in accordance with the aim of reducing net debt in relation to EBITDA.

Employees
On December 31, 2011, the number of full-time employees was 3,626, compared with 3,929 on December 31, 2011. The number of employees by country is presented in the table below.

Full time employees end of period

	2011	2010
	Dec. 30	Dec. 30
Sweden including Other	934	920
Norway	629	728
Denmark	403	377
Directories Scandinavia including Other	**1 966**	**2 025**
Sweden	274	414
Norway	59	71
Finland	400	355
Voice	**733**	**840**
Poland	927	1 038
Finland Directories	-	26
Total Group	**3 626**	**3 929**

Divestments
In line with the strategy of focusing on profitable core operations, Eniro agreed to divest all of its assets in Findexa Forlag AS, including its five-year right to the Findexa brand. The record date for the transaction was September 1, 2011 and the transaction did not result in any capital gains.

Eniro also sold the operation in Guiden Västerbotten, which publishes local monthly magazines in northern Sweden and was part of the Din Del local directory operations. The sale took place in May and generated a marginal capital loss.

Accounting policies from 2011

The consolidated accounts are prepared in accordance with the Financial Reporting Standards (IFRS), as recognized by the European Union (EU). A detailed description is found in the Annual Report 2010 with the exception of new or revised standards and interpretations endorsed by the EU and effective as of January 2011. The structure of the year-end report complies with IAS 34 Interim Financial Reporting.

New or amended IFRS standards and IFRIC interpretations, which became effective January 1, 2011, had no material impact on the consolidated financial statements.

Revenue distribution for combination packages

As of 2010, a joint sales force sells combination packages that include all of Eniro's distribution channels. Sales of the new combination packages began in February 2010 in Sweden and Norway and will gradually comprise a greater share of consolidated sales.

The Eniro Group has two main principles for revenue recognition. Revenues attributable to Internet services (online) are distributed over the period during which the service is provided, normally 12 months (deferral method). Revenues from Directories (print) are recognized when the directory is published (publication method). Revenues from the combined packages will be distributed according to the revenue-recognition principles based on the value of commercial use either derived from price lists or customer surveys. The outcome of the two revenue recognition methods is reported quarterly from the first quarter of 2010 and depends on the value of the components of the two packages. As of the second quarter 2011, these revenue categories are named Online and Print.

Publication dates

Since revenues from the sale of printed directories are recognized when the various directories are published, changes in planned publication dates can affect comparisons. In a comparison between 2011 and 2010, the net effect on operating revenue deriving from changed publication dates totaled SEK -25 M, SEK -8 M in fourth quarter 2011. See the table below for the planned distribution between quarters and markets in 2012. The net impact on operating revenues in 2012 compared with 2011 is expected to be a negative SEK 6 M.

Revenue effect of moved publications 2012 compared with 2011

	Q1	Q2	Q3	Q4	2012
Sweden	33	-33	10	-25	-15
Norway	0	0	0	9	9
Denmark	-1	0	1	0	0
Poland	-10	-3	0	13	0
Total effect	22	-36	11	-3	-6

Risks and uncertainties

Eniro has an annual process for conducting risk analysis, Enterprise Risk Management, which encompasses all parts of the business. Eniro strives to efficiently identify, evaluate and manage risks within the dimensions of industry and market risks, commercial risks, operational risks, financial risks, compliance risks linked to laws and regulations and financial reporting risks.

Refer to pages 30-33 of the annual report for 2010 for a detailed description of the factors that could affect Eniro's business, financial position and earnings. The principal risks and uncertainties facing the Group in 2011 were the impact of the economy on demand, the ability to broaden product offerings and increase sales efficiency and an alignment of the cost base. The Group's primary risks and uncertainties in 2012 are related to the general economy's impact on demand, the implementation of acquisitions, the development of the product portfolio and quality improvements in the database for increased customer and user satisfaction, as well as a continued focus on sales efficiency.

Nomination Committee

Following a resolution at the 2011 Annual General Meeting, a Nomination Committee was elected. The Nomination Committee for the 2012 Annual General Meeting comprises Philip Wendt, Länsförsäkringar Fondförvaltning AB, Mikael Nordberg, Danske Invest Fonder, Sven Zetterqvist, Skandia Livförsäkring, Marianne Nilsson, Swedbank Robur, and Lars-Johan Jarnheimer, Chairman of the Board of Eniro. The Nomination Committee elected Mikael Nordberg as Chairman of the Committee.

The Nomination Committee has completed its work ahead of the 2012 Annual General Meeting. The Nomination Committee's proposal is to reelect all Board members, excluding Harald Strømme, who has declined reelection. The Nomination Committee proposes the election of Leif Fredsted, Chairman and COO of Starcom Nordic, as a new Board member.

2012 Annual General Meeting

The 2012 Annual General Meeting will be held on April 25, 2012, at 3:00 p.m. in Näringslivets Hus (Wallenbergaren), Storgatan 19, Stockholm, Sweden. The 2011 Annual Report is expected to be available in the end of March and will be published on Eniro's website www.eniro.com.

Proposed dividend

At the 2012 Annual General Meeting, the Board of Directors will propose that no dividend be distributed. This decision is in line with the company's aim of achieving net debt in relation to EBITDA that does not exceed a multiple of three.

Stockholm, February 9, 2012

Johan Lindgren

President and CEO

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Financial calendar 2012-2013

Interim report Jan-Mar 2012	April 25, 2012
Annual General Meeting 2012	April 25, 2012
Interim report Jan-Jun 2012	July 13, 2012
Interim report Jan-Oct 2012	October 25, 2012
Year-end report Jan-Dec 2012	February 7, 2013
Interim report Jan-Mar 2013	April 25, 2013
Annual General Meeting 2013	April 25, 2013
Interim report Jan-Jun 2013	July 16, 2013
Interim report Jan-Oct 2013	October 23, 2013

Consolidated Income Statement

	------- 3 months --------		------- 12months -------	
	2011	**2010**	**2011**	**2010**
SEK M	**Oct-Dec**	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Operating revenues:				
Gross operating revenues	1 200	1 491	4 345	5 359
Advertising tax	-6	-9	-22	-33
Operating revenues	**1 194**	**1 482**	**4 323**	**5 326**
Costs:				
Production costs	-317	-424	-1 187	-1 582
Sales costs	-345	-414	-1 260	-1 644
Marketing costs	-158	-177	-584	-641
Administration costs	-91	-149	-450	-595
Product development costs	-82	-79	-325	-263
Other revenues/costs	-4	41	-3	-513
Impairment of assets	4	-1	-378	-4 264
Operating income before interest and taxes *	**201**	**279**	**136**	**-4 176**
Financial items, net	-76	-344	-364	-563
Earnings before tax	**125**	**-65**	**-228**	**-4 739**
Income tax	0	213	15	119
Net income	**125**	**148**	**-213**	**-4 620**
Attributable to:				
Equity holders of the parent company	125	148	-213	-4 620
Non controlling interest	-	0	-	0
Net Income	**125**	**148**	**-213**	**-4 620**
Net income per share, SEK				
- before dilution	1,25	5,85	-2,13	-248,43
- after dilution	1,25	5,85	-2,13	-248,42
Average number of shares before dilution, 000s	100 177	25 295	100 177	18 597
Average number of shares after dilution, 000s	100 177	25 296	100 177	18 598
* Depreciations are included with	-10	-16	-42	-67
* Amortizations are included with	-112	-113	-435	-450
* Impairment are included with	4	-1	-378	-4 264
*** Depreciations, Amortizations & Impairment total**	**-118**	**-130**	**-855**	**-4 781**

Report of comprehensive income

	------- 3 months --------			
	2011	**2010**	**2011**	**2010**
SEK M	**Oct-Dec**	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Net income	**125**	**148**	**-213**	**-4 620**
Other comprehensive income				
Foreign currency translation differences	-182	-99	-40	-824
Hedging of cash flow	8	189	46	-48
Hedging of net investments	39	17	3	570
Share-savings program - value of services provided	-	2	-	0
Change in non controlling interest	-	0	-	-3
Tax attributable to components in comprehensive income	-13	-54	-13	-137
Other comprehensive income, net of income tax	***-148***	***55***	***-4***	***-442***
Total comprehensive income	**-23**	**203**	**-217**	**-5 062**
Attributable to:				
Equity holders of the parent company	-23	203	-217	-5 059
Non controlling interest	-	0		-3
Total comprehensive income	**-23**	**203**	**-217**	**-5 062**

Consolidated balance sheet

SEK M	2011 Dec. 30	2010 Dec. 30
Assets		
Non-current assets		
Tangible assets	67	84
Intangible assets	7 666	8 336
Deferred income tax assets	311	323
Financial assets	58	101
Total non-current assets	**8 102**	**8 844**
Current assets		
Accounts receivable	690	842
Current income tax receivables	22	29
Other non-interest bearing receivables	330	415
Other interest bearing receivables	8	7
Cash and cash equivalents	557	450
Total current assets	**1 607**	**1 743**
TOTAL ASSETS	**9 709**	**10 587**
Equity and liabilities		
Equity		
Share capital	2 504	2 504
Additional paid in capital	4 767	4 767
Reserves	-136	-132
Retained earnings	-3 883	-3 670
Total equity	**3 252**	**3 469**
Non-current liabilities		
Borrowings	3 442	3 915
Retirement benefit obligations	159	212
Other non-interest bearing liabilities	-	2
Deferred income tax liabilities	274	353
Provisions	21	34
Total non-current liabilities	**3 896**	**4 516**
Current liabilities		
Accounts payable	186	173
Current income tax liabilities	63	190
Other non-interest bearing liabilities	1 601	1 804
Provisions	26	64
Borrowings	685	371
Total current liabilities	**2 561**	**2 602**
TOTAL EQUITY AND LIABILITIES	**9 709**	**10 587**

Interest-bearing net debt

SEK M	2011 Dec. 30	2010 Dec. 30
Borrowings excluding derivatives	-4 100	-4 213
Derivative financial instruments *	-27	-73
Retirement benefit obligations	-159	-212
Other current interest bearing receivables	8	7
Cash and cash equivalents	557	450
Other assets **	19	17
Interest-bearing net debt incl. interest rate swaps	**-3 702**	**-4 024**
Less: market value interest swaps	27	73
Interest bearing net debt	**-3 675**	**-3 951**

* included in financial assets (positive market value) and borrowings (negative market value)

** included in non current financial assets

Changes in equity

SEK M	Share Capital	Additional paid in capital	Reserves	Retained earnings	Total equity shareholders parent company	Non controlling interest	Total equity
Opening balance as per January 1, 2010	**323**	**4 529**	**307**	**950**	**6 109**	**3**	**6 112**
Reduction of Share Capital	-242	242	-	-	-	-	-
Share issue *	2 423	-4	-	-	**2 419**	-	2 419
Total comprehensive income	-	0	-439	-4 620	**-5 059**	-3	-5 062
Closing balance as per December 31, 2010	**2 504**	**4 767**	**-132**	**-3 670**	**3 469**	**-**	**3 469**
Opening balance as per January 1, 2011	**2 504**	**4 767**	**-132**	**-3 670**	**3 469**	**-**	**3 469**
Total comprehensive income	-	-	-4	-213	**-217**		**-217**
Closing balance as per December 31, 2011	**2 504**	**4 767**	**-136**	**-3 883**	**3 252**	**-**	**3 252**

Cash flow statement

	------- 3 months --------		------- 12months -------	
	2011	2010	2011	2010
SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating income before interest and taxes	**201**	**279**	**136**	**-4 176**
Depreciations, amortizations and impairment	118	130	855	4 781
Other non-cash items	-12	13	-126	548
Financial items, net	-81	-429	-347	-560
Income taxes paid	0	-94	-184	-226
Cash flow from current operations before changes in working capital	**226**	**-101**	**334**	**367**
Changes in net w orking capital	138	-3	37	5
Cash flow from current operations	**364**	**-104**	**371**	**372**
Divestment and investments group companies and associated companies	-27	-11	0	26
Purchases and sales of non-current assets, net	-57	-58	-141	-221
Cash flow from investing activities	**-84**	**-69**	**-141**	**-195**
New loans raised	-	197	4 536	328
Loans paid back	-100	-2 380	-4 643	-2 761
Share issue	-1	2 389	-10	2 389
Cash flow from financing activities	-101	**206**	**-117**	**-44**
Cash flow	**179**	**33**	**113**	**133**
Total cash and cash equivalents at beginning of period	**383**	**422**	**450**	**350**
Cash flow	179	33	113	133
Exchange difference in cash and cash equivalents	-5	-5	-6	-33
Total cash and cash equivalents at end of period	**557**	**450**	**557**	**450**

Analysis of interest bearing net debt

	------- 3 months --------		------- 12months -------	
	2011	2010	2011	2010
SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Opening balance	**-4 000**	**-6 138**	**-3 951**	**-6 645**
Operating cash flow	307	-162	230	151
Acquisitions and divestments	-27	-11	0	26
Share issue	-1	2 389	-10	2 389
Translation difference and other changes	46	-29	56	128
Closing balance	**-3 675**	**-3 951**	**-3 675**	**-3 951**
Net debt /EBITDA adjusted for other items affecting comparability, times	3,6	3,3	3,6	3,3

Operating Revenues by business unit and country

	------- 3 months --------		------- 12months -------	
	2011	2010	2011	2010
SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Total operating revenues	**1 194**	**1 482**	**4 323**	**5 326**
Directories Scandinavia	**873**	**1 033**	**3 190**	**3 713**
Sweden	431	519	1 527	1 690
Norway	288	323	1 191	1 427
Denmark	154	191	472	596
Voice	**223**	**225**	**899**	**968**
Sweden	127	127	520	547
Norway	23	28	95	130
Finland	73	70	284	291
Poland	**98**	**190**	**234**	**365**
Finland Directories	**-**	**34**	**-**	**280**

EBITDA by business unit

	------- 3 months --------		------- 12months -------	
	2011	2010	2011	2010
SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBITDA Total	**319**	**409**	**991**	**605**
Margin, %	27	28	23	11
Directories Scandinavia	**206**	**288**	**750**	**941**
Margin, %	24	28	24	25
Voice	**100**	**70**	**340**	**340**
Margin, %	45	31	38	35
Poland	**28**	**77**	**-16**	**45**
Margin, %	29	41	-7	12
Finland Directories	**-**	**-5**	**-**	**-609**
Margin, %		-15		-218
Other (Head office & group-wide projects)	**-15**	**-21**	**-83**	**-112**
Depreciations, Amortizations and impairment	-118	-130	-855	-4 781
EBIT Total	**201**	**279**	**136**	**-4 176**
Margin, %	17	19	3	-78

Operating Revenues by quarter

	2011	2011	2011	2011	2010	2010	2010	2010
SEK M	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Operating revenues								
Total	**1 194**	**1 012**	**1 151**	**966**	**1 482**	**1 135**	**1 442**	**1 267**
Directories Scandinavia	**873**	**735**	**862**	**720**	**1 033**	**788**	**995**	**897**
Sweden	431	342	417	337	519	366	438	367
Norway	288	277	316	310	323	283	411	410
Denmark	154	116	129	73	191	139	146	120
Voice	**223**	**230**	**241**	**205**	**225**	**250**	**258**	**235**
Sweden	127	133	142	118	127	142	147	131
Norway	23	24	25	23	28	34	36	32
Finland	73	73	74	64	70	74	75	72
Poland	**98**	**47**	**48**	**41**	**190**	**57**	**61**	**57**
Finland Directories	**-**	**-**	**-**	**-**	**34**	**40**	**128**	**78**

EBITDA by quarter

	2011	2011	2011	2011	2010	2010	2010	2010
SEK M	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
EBITDA by quarter								
Total	**319**	**267**	**285**	**120**	**409**	**-371**	**397**	**170**
Directories Scandinavia	206	203	239	102	288	235	288	130
Voice	100	101	87	52	70	93	94	83
Poland	28	-11	-14	-19	77	-7	-11	-14
Finland Directories	-	-	- -		-5	-656	57	-5
Other	-15	-26	-27	-15	-21	-36	-31	-24

Key ratios

	2011	2010
SEK M	**Dec. 30**	**Dec. 30**
Equity, average 12 months, SEK M	3 408	4 275
Return on equity, 12 months, %	-6	-108
Interest-bearing net debt, SEK M	-3 675	-3 951
Debt/equity ratio, times	1,13	1,14
Equity/assets ratio, %	34	33
Interest-bearing net debt/EBITDA , times	3,7	6,5
Net debt /EBITDA adjusted for other items affecting comparability, times	3,6	3,3

	------- 3 months --------		------- 12months -------	
	2011	**2010**	**2011**	**2010**
SEK M	**Oct-Dec**	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Operating margin - EBITDA, %	27	28	23	11
Operating margin - EBIT, %	17	19	3	-78
Cash Earnings SEK M	243	278	642	161

	------- 12months -------	
	2011	**2010**
	Jan-Dec	**Jan-Dec**
Average number of full-time employees, period	3 680	4 437
Number of full-time employees on the closing date	3 626	3 929

Key ratios per share before dilution

	------- 3 months --------		------- 12months -------	
	2011	**2010**	**2011**	**2010**
	Oct-Dec	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Operating revenues, SEK	11,92	58,59	43,15	286,40
Earnings before tax, SEK	1,25	-2,57	-2,28	-254,83
Net income, SEK	1,25	5,85	-2,13	-248,43
Cash Earnings, SEK	2,43	10,99	6,41	8,66
Average number of shares before dilution, 000s *	100 177	25 295	100 177	18 597
Average number of shares after dilution, 000s *	100 177	25 296	100 177	18 598

	2011	**2010**
	Dec. 30	**Dec. 30**
Equity, SEK	32,46	35,21
Share price, end of period, SEK *	11,45	27,50
Number of shares on the closing date (reduced by own holding), 000s *	100 177	98 526

* Adjusted for reversed split 50:1 January 2011 and the bonus element in the share issue December 2010

Parent company

	------- 12months -------	
Income statement	**2011**	**2010**
SEK M	**Jan-Dec**	**Jan-Dec**
Revenues	36	21
Earnings before tax	-250	-1 821
Net Income	-263	-1 994
Balance sheet	**2011**	**2010**
SEK M	**Dec. 30**	**Dec. 30**
Non-current assets	8 808	9 229
Current assets	1 739	1 793
TOTAL ASSETS	**10 547**	**11 022**
Equity	5 002	5 265
Untaxed reserves	-	-
Provisions	49	66
Non-current liabilities	5 056	5 036
Current liabilities	440	655
TOTAL EQUITY AND LIABILITIES	**10 547**	**11 022**

Definitions

Adjusted EBITDA

EBITDA excluding restructuring costs and other items affecting comparability.

Average equity

Based on the average of equity at the beginning and the end of the period for each quarter.

Average number of shares for the period

Calculated as an average number of shares outstanding on a daily basis after redemption and repurchase.

Cash Earnings per share

Cash earnings divided by the average number of shares for the period.

Cash Earnings

Net income for the year plus re-entered depreciation and amortization plus re-entered impairment loss.

Debt/equity ratio

Interest-bearing net debt divided by equity.

Earnings before tax per share

Earnings before tax for the period divided by the average number of shares for the period.

EBIT

Operating income after depreciation, amortization and impairment.

EBITDA margin (%)

EBITDA divided by operating revenues multiplied by 100.

EBITDA

Operating income before depreciation, amortization and impairment.

Equity per share

Equity per share divided by the number of shares at the end of the period after redemption, repurchase and share issue.

Equity/assets ratio (%)

Equity divided by the balance sheet total multiplied by 100.

Interest-bearing net debt

Interest-bearing liabilities plus interest-bearing provisions less interest-bearing assets, excluding the market value of interest swaps.

Interest-bearing net debt/EBITDA

Interest-bearing net debt divided by EBITDA.

Operating cash flow

Cash flow from operations and cash flow from investments excluding company acquisitions/divestments.

Operating revenues per share

Operating revenues divided by the average number of shares for the period.

Organic growth

The change in operating revenues for the period adjusted for currency effects, changed publication dates, acquisitions and divestments.

Return on equity (%)

Net income for the last 12 months divided by average equity multiplied by 100.

Total operating cost

Production, sales, marketing, administration, product and development costs excluding depreciation, amortization and impairment.