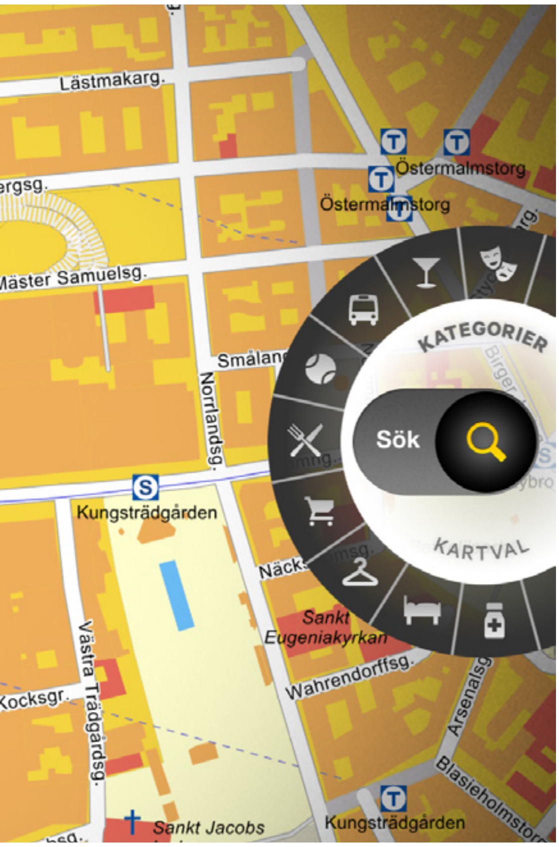
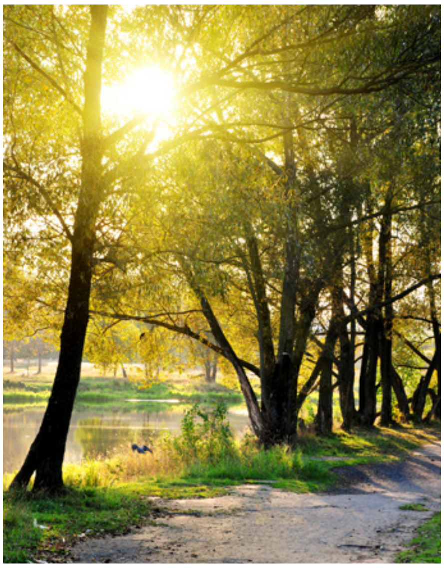
ANNUAL REPORT
2012





eniro

Discover local. Search local.

Focus on Eniro

Operations

Board of Directors' report and Corporate Governance

Financial

ENIRO IN BRIEF

Eniro is a leading search company in the media industry, with operations in Sweden, Norway, Denmark, Finland and Poland. The company specializes in local search. Eniro's well-known brands and services create user value for a large number of users each day. About 77 percent of the company's revenues derive from digital media, and the proportion continues to increase. Eniro's customers are primarily small/midsize companies that secure local searchability through Eniro's channels and visibility to consumers and companies. Presence in Eniro's broad network and channels generates accessibility and relevant searchability 24/7, irrespective of distribution form.

The information in Eniro's databases is available via various distribution channels: Internet services, mobile apps and printed directories, as well as other publications and SMS services.

Eniro is an innovative company with a high level of product development. The company's products and services are marketed under well-known brands. The brands that mainly set the tone in Sweden are Eniro, Gula Sidorna, Din Del and the 118 118 directory assistance service. In Norway, the main brands are Gule Sider, Proff and the 1880 directory assistance service. The search services in Denmark are marketed under the Krak, De Gule Sider, Mostrup and Den Røde Lokalbog brands, while Panorama Firm is the brand in Poland. In Finland, Eniro operates a directory assistance service through 0100100, and a contact center service.

The local sales teams in Sweden, Norway, Denmark and Poland jointly represent one of the largest sales teams in the Nordic regions. Every year, the company's sales representatives contact millions of existing and potential customers.

Eniro has approximately 3,200 employees. The operations are organized into the Directories revenue stream, comprising Online/Mobile and Print, as well as the Voice and Media products revenue streams.

Since 2000, Eniro has been listed on NASDAQ OMX Stockholm and is included in the Mid Cap segment. The company is index classified under Consumer Discretionary/Advertising. Eniro also has a preference share that was listed during 2012.

Operations are divided into three primary revenue streams:

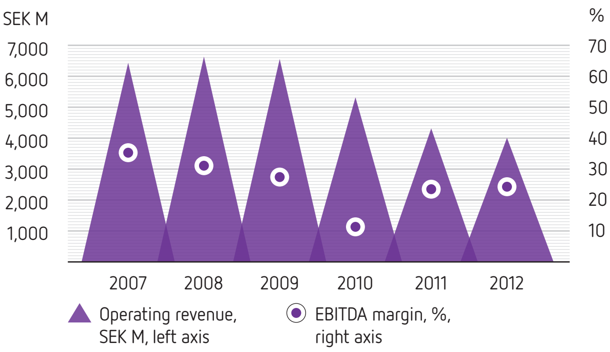
Directories
Comprises Eniro's search services within the *Online/Mobile* channels and printed products in *Print*.

Media Products
Media Products comprises such services as sponsored links, videos, banners, displays, websites and search optimization.

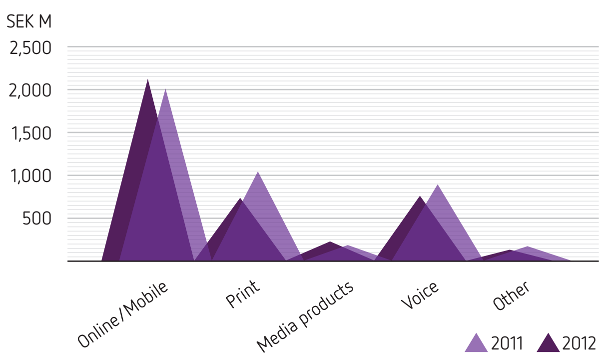
Voice
Voice comprises traditional directory name and directory assistance services via telephone and SMS, as well as complementary premium services.

THE YEAR IN BRIEF

Operating revenue and EBITDA margin



Operating revenue per revenue stream



2012 IN FIGURES

- Operating revenue totaled SEK 3,999 M (4,323)
- Total revenue declined 7 percent (decline: 19 percent)
- EBITDA totaled SEK 976 M (1,031)
- Profit for the year amounted to SEK 245 M (loss: 184)
- Earnings per share were SEK 2.13 (-1.84)
- Operating cash flow totaled SEK 299 M (230)
- Interest-bearing net indebtedness declined to SEK 2,704 M (3,535)
- Interest-bearing net debt in relation to EBITDA was a multiple of 2.8 (3.3)
- The Board of Directors proposes that no dividend on common shares be paid for 2012. The Board proposes that a dividend of SEK 48 M be paid for preferential shares.

For definitions, refer to page 97

OVERVIEW OF OPERATIONS

Eniro's operations are divided into three primary revenue streams: *Directories*, comprising the media channels Online / Mobile and Print, as well as the *Media Products* and *Voice* revenue streams. With 53 percent, the Online / Mobile services account for the largest proportion of Eniro's revenues.

Eniro's product and service offering is based on unique information databases that permit the user to search for relevant and reliable product, service, company or contact information, irrespective of the distribution channel.

Revenue stream	Share of Group net sales	Presence	Offering
Directories Online / Mobile	53%	• Sweden • Norway • Denmark • Poland	• Presence, profiling and ranking for customers who want to be searchable round-the-clock, 365 days a year. • Product searches in which Eniro mediates contact between the buyer and seller.
Directories Print	19%	• Sweden • Norway • Denmark • Poland	• Advertising and searchability via printed regional and local directories.
Media products	6%	• Sweden • Norway • Denmark	• Sponsored links, search-word optimization, videos, establishment of websites, banners and displays.
Voice	19%	• Sweden • Norway • Finland	• Information services via telephone and SMS. • Complementary services, such as "book a table," "question behind the question" and road directions.
Other	3%		

Brands	Market	Driving forces	Read more on page ...
	• Advertising and searches occur primarily in digital channels such as computers, mobile phones and tablet devices. The local search has a high conversion rate since the user has progressed far in the process to establish contact.	• Eniro has a strong position in the sharply expanding mobile search market. • Internet advertising as a media channel is increasing and is under-penetrated in relation to the degree of usage. • Eniro has a unique information database that is difficult to duplicate.	28
Den Røde Lokalbog	• The market for printed media advertising is declining, but remains highly relevant. The local directories in particular are still very useful.	• Complementary media channel with high profitability and favorable cash-flow generation.	29
	• Media advertising represents a strongly growing market sector. The market for sponsored links and Internet advertising is under-penetrated.	• A complete one-stop-shop offering where small and midsize companies gain access and have a position in Eniro's network of partners and Internet platforms.	30
	• Declining market volumes for directory assistance due to increased use of smart phones.	• Signing partnership agreements that increase volumes, and contribute to covering fixed costs. • Developing new complementary services that increase user value and Eniro's revenue. • Capitalizing on the profitability and cash-flow generated by the service.	31

COMMENTS FROM THE CEO

The year was hallmarked by a focus on the user. An extensive branding project was completed and implemented. The insight we gained from the project will enhance the precision of Eniro's future product development and communications, while also illuminating the company's market position. Parallel with creating user value, efforts focused on the launch of new digital services, a continuing reduction in indebtedness, further streamlining and directing the company towards digital growth markets in the media market.

User value = customer return

During the past year, Eniro worked intensively to gain insight into the role that the Eniro brand will play in the future. An extensive analysis was conducted in an effort to understand the various user groups in the market. For the first time in Eniro's history, we now have a concrete defined target-group profile on which to base our strategy for product development and communications. We have identified our users, we know how they view our services and we understand the attributes that we will have to capitalize on to create an attractive service with high user value. The strategy shows that local search is highly relevant and important for the most frequent users in the company's markets. Thus the target groups are similar in all markets, permitting centralized product development and a joint communications and market strategy.

By means of greater service attractiveness, and thus increased user value, Eniro also generates strong value for the customers who advertise through the company's media channels. A rise in the number of users that visit Eniro's various services will entail increased traffic to the sites. A positive traffic trend is the key in sales dialogs in order to underscore customer value and demonstrate the return on the investment made. In other words, user value can be equated with customer value.

Digital local search

Eniro has undergone a transition from print to digital media channels, with the balance of revenues comprising a limited share of the total. From having been a company that just a few years offered visibility in printed directories, Eniro has advanced its position to digital local channels; today, digital revenues account for 77 percent of total advertising revenue. Five years ago, this proportion was 36 percent.

Since the transition has been costly in terms of annual revenues and from the indebtedness perspective, it is gratifying to see that the company has stabilized its financial position. The revenue trend in 2013 was weaker than expected. However, a key factor for future development is that the service offering has been repositioned to the growth channels in the market. Eniro now has a greater balance in the growing digital channels, which account for about two thirds of total revenues, while the remainder is generated in the declining but strong cash-flow contributors of Print and Voice.

While the trend in the total media market is expected to be weak during 2013, the market segment in which Eniro is active is forecast to show a growth rate of between 6 and 10 percent, depending on geographic market. The primary growth area comprises searches via the mobile channel. Currently, Eniro has a leading position in mobile search. Revenues during 2012 more than doubled and are expected to show a twofold increase in 2013. Mobile accounts for 23 percent of the company's services. The trend towards searching for companies, services, road directions and individuals entails a capitalization of Eniro's business model. Quite simply, the information available in the company's database is provided and sold through a complementary channel. It is extra satisfying to see that we can charge for our mobile initiative. Eniro's mobile sales are currently in parity with the searches that go through other channels.

Reduced indebtedness and increased savings rate

In line with the company's strategy, Eniro continued to reduce its indebtedness and its financial position was further strengthened during the year. The risk associated with the previous challenging balance sheet has been managed. During the year, net debt was reduced by some SEK 800 M from SEK 3.5 billion to SEK 2.7 billion. As a result of reduced indebtedness, the key net debt/EBITA figure was strengthened and Eniro is within reach of its indebtedness objective; namely, net debt in relation to EBITDA that is less than a multiple of 2.5. During the spring, Eniro was offered the opportunity to repay a loan at a discount of SEK 154 M. Due to internal circumstances, a bank in the company's bank consortium requested the repayment of outstanding loans. By financing the loan repayment through the introduction of preference shares, Eniro was able to create greater financial freedom of action, at the same time as indebtedness, interest expenses and other key data were substantially improved for common shareholders. I dare say that that this was a simple a win-win situation that benefitted all of the company's stakeholders.

Parallel with a reduction in debt, Eniro has worked hard to reduce its expenses. During the past year, more than SEK 1.1 billion has been achieved in cost cutting. Efficiency has been enhanced in all operating areas, but notably in respect of products and service, IT delivery, personnel, and print/distribution. The communicated cost savings program for 2012 initially amounted to SEK 200 M but was increased by an additional SEK 50 M in the third quarter. The actual cost savings totaled an impressive SEK 266 M. We feel secure in our ability to continue to adapt our costs to prevailing market conditions.

Performance in 2012

We now leave 2012 behind us, having attained three out of four of our charted goals. We delivered EBITDA of some SEK 1 billion, while the cost savings-program provided a solid result and exceeded the original goal of SEK 200 M. The balance sheet continues to be strengthened and total loan repayments of SEK 1.2 M during the year exceeded the original plan. The strong cash flow, combined with the advance repayment of a loan at a discount to a member of the bank consortium, has contributed positively to our stronger position.

The aim of attaining growth in 2012 is not one that we fully achieved. Revenues in 2012 did not meet our expectations. Although the percentage decline in revenues in 2012 was considerably less than in 2011 – when revenues dropped 19 percent – the fall is still excessive. Total revenues in 2012 declined 7 percent. Weaker-than-expected order bookings for Online/Mobile during the summer and autumn, combined with somewhat lower growth than anticipated in the established growth area, Media Products, were the main factors underlying the decline. In my opinion, however, the efforts designed to streamline and shift the offering towards the growing search channels in the market will favor revenue growth in the future.

Despite the decline in revenues, and thanks to stringent cost control, we managed to maintain EBITDA at a favorable level, with a healthy margin in relation to the bank covenants. EBITDA amounted to SEK 976 M (1,031). As opposed to the preceding year, we had no impairment requirement in 2012, which was a positive feature. Eniro's business model, which mainly involves advance payments, favors cash flow. For the year as a whole, Eniro generated operating cash flow of SEK 299 M.

Events during 2012

During the year, Eniro conducted a number of activities to strengthen its position as the leading player in local search in the Nordic region and Poland. The company focused on its strong offering and, on the basis of the completed and implemented brand project, created the conditions for delivering the best local search product characterized by good quality and relevance. Parallel with these moves, a streamlining and concentration of Eniro's service was launched, which will continue during 2013.

Concentration and efficiency programs

- De Gule Sider, which was acquired in September, was integrated into the Danish operations, thereby strengthening the overall Danish offering and adding to cost effectiveness.
- Eniro sold the Norwegian B2B service to Bisnode. The sale, which is part of the company's concentration to local search, generated a capital gain of SEK 37 M.
- The Norwegian web search service, kvasir.no, was sold to Scandinavian Online AS, which Eniro owns jointly with Aller Media AS. The sale, which has no impact on revenues for 2013, gave rise to a capital gain of SEK 7 M.
- The operations of Bilweb (Car web) and Köp & Sälj (Buy and Sell) were divested.

Growth and expansion

- Eniro acquired Open Ad Exchange in Denmark and thus strengthened its position and network offering in the Danish market for sponsored links.
- The company reached a cooperation agreement with the 118 100 service regarding the operation of its call volumes. The agreement provides increased call volumes in a declining market and also contributes to better cost allocation.
- Eniro launched new core apps for IPad, IPhone and Android. The apps offer a completely new interface that proceeds from the map and offers high user friendliness. The program to develop apps for local search matches the company's strategy of focusing on tools that permit optimal local search via mobile devices.

Outlook

We have now completed the transition from printed directories to a digital product offering and we are well-positioned in relation to the growing distribution channels in the market. I believe that we have every opportunity to grow in Online/Mobile and Media Products, which account for a combined total of about 60 percent of our revenues, while we expect a continuing decline in revenues in the strongly cash-flow contributing revenue categories of Print and Voice. Our aim that the Group will ultimately return to growth and that we will grow in line with the market stands firm. However, during 2013, our focus will be on delivering EBITDA similar to that of 2012. Due to continued streamlining and a concentration of operations, the earnings target has priority over the revenues target. Stable EBITDA will secure a favorable cash flow, which will be used for the faster repayment of debt, thus eventually providing potential for paying dividends to shareholders.

Together with Eniro's Board and the company's competent employees, I look forward to continuing the work of strengthening Eniro's brand and position in local search. I look with confidence to 2013 – a new year with new challenges and opportunities.

STOCKHOLM, MARCH 2013

Johan Lindgren,
President and CEO

Three questions for
JOHAN LINDGREN
President and CEO

What made you proudest in 2012?
"That we always think of the user first."

What was the single most significant event for Eniro in 2012?
"That we stabilized our cash flow, permitting us to devote our efforts to users, products/services and the customers."

What will be the most significant challenge faced by Eniro in 2013?
"Achieving growth in revenues is very important, as well as continuing to drive increased traffic."

" We have now completed the transition and Eniro is well positioned to offer local search in the channels in which users look for information.

FINANCIAL OBJECTIVES AND TARGET FULFILLMENT

During the year, Eniro significantly stabilized its decline in revenues compared with 2010 and 2011, while achieving its market forecast of sustaining a lower cost base and maintaining earnings at the preceding year's level. The capital structure continued to be strengthened through loan repayments exceeding SEK 1.2 billion.

Prior to the 2012 fiscal year, Eniro issued a detailed market forecast comprising four parameters: total revenues, cost savings, earnings and capital structure. The Eniro Group has achieved three of its four stated objectives.

The forecast of maintaining EBITDA at the preceding year's level was fulfilled, while the initially communicated cost-savings program of SEK 200 M was revised upwards during the year, to SEK 250 M, as a result of continued success with cost controls. The outcome of the cost-saving program exceeded the target and totaled SEK 266 M. Eniro's capital structure continued to strengthen, with debt in relation to EBITDA amounting to a multiple of 2.8 (3.3) at year-end.

Eniro is yet to fully achieve its 2012 target of total revenue growth. Revenues declined 7 percent during the year, a sharp improvement compared with 2010 and 2011, when revenues declined 19 percent per year, but nevertheless below the Group's expectations.

Targets and outcomes

	Financial targets 2012	Outcome 2012	Financial targets 2013	Long-term objectives
Growth	The target of reporting revenue growth in 2012 was revised in conjunction with the third-quarter report. The new forecast was for a diminishing decline in revenues in the fourth quarter of 2012.	Operating revenues declined 7 percent.	In 2013, Eniro will further streamline the business. Revenues from digital media, which currently account for about two-thirds of sales, are expected to increase. Revenues from Print and Voice, which represent the remaining one-third of the business, will continue to decline due to changing user patterns.	To outperform the market in terms of growth.
Lowered costs	The aim of the overall cost-savings program was revised during the year, from a reduction of SEK 200 M to SEK 250 M compared with 2011*.	Total costs declined SEK 266 M compared with 2011.	Costs will continue to be optimized to ensure EBITDA matches 2012 levels.	To continuously review and optimize costs
Earnings	The objective was to maintain 2012 EBITDA at the 2011 level, assuming a changed revenue mix and continued savings.	EBITDA amounted to SEK 976 M (991, before the application of new accounting policies for pension obligations; SEK 1,031 M 2011).	The objective is to maintain 2013 EBITDA at 2012 levels, assuming a changed revenue mix and continued savings.	To achieve positive, profitable growth.
Capital structure	To continue to reduce net debt in relation to EBITDA.	Net debt in relation to EBITDA was a multiple of 2.8 (3.3).	To continue to reduce net debt in relation to EBITDA.	Net debt in relation to EBITDA must not exceed a multiple of 2.5.
Dividend	The reduction in net debt is assigned priority over the payment of dividends.	Net debt was reduced by SEK 831 M, from SEK 3,535 M in 2011 to SEK 2,704 M.	Reducing net debt was assigned continued priority over the payment of dividends.	To create the capacity for the company to pay a dividend.

*Excluding exchange-rate effects, divestments and acquisitions of operations, as well as higher third-party costs arising from the strategic shift in the revenue mix towards higher revenues from third-party partnerships. See page 97, for definitions.

SIGNIFICANT EVENTS 2012 BY QUARTER

Group

Q1

- An additional loan repayment of SEK 158 M is made.
- Investment in the Media Products growth area through the establishment of the Kvasir Media brand.
- Eniro decides not to acquire the 118 118 directory assistance service.
- De Gule Sider, acquired in December 2011, integrated into Eniro's Danish operation.

Q2

- Eniro acquires Open Ad Exchange in Denmark thus strengthening its position in the market for sponsored links.
- Eniro finances a bank repayment at a discount through an issue of preferential shares. The company implements an advance loan repayment and makes a capital gain of SEK 154 M.
- Reorganization and management changes in the Polish operation.
- The revenue-growth target for 2012 is revised from the previous organic revenue growth to total revenue growth.
- The Board of Directors of Eniro adjusts the target for the company's capital structure from net indebtedness in relation to EBITDA of 3 to a target multiple to 2.5.

Q3

- The cost-savings goal for 2012 is raised from the previous SEK 200 M to SEK 250 M.
- Eniro's target to report an EBITDA for 2012 on a par with 2011 stands firm. Revenue growth in 2012 will not be achieved.
- Eniro redeems existing interest swaps. The company implements a bilateral loan repayment of approximately SEK 192 M to Nordea.

Q4

- Eniro sells the Norwegian B2B service, Inform, to Bisnode. The sale generates a capital gain of SEK 37 M.
- Eniro sells the Norwegian Internet-search service kvasir.no to Scandinavia Online AS, which is jointly owned by Aller Media AB and Eniro. The divestment does not impact revenue for 2013 and generates a capital gain of SEK 7 M.
- Eniro implements a reorganization entailing that the company is completely structured as a matrix organization with central support functions.

Products

Q1

- Eniro completes an extensive brand project. The results will be used as the basis for the development of the company's products and services, as well as overall communication.
- Eniro for iPad, a new app for local search that has a completely new interface based on a map and the geographic search position, is launched.

Q2

- Decision made to continue to operate Eniro Deals through a third-party solution.
- The Bilweb (Car web) and Köp & Sälj (Buy & Sell) operations are divested.
- A partnership agreement is signed with 118 100 for the management of its call volumes.

Q3

- A new mobile app for local search is launched as a result of Eniro's investment in local search via mobile phones.

Q4

- Eniro's iPhone and Android apps are updated with a completely new interface. The apps are based on the user's geographic position.
- The Eniro På Sjön (Eniro at Sea) app wins the award for the most useful app at the Mobile gala in Sweden.
- Eniro Denmark is named Mobile Company of the Year at the Mobile Awards.

PRODUCT DEVELOPMENT AND INNOVATIONS 2012

Eniro is an innovative company that attaches considerable importance to being at the leading edge of digital development. The Eniro Group has shifted its products and services to meet users in the channels where the users prefer to search for information. Eniro's customers want to be visible where users perform their searches, thus optimizing their searchability and increasing their exposure to a potential market in need of products and services.

Eniro strives to have a world-class department for the development of local search. The primary focus of Eniro's product development is on mobile and digital-search channels. Joint development of mobile and Internet platforms ensures efficiency and quality. A large number of new products and services were launched in 2012.

The world is becoming increasingly digitized. For example, searches performed through mobile phones have increased by 400 percent since 2010, and 90 percent of all mobile phones sold are smartphones. A total of 20 percent of all searches are performed through mobile phones, while 89 percent of our users state that they currently use their smartphones to search for local information, and as many as 43 percent that they perform a minimum of one search per week. The Google Swedish Market 2012 survey indicates that 84 percent of those who searched for information acted on the information that was presented in the search result.

Another global search trend is the sharp increase in social, local and mobile searches. The percentage of user-generated content, such as ratings, also increased distinctly among platforms including Pinterest, Facebook and Yelp. The growth in e-shopping through the Internet and mobile phones is also leading to a rise in product searches.

Although new search phenomena and verticals are continuously appearing, Eniro interacts with the same primary players as before. In Sweden, the main competitor is Google, alongside Hitta. In Norway, it is 1881. New trends are carefully observed to enable the company to adapt its services should the need arise.

Eniro's digital business is developing well, particularly in the growth segment of Mobile, which grew sharply in 2012. Eniro's mobile revenues are expected to double in 2013. Traffic to Eniro's mobile products is increasing and offsetting somewhat reduced traffic through the traditional Internet channel. The trend whereby the Mobile channel is performing an increasing share of searches is here to stay.

During 2012, Eniro captured market share in Media Products, the newly launched revenue stream. Efforts to promote growth helped to boost revenues by up to 26 percent, considerably exceeding the market's growth rate, but somewhat lower than the Group's expectations.

Centralized development

Products and services for the entire Group are developed centrally through the Group Product & Services (GPS) department. As the first step in the process toward full integration, the Polish GPS organization, which was previously a separately managed unit, was integrated into the central product-development unit during 2012. The integration of the Polish website commenced in 2013 and, by the first quarter, a new mobile app was launched in Poland. GPS ensures that appropriate products and services that match Eniro's strategy are introduced in all markets. To ensure the best quality and cost efficiency, development work is implemented through joint projects at a Group level. Eniro strives to have a world-class department for the development of local search. When commercial solutions are introduced by GPS, the Group Service Delivery (GSD) department develops and programs the products into functioning services. GSD's activities are also performed in a centralized function that secures product delivery, quality and process efficiency, as well as IT programming.

Product development is divided into three organizations:

- *Directories,* which develops the main Internet and mobile services: eniro.se, gulesider.no, degulesider.dk, krak.dk and panoramafirm.pl. In addition to digital services, Eniro offers searchability through printed directories (Print).
- *Media products,* which are marketed under the brands Kvasir Media in Sweden and Norway and under Krak Media Group in Denmark. Eniro offers complete searchability for small and midsize companies, a one-stop shop solution. A comprehensive advertising package provides customers with a broad media presence in digital marketing. The package includes sponsored links, presence on partner sites, establishment of company websites, videos, banners and search-word optimization.
- *B2B* (business to business), whose products include proff.se, proff.dk and proffz.no – Scandinavia's leading search services for corporate financial information.

The users in focus

Eniro develops its products for users, with the user in focus. Users who utilize Eniro's products and services increase traffic, which in turn strengthens the customer value for Eniro's advertising customers. In 2012, Eniro created a more uniform appearance on its websites and harmonized the maps, logotypes and color schemes for both the mobile and digital Internet channels.

The launch of Mobil 2.0 with an entirely new user interface was a major breakthrough. The number of downloaded apps increased 130 percent for iPhone and 122 percent for Android during the first week of the launch. The new app proceeds on the basis of the user's geographic position to provide the best possible search results in the local area.

Eniro will continue its work aimed at focus groups. Increasing numbers of users will be involved, together with whom the company's services will be developed. Future product development will also be based increasingly on the needs of various customer groups.

Users and customers in symbiosis

Our efforts to improve the user experience and the return for our paying customers are interconnected. They involve finding a healthy ecosystem in which Eniro, users and customers can function symbiotically. An increase in users of Eniro's products and services enhances traffic, which in turn raises the incentive for customers to be searchable through Eniro's channels. Eniro's traffic is documented in the customer report, ROI (return on investment). Eniro is transparent about the customer value generated by an investment in its channels. The customer report provides an overview of the customer's advertising with Eniro. It permits the tracking of any changes in the channel mix to evaluate the services and messages that result in the most customer contacts. The report indicates the number of displays, calls and route descriptions, as well as the number of calls the customer receives through Eniro's mobile services, such as proprietary apps and mobil.eniro.se. Customer reports are emailed regularly and are used in sales discussions to demonstrate the value of the customer's investment in Eniro's products.

The Web Analytics tool facilitates Eniro's understanding of how a user utilizes the Group's services, displays patterns and performs analyses of searches made through the services. The tool enables Eniro to improve its services from a user perspective, while offering customers a more tailored concept.

Proprietary development

Eniro's unique database has commercially relevant information and is the foundation of the company's operations. The database contains information and contact data on more than 2.1 million active companies. There are more than 12.3 million searchable products in the database, of which nearly 7.6 million were compiled through Eniro's proprietary web-crawling tool, Redback.

With more than 11,400 online stores, Eniro has one of the largest search indexes in the Nordic region. To prepare for purchases, a large number of people use Eniro's services, thus generating valuable sales leads to paying advertisers.

Eniro's services are refined continuously and improved in order to increase traffic. Quality is prioritized to ensure that searches are correct and that the contents of the database are up to date and relevant. After quality, the next priorities in Eniro's services are the user interface and increased usability. Work on optimizing Eniro's searchability through SEO (Search Engine Optimization) and SEM (Search Engine Marketing) has been completed and expected to have a positive impact on traffic in 2013.

All platforms are developed centrally and used jointly in all geographic markets. The focus is on promoting growth in Mobile. Eniro's Media Products, such as sponsored links and display advertising, are also being adapted for application in the Mobile channel.

Eniro works continuously to enhance process efficiency, optimize database content and develop the organization. During 2012, development work for Online and Mobile was merged in the Directory organization in order to further streamline and ensure a homogeneous product-development process that is independent of distribution channels.

De Gule Sider in Denmark was integrated with the global IT platform to ensure process uniformity and to generate cost synergies from fully centralized development.

Focus on the future

The principal areas of focus and development in 2013 include:

- uniform appearance and feel at all terminals (such as computer, mobile phone, tablet computers and car displays)
- improved usability and relevance, as well as improved content
- integration of social media and user-generated content
- product search

The development and streamlining of Media are other areas of focus. Profitability and growth in Media will continue to strengthen. Eniro's network will be expanded to increase scope through additional advertising partnerships and thus increase revenues in sponsored links and banners.

B2B operations are to be pursued with a focus on Proff websites, which will serve as an umbrella for all B2B services.

The sharp increase in social, local and mobile search is of considerable interest and importance to the development of the Group's future services. Another clear trend is that of increased user-generated content such as ratings, something that Eniro needs to consider in its development. An increase in e-shopping conducted through the Internet and mobile phones is leading to the growing significance of specific product searches.

A sampling of the news and innovations launched in 2012

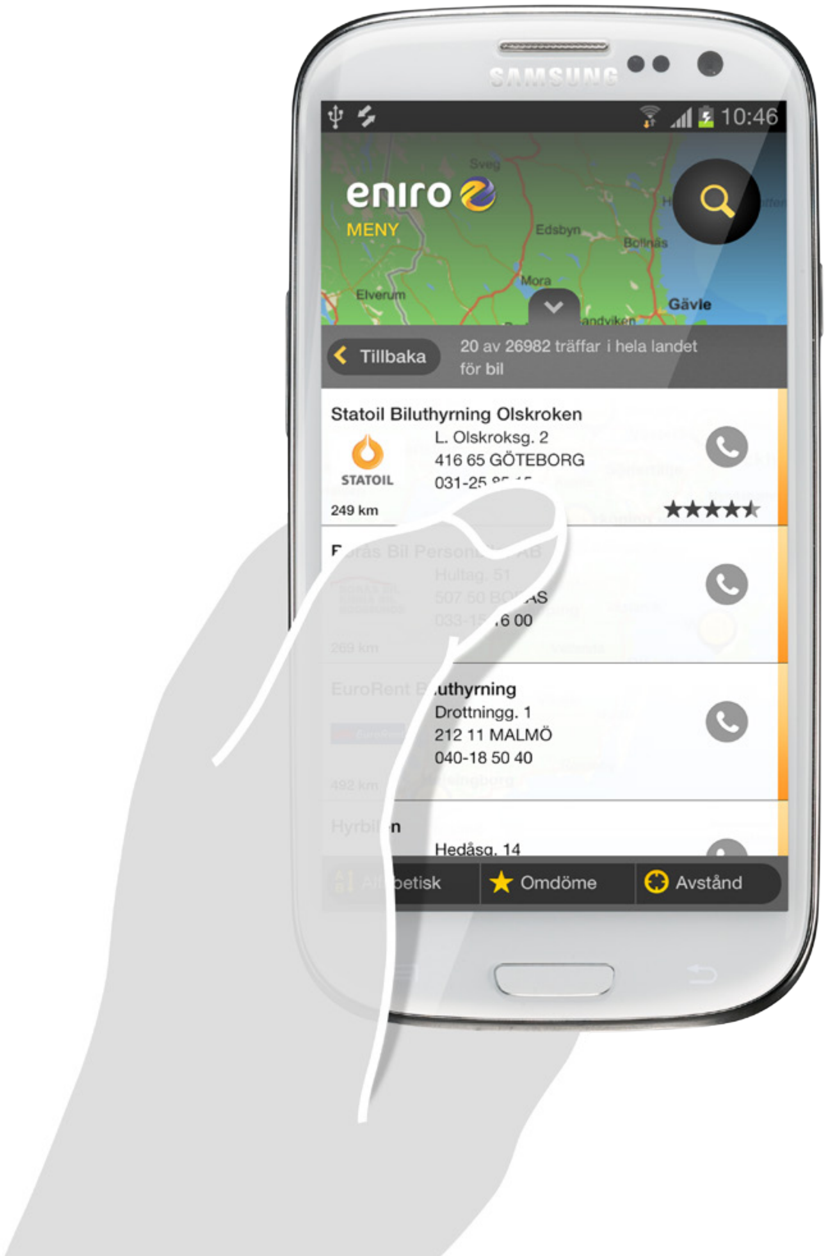
Mobile

Mobil 2.0
A new generation of mobile services was produced and launched for iPad and mobile Internet, as well as for Eniro's iPhone and Android mobile apps. Mobil 2.0 has an entirely new interface, as well as improved quality and content. The new app proceeds on the basis of the user's geographic position to provide the best possible search results in the local area. Eniro's new mobile app presents new opportunities to search for products, services, businesses and individuals. It is also integrated with Facebook, through which Eniro's maps can indicate a person's location using the Facebook check-in function. Eniro's upgraded app for iPhone and Android was downloaded by more than 1.3 million users in the Nordic region.

På Sjön (Eniro At Sea) for Android
Eniro's itinerary-planning tool, På Sjön (At Sea), has been available for Android since June 2012. In addition to nautical charts, På Sjön provides search possibilities for products and services nearby or in any location of choice in the Swedish archipelago. In November 2012, På Sjön was named Utility Service of the Year at the 2012 Swedish Mobile Awards. The app is available in Sweden, Norway and Denmark and has approximately 190,000 users.

Media
Media Business Concept was launched in Sweden and Denmark, providing shared products, processes and support systems for the sale of sponsored links combined with such products as websites, video, mobile websites and search-engine optimization.

- A customer portal was launched to help customers to themselves monitor and optimize their visibility.
- A new collaboration with network providers was established to provide display and sponsored links on mobile platforms.



Online
Search-engine optimization, SEO, was improved at eniro.se, krak.dk, degulesider.dk and gulesider.no to increase local commercial traffic to websites.

The designs of hit lists and profile pages for private individuals in Sweden, Norway and Denmark were updated, thus clarifying and improving the structure of searches for private individuals.

Proff Offert was relaunched in Sweden and Norway, which significantly increased the number of searchable suppliers. Users can request offers directly from the company through eniro.se, proffoffert.se and gulesider.no – it's fast, simple and free.

Maps

Razor-sharp images with Retina

Eniro has launched new, proprietarily developed map images that are among the sharpest in the market. The technical solution is based on the user's web browser confirming its capacity to display the map image on a high-resolution screen, such as Apple's Retina screen. This entails sending a graphic that is rendered in four times as many pixels, thus providing a resolution that is twice as high as earlier graphics.

New aerial photographs

The aerial photography at eniro.se was updated with more recent photographs of Sweden, Denmark and parts of Norway. The images have improved color, sharpness and contrast.

Snowmobile routes

Snowmobile routes in the north of Östersund in Sweden and cross-country tracks in Norway were added to the maps at eniro.se.

Bicycle paths

Bicycle paths from 188 of Sweden's 290 municipalities were also added at eniro.se.

Nautical charts

Nautical charts of Danish waterways were published. Eniro's nautical charts now cover Sweden, Norway and Denmark.

Address display

A function was launched to allow for the quick display of the companies and individuals registered to a specific address.

B2B

Proff is a business-to-business service, with business-related search information that includes all of the companies in the Nordic region.

- proff.no expanded its partnership with the Schibstedt-owned company e24.no, increasing brand recognition and revenues.
- System and product development of the shared Proff platform for the Scandinavian markets was further streamlined.
- The online version of Krak market data was launched, enabling access to the service through the Internet.
- Eniro entered a strategic cooperation agreement with Bisnode and Experian regarding data collection and sales in Norway.

Other

Eniro Poland in Samsung's smart TV

Eniro Poland's brand, Panorama Firm, was chosen as the app for Samsung's Smart TV in Poland. The app provides easily accessible information about more than 2.4 million Polish companies, government agencies, products and services.

Three questions to: SARA KULLGREN
President Group Product and Services

What made you proudest in 2012?
"Product searches. If I'm looking for a retailer or product category and need help in finding it, Eniro is the best solution for local searches."

What was the single most important achievement in 2012?
"Mobil 2.0. The new packaging of the service based on geographic positioning has made Eniro the strongest player in local searches on the mobile platform."

What will be Group Product & Services' most significant challenge during 2013?
"To achieve profitable growth for Media products."

Eniro's database contains more than:

2.1 million
searchable active companies, up 10 percent since 2011

150,000
web addresses, up 25 percent since 2011

12.3 million
searchable products

11,400
registered online stores

ENIRO'S STRATEGIES

Eniro has three focus areas that distinguish everything the company does and are pivotal in the strategic decision-making process. The three areas are summarized by the terms *Market Position, Quality and Profitable Growth.* Primary activities in these focus areas are designed to drive efforts to achieve the established targets.

Focus areas	In practice	Overall initiatives 2013
Market position	**With the user in focus, we develop our services and make our advertisers searchable round-the-clock**	• Optimal and attractive product portfolio • Leader in mobile search • Attractive employer • Improved products and services with the user in focus • Improved brand position
Quality	**Stability, relevance and simplicity – in everything we do**	• Quality in focus – improved database • Improved user and customer experience • Our values in focus
Profitable growth	**Eniro will grow, with a focus on both revenue and costs**	• Retain and recruit new customers • Scalable and efficient business model for Media products • Sales-channel optimization • Cost optimization • Sales leadership

Market position

Eniro AB (publ) is a leading search company in the media market with operations in the Nordic region and Poland. The company's well-known brands occupy strong market positions and are market leading or number two in each market. Brand recognition is very high: 92 percent of local populations recognize eniro.se of Sweden; 93 percent are familiar with the Norwegian gulesider.no; 96 percent identify krak.dk of Denmark; and panoramafirm.pl in Poland is recognized by 60 percent.

In the Nordic region and in Poland, more than 17 million searches per week are made through Eniro's primary services. Nearly 25 percent of all searches are performed through mobile phones. Each week, Sweden's eniro.se has some 2.3 million unique visitors (UVs); the Norwegian gulesider.no has 1.7 million UVs per week; Denmark's krak.dk and degulesider.dk have 1.4 million and 0.5 million UVs respectively; and Polish panoramafirm.pl 1.3 million UVs.

Optimal and attractive product portfolio

Eniro specializes in local search and offers broad, channel-independent solutions. Customers are searchable in a relevant and predetermined manner round-the-clock, throughout the year. Using the transparent Return On Investment (ROI) reports, customers can obtain an overview of the outcome of their advertising through Eniro and, consequently, adjust the channel mix to optimize their advertising.

Focus on mobile

Eniro currently has a strong position and attractive products in mobile search. Both the market and usage are growing sharply. Eniro will continue to focus on developing its mobile services and products. Securing a position at the cutting edge of mobile technology will expand the Eniro Group's presence in local search. Eniro will continue to be the best at capitalizing on mobile services.

Improved products and services with the user in focus

With the user in focus, Eniro continuously strives to develop a product portfolio that will drive profitable growth. Today, Eniro is a digital local-search company with a presence in the channels that are in demand by its customers. Services are developed according to user needs, behaviors and requests.

Improved brand position

A review of the Eniro brand has been completed. Comprehensive studies were conducted in all of Eniro's markets to identify target groups and their usage of the company's services. These efforts have resulted in a brand strategy that will distinguish the company's position and sharpen the precision of Eniro's future product development. Intensive work was undertaken in 2012 to implement the new brand strategy.

Attractive employer

One of Eniro's challenges is to reduce personnel turnover in the sales force. The trend improved somewhat in 2012, although turnover remains excessive. By means of clear leadership, increased employee competencies, enhanced sales management, clearer goals and raising the status of the sales force, Eniro will become an attractive employer and thereby increase the potential of recruiting market-leading talent. The Eniro brand, as well as the company's values, will become more distinguished and centrally developed

from an employer-branding perspective. By means of well-defined and transparent strategic HR processes for careers, competency development, leadership and remuneration packages, Eniro will position itself as an attractive employer.

Quality

Using a straightforward approach, Eniro's services will provide the user with accurate, relevant and up-to-date information, thereby increasing the number of users and, thus, also the visitors to customer sites.

Quality in focus

Eniro seeks to provide more relevant and superior-quality search hits than other available search services. Over the years, the company has invested heavily in efforts to improve quality, in order to strengthen the user experience. Surveys indicate that Eniro's quality improved during 2012.

The Eniro Group systematically analyses confirmed quality problems and ensures the creation of technical solutions to remedy the problems together with manual input from technicians.

Improved user and customer experiences

Improving the quality of Eniro's services is a continuously ongoing process. These efforts are crucial to the creation of an attractive service that increases usage of the company's products. Improved quality leads to more accurate search results, thus benefiting both users and advertising customers.

Our values

Corporate culture stems from a company's values and the extent to which the company's employees succeed in living up to these values. In 2013, Eniro will work actively to increase awareness among employees and managers concerning the significance and purpose of these values. Insight into shared foundational values will enable the creation of a strong corporate culture that facilitates Eniro's development in line with the company's vision: to be the symbol of local search. Activities that will be implemented include a "values game" and updated manager and competency profiles to encourage adherence to these values.

Profitable growth

Eniro has prioritized the optimal allocation of resources for internal development in the three revenue streams: Directories, the generic name for Online/Mobile and Print, Media Products and Voice. To achieve profitable growth, it is necessary to continue streamlining our sales force and to further optimize costs. It is also essential to continue pursuing an increase in traffic in order to achieve growth.

Retain and recruit new customers

Customer losses – the churn rate – have corresponded to about 15 percent for many years. Retaining existing customers and giving them value for their investments is a key objective. Recruitment of new customers is also vital to future development. With the ROI report, customers receive transparent information on a monthly basis about the customer value created by their investment in Eniro's channels.

Efficiency and economy of scale in the media business

Eniro launched the Media Products revenue stream early in the 2012 fiscal year. The business grew sharply and captured market share during the year. Services were sold under a different brand and by an in-house sales force, which requires that revenue growth remains high in order to cover the costs. Work is ongoing to increase the number of third-party partnerships in an effort to achieve economies of scale and create a more attractive customer offering.

Sales-channel optimization

Eniro needs to raise the revenue per sales representative to generate long-term growth and profitability. A better-structured sales organization characterized by high competency will lead to lower personnel turnover and higher sales. Cost-effective telephone sales are gaining greater priority over customer visits, while sales through the Customer Service channel are being encouraged. To establish long-term customer relationships, it is crucial to have better-defined sales targets that help to improve the customer experience combined with a thorough analysis of customer needs.

Cost optimization

Costs in more mature operations will be reduced to permit investments in growth areas. Everyday cost awareness among employees continues to be strengthened. Continuous adaptation of the company's costs is a prerequisite for retaining competitiveness.

Sales leadership

In a unique initiative, more than 500 Eniro managers underwent training in communicative leadership to ensure that the Group's overall message, values and shared initiatives are disseminated into the organization. The company's sales managers also received training in how to set distinct, measurable and realistic targets for employees. To further increase sales leadership, a framework was created for how sales activities should be pursued, so that all sales representatives will work in the same manner.

ENIRO ON ITS WAY TO BECOMING THE SYMBOL OF LOCAL SEARCH

During the past year, Eniro has been working hard to determine the future role that the Eniro brand should have. Eniro must ensure that it stays innovative and keeps abreast of developments in pace with the market and changing technical conditions. This has led to a completely new brand strategy that provides a clearly defined direction for the entire company.

Vision
The symbol of local search.

Business concept
Provide local information that facilitates the interface between buyers and sellers.

Values
Devoted. Perceptive. Reliable.

To ensure that the new brand strategy is relevant in relation to Eniro's existing and potential users, the company has performed a comprehensive analysis to gain an understanding of the various user groups in the market. The strategy was developed based on surveys of all of the markets. Through interviews and working with focus groups, Eniro has learned more about how to deepen the relationship between the user and the Group. The new strategy clearly indicates that local search is highly relevant and important for the most frequent users in all of the Group's markets. The focus on local search will earn Eniro a special position in the market, compared with other companies in the search business.

The concept of local search encompasses the user's need to find products, services and people within a limited geographic area. Users define the geographic area themselves, which could comprise anything from a couple of blocks or a local street, to a metropolitan area to which the user is going tomorrow – the area is defined by the search. Taglines that summarize Eniro's brand strategy and support its vision are used in marketing communication: Discover local. Search local.

This tagline captures the user's need for finding products and services within a chosen geographic area, while reflecting an increased focus on mobile channels and conveying Eniro's specialized competence – local search.

For users to truly experience that they are obtaining the best local information directly through Eniro here and now, Eniro must continuously expand and improve the Group's services, in symbiosis with both users and customers, as well as employees.

Eniro has a unique position in the market. Eniro's close cooperation with both users and customers has enabled the Group to develop products and services appreciated by the users.

By means of increased user value and a strong connection to the company's users, traffic to Eniro's services will increase, which will in turn generate added value for Eniro's advertising customers. Gaining additional contacts, known as "leads," for Eniro's paying customers enables their business to grow. It is crucial that Eniro listens to its users and customers whenever new products and services are introduced into the market. Local search fills an existing need among the most frequent users in the market. The focus on Eniro's position in local search will secure the Group's competitiveness for many years to come.

Timeline

1889 The Royal Telegraph Agency publishes the first Swedish national telephone directory in Stockholm.

1978 Televerket (the Telecommunications Administration) publishes the first edition of the Swedish Yellow Pages directory (Gula Sidorna).

1984 Televerket acquires ITT's Yellow Pages operation in Sweden.

1986 Televerket acquires the directory company Din Del in Sweden, among other countries.

1991 Televerket introduces directories in a large number of markets in Europe and the US.

1996
- The first online version of gulasidorna.se is launched.
- Eniro is the first European directory company to offer mobile positioning services.

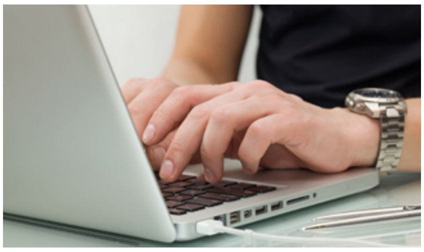
1997 Panorama Polska is acquired.

1998 Focus on sales and market issues, as well as the Internet and new media channels.

1999
- Din Del is launched online as dindel.se.
- Restructuring of Swedish operations.

2000
- Eniro AB is established through a spinoff from Telia. The company is listed on the OM Stockholm Exchange's O-list.
- In cooperation with Ericsson and Telia, Eniro becomes the first supplier to offer MPS – mobile positioning service.
- Eniro becomes Sweden's largest Internet advertising player.

Creation of brand strategy



Segmenting the market through 3,200 online interviews with existing users and non-users

Formulating a brand strategy through 126 interviews with consumers in focus groups

A brand strategy that meets the basic needs of users and matches users' assessments and their image of Eniro

Important facts about Eniro's principal target group

- Represents a significant portion of the total market for local search
    - *Accounts for 44 percent of total searches*
    - *Accounts for 41 percent of total searches through Eniro*
    - *34 percent of the total population*
- A target group that has considerable influence on other user groups, which are characterized by:
    - *Frequent searchers with advanced search behavior*
    - *A user group that is open to new technology*
- Early acceptance of Eniro's products and services
- Progressive and receptive to new ideas
- Similar demographic profile and spread throughout all of Eniro's markets

2003
Acquisition of the company Response, with the 118 118 Swedish directory and a number of Finnish directory-assistance services.

2004
Strategic decision to focus operations on the Nordic countries and Poland.

2005
Acquisition of Findexa – the leading Norwegian search company.

2006
Launch of updated version of the online search services at eniro.se, eniro.no, eniro.fi and eniro.dk.

2007
Acquisition of the leading Danish search service, Krak.

2008
New strategy: from print-dependent to online potential.

2009
New sales concept – search possibilities, visibility and ideas.

2010
Product Search and other products are launched on new technology platforms.

2011
- Cooperation with Google commences.
- Acquisition of De Gule Sider directory in Denmark.

2012
- Eniro issues 1,000,000 preference shares totaling SEK 400 M.
- Eniro Denmark acquires Open Ad Exchange and strengthens its position and network offering in the market for sponsored links.

COMMUNICATION, PR AND SOCIAL MEDIA

Eniro is working to reset and charge the company's brand with new associations. The Eniro Group works proactively with its communication strategy and strives to reach out to all of the company's stakeholders. In 2012, Eniro created the conditions for more appropriate and modern communication.

Eniro has a Group-wide communication strategy, through which the company consistently works to reach out with 360° communication – communication across all channels, to all stakeholders. The strategy is based on the recently created brand platform that proceeds from the basis of the main target groups, which are the same in all markets. With some provision for the minor cultural differences existing between Eniro's various geographic markets, Eniro's shared communication strategy functions in all of its geographic markets. The key values reflected by the message are *devoted*, *perceptive* and *reliable*.

A close dialog between departments working with both internal and external communication ensures the permeation of the brand strategy. Everyone who works with communication adds their particular competency to the process. For communication to be as efficient as possible, the message is adapted to local conditions and to the recipient of the information. Ultimately, the shared communication strategy is expected to result in economies of scale and reduced marketing costs. In 2012, Eniro created the conditions for more appropriate and modern communication.

A central platform

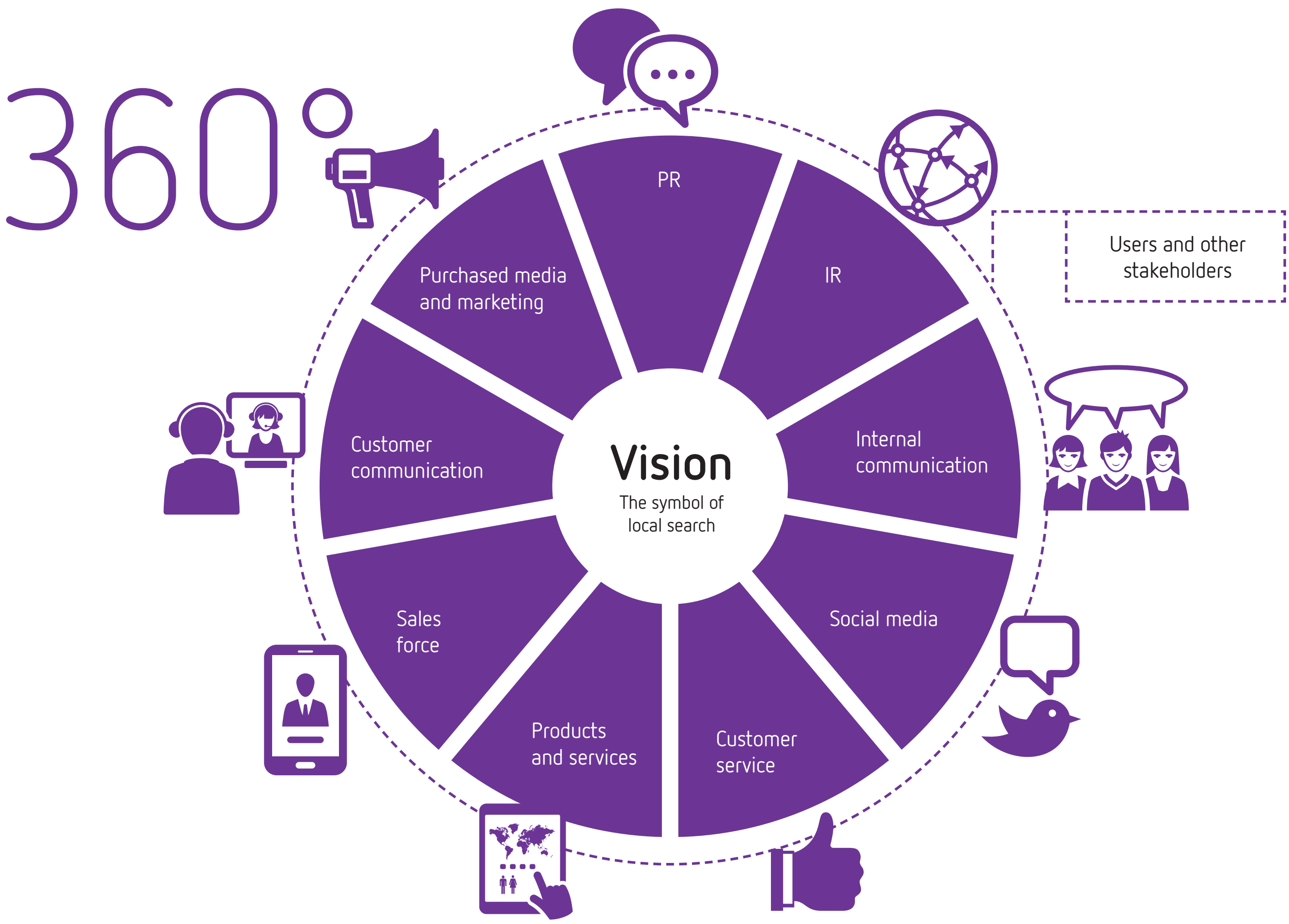
An ongoing challenge for Eniro's Communication Department is to establish a shared central platform for future communication. In parallel, market communication is being shifted to highlight the user value generated by the company's products and services, and the fact that Eniro is currently a digital search and media company. Although the man in the street largely perceives Eniro as a search company, far fewer are aware that digital media account for approximately 77 percent of Eniro's current revenues. The brand remains excessively associated with its historical legacy – the printed directory company. In this context, the considerably high brand recognition – 92 percent are familiar with eniro.se of Sweden, 93 percent with gulesider.no of Norway and 96 percent with the Danish website, krak.dk – offers great potential.

Eniro places considerable focus on creating a dialog with its users and customers, of which a vital component is social media. Eniro aims to enter into discussions and answer the questions that arise.

What is being said or written about the Group is monitored closely through an external monitoring system. In a long-term perspective, all form of dialog contributes to strengthening the Eniro brand and the company's market position as the natural choice for local search in each market.

By being accessible and accommodating, Eniro demonstrates every day that it is genuinely interested in listening and learning about what its users and customers have to say. Regardless of whether it concerns the correction of facts, new information that should be added to the database or opinions about something that can be improved, Eniro listens – and learns.

Communication strategy



Eniro is to be present wherever its users are present and to communicate the same information and values in all of its channels. The message reflected in the information is adapted to specific recipients and stakeholders. A centralized plan and close dialog between those who are responsible for internal communication and those who work with external communication ensure a uniform message that supports Eniro's brand strategy.

External communication with new ideas

External communication is to be characterized throughout by information about the user value derived from Eniro's products and services. The communication is to provide straightforward and focused answers as to how, when and why Eniro should be used. The Communication Department's goal is to increase the appreciation of Eniro's services among users and to help drive traffic to the websites.

A speed-recruiting event was held at Kungsträdgården in Stockholm in May and was the starting point for employing 130 young people in summer-employment positions. It was an innovative idea that provided Eniro with visibility in a central location. The event attracted considerable attention and more than 400 young people applied for the jobs.

Work process

A new Group-level Communication Department with responsibilities for branding and all communication channels enhances efficiency by increasing cooperation between the countries while permitting local adaptations. The communication is based on a mix of social media, public relations, purchased media and proprietary channels. Eniro's campaigns are produced by a team of marketing managers from each marketing unit and Group-level managers for PR, social media and internal communication.

A closely knit team that shares knowledge about each other's field of work facilitates understanding of the conditions underlying the communication, regardless of discipline.

Eniro's media image was further strengthened and was more positively perceived in 2012, compared with the preceding year.

Investor Relations, IR, also works closely with PR, social media and internal communication. In line with the requirements on listed companies, financial and price-sensitive press releases are first communicated through established IR channels before being released through PR and social media.

In 2013, the Communication Department will take its next step by increasing the cooperation among the Communication, Sales, HR and Product Development departments. Eniro's digital strategy is a key aspect of the Communication Department's work, as is its ambition to generate a dialog with users.

Internal communication with a focus on employees and brand building

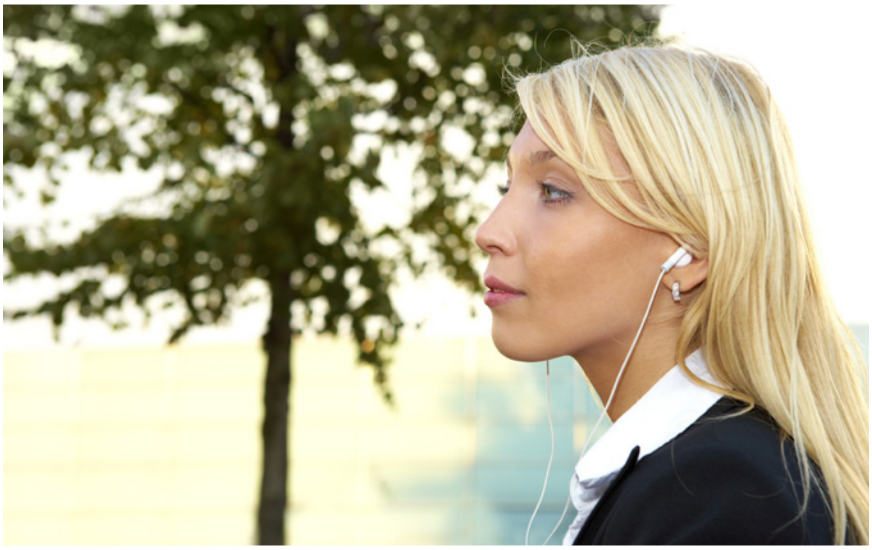
Internal communication must reflect the branding efforts, from overall strategic plans to day-to-day operations. Internal communication, as manifested in the company's values and the results of branding work, is based on the information needs of employees. Work to convey and build the brand internally, which commenced in 2012, will now be given even greater focus in 2013. Eniro's new brand strategy was implemented in early May 2012. Internal communication has an important task of maintaining and continuously reminding employees about the brand strategy.

During the year, an interactive digital training tool was introduced and used by more than 90 percent of employees. Through workshops, participants processed the significance of the brand strategy for their own department and for themselves. After the summer, Eniro embarked upon its next step, in which the question was framed as: how can everyone contribute to the implementation of the strategy? More than 85 percent of employees completed this course. The next step of Eniro's interactive employee training will start in early 2013 and will be based on Eniro's values.

Another goal of internal communication is to instill a sense of pride and belonging, and to highlight all of the company's departments. A further important purpose is to ensure that everyone has access to information and to demonstrate Eniro's open culture.

In addition to the immediately superior manager, the main information channel is the intranet, EniroNet. The intranet has a local subpage in the local language for each country, and spaces for Group-wide information. Live webcasts are available in which the CEO and the Presidents of Eniro in each country provide information, interim reports and comments. The goal is to direct employees to the intranet, where several articles are published daily. The number of comments on the news posted on the intranet continues to rise.

Eniro focuses on the creation of tools for making communication a recurring and natural aspect of day-to-day operations. Clearly defined processes for how managers are to communicate with the company's employees assure the spread of the information through all the channels.



Employment interviews at Kungsträdgården in central Stockholm.

Communicative leadership

The immediately superior manager is the principal, most reliable and most appreciated source of information. Since good leadership originates from good communication, Eniro initiated a unique effort in communicative-leadership training in 2011. The course has been completed by nearly 500 managers since its launch and ensures that the company's overall message, values and joint initiatives are moved into the organization and put into a single context that is relevant to the day-to-day work of individual employees. The course was imbued with Eniro's focus areas: *market position*, *quality*, and *profitable growth*. As proof of the efficacy of these efforts, a subsequent internal employee survey indicated that a full 79 percent of employees understand how they, as individuals, can contribute to Eniro's overall goals.

Three questions to:
ANNICA ELMEHAGEN-LUNDQUIST
Corporate Communications Director

What made you proudest in 2012?
"Having implemented one and the same brand platform throughout the company, based on facts concerning users."

What was the single most important achievement in 2012?
"That our communication strategy was shared across all countries."

What will the Communication Department's most significant challenge be during 2013?
"Making users understand when and why to use Eniro."

eniro

Discover local. Search local.

2012

203
external press releases and news items

1,446
internal articles on the intranet

600,000
contacts reached per month through social media

EMPLOYEES AND LEADERSHIP

Eniro has some 3,200 employees in five countries. Sales representatives account for a large proportion of the company's employees. In 2012, Eniro received positive press coverage and was awarded for its professional manner of working with employer branding. The company also worked intensively to increase the status of the sales force. One example is Eniro Sweden's cooperation and work with a local vocational college in the launch of a one-year extramural course.

Operations

Eniro's operations are divided into four geographic market units, Sweden/Finland, Norway, Denmark and Poland. The Presidents of each company are responsible for sales, costs and outcome. The support functions for the market units are Finance, HR, Communication/Market, Group Products & Services (GPS) – which develops products and services – and Group Service Delivery (GSD) – which converts ideas into saleable products and functioning services.

In addition to sales representatives, important professional categories include technicians, accountants and programmers.

HR has an operational unit in each country that trains and develops employees. Strategic processes such as leadership and organizational development, remuneration policies and employer branding are developed centrally together with local representatives and managers.

Values

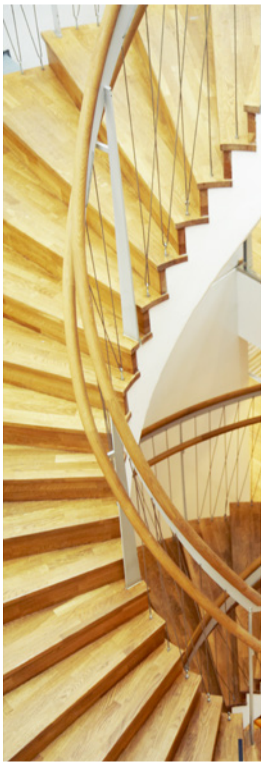
Eniro is in the middle of a development journey. Values are an organization's main means of governance. Eniro and its local equivalents are well-known brands. The company endeavors to be perceived as a specialist in local search in all of the countries where it has operations, irrespective of the channel selected. The vision is to be the symbol of local search.

Work on achieving this vision begins with clearly defined values. The entire operation and everyone who works in the company have to impart and be imbued with the shared values of being *devoted*, *perceptive* and *reliable*. For Eniro, a key aspect is to convey the image of a straightforward employer offering good employment terms and a healthy work environment in which considerable importance is attached to diversity.

Internal communication is an important link between the company and its employees. In addition to direct communication from the immediately superior manager, the main channel for internal communication is the intranet, EniroNet. The company's communication strategy is 360° based, meaning that the information, values and terms used in messages are adapted to specific target groups. The important target groups for the information communicated by Eniro are employees, the media, investors, customers and users.

Leadership and skills development

Good communication skills are an important foundation for effective leadership. To highlight and boost internal communication, Eniro launched a course in communicative leadership in 2011 that has been attended by nearly 500 managers to date. Improved communication enables the company's overall message, values and joint initia-



tives to be moved into the organization and puts them into a single context that is relevant to the day-to-day work of individual employees. Material used in the communicative leadership course comprises conferencing techniques, dialog and how messages are to be conveyed and permeated in respect of Eniro's focus areas: *market position, quality* and *profitable growth*.

In 2013, internal communication will be developed to increase cooperation between the Communication/Market, Sales, HR and Product Development departments.

Break in the trend

For a number of years, a challenge for Eniro has been an excessively high personnel turnover rate. In 2012, this negative trend was broken and fewer employees left than in the preceding year. Intensive and long-term efforts to identify the causes of employee resignations and where they turn for new employment, as well as active support for managers in employee coaching, have yielded results. The aim is to further reduce personnel turnover in 2013. The target is a reduction of 50 percent with target fulfillment for sales representatives reaching 60 percent.

To succeed in these aims, the HR organization, which has been an administrative unit, is being developed into a proactive unit. Activities include defining a clear working model that is shared throughout Eniro's countries of operation, increasing local support for managers in the recruitment process, coaching and a number of other HR initiatives.

In 2012, a new structured process was created to meet the needs of employees for pursuing careers and for further development at Eniro – what is referred to as a talent process. The process will be implemented in 2013. Shared templates and processes were also created for employee assessment and performance reviews, which will create the right expectations and conditions for an employee's particular position. A key foundation stone is to create a clearer assessment process in order to improve target fulfillment. Employee assessment and target fulfillment have also been more clearly connected to pay development and remuneration strategies.

The efforts made to raise the status of the sales force combined with efforts to increase target fulfillment will result in an improved and streamlined recruitment process. This work will ensure that the right people are employed in the right positions and that new employees will find contentment and success and consequently remain within the Eniro Group.

2012 – a positive year

In October 2012, Eniro was named Employer Branding Company of the Year, a prestigious award in the category focusing on young active professionals. The rationale given for the honor, which is awarded annually by Universum and NovaAgentum, was as follows: "Eniro has worked professionally with employer branding for an extended period. It has now got off to a fresh start in its employer-branding work, which encompasses the entire company. The entire organization is focused intently on the issues, which are firmly established in the management team."

A number of activities and initiatives form the foundation for the distinction, such as:

- During four weeks in the summer, Eniro Sweden employed 130 youths in the 18–22 age group at the head office in Frösunda. News about the summer work spread rapidly in social media. The work done by the young people involved updating the content of Eniro's database. The ideas underlying this venture were, firstly, that Eniro would assume social responsibility by offering young people work experience, and, secondly, ensuring the supply of competence, while also improving the company's service quality. The result and the experience gained were highly satisfactory, and there are plans to conduct similar projects in smaller locations but with a complete focus on increasing the local content and local quality.
- Along with the employer branding company, Universum, Eniro instigated the "Best Seller of the Year" award.

Eniro wants to highlight the sales profession from a positive angle and participated in selecting the best sales company in Sweden.

- In an effort to heighten interest in the sales profession and raise the status and competency in the profession, Eniro is cooperating with a number of other companies, such as Preem, Swedbank and Electa, and with vocational colleges in a bid to establish extramural education in sales management. This one-year course will start in autumn 2013 and is also open to Eniro employees. Eniro is also engaged in lobbying in order to establish other courses in sales training.

As a result of the activities and the positive attention gained by Eniro in the HR area during 2012, the company hopes to bolster its attractiveness and position among young, potential employees during 2013.

The Employee Satisfaction Survey, which was completed in December, confirmed that Eniro has committed employees and that they increasingly perceive Eniro as a more united company with shared goals and values. The survey also showed that management in the company maintains a high overall rating.

Career

Many of those who are executives in Eniro today have been recruited internally. Irrespective of where people work in the company, or their duties, they always have access to favorable career paths and the potential for individual development. The primary career path at Eniro is to start as a telemarketer and subsequently develop as a team or group leader.

IT developers also have excellent career opportunities at Eniro. To a large extent, proprietary technology is used for developing the Group's cutting-edge products and services.

Three questions to:
MARTINA SMEDMAN
HR Manager

What made you proudest in 2012?
"That we built a Group-wide structure with distinct processes to support the business."

What was the single most important event at HR in 2012?
"That by establishing the "Best sales person of the year" award, Eniro showed that it is actively raising the status of the sales profession."

What is HR's principal challenge in 2013?
"That the HR organization gains the right conditions to implement the new organization successfully, that personnel turnover is reduced and that sales personnel achieve higher goal fulfillment."

IN BRIEF

Total for all countries	2012	2011
Full-time employees, number	3,187	3,626
Percentage of sales reps, of the total workforce	42	52
Percentage of women/men	52/48	55/45
Work attendance rate, %	94	95

94%

of Eniro employees feel that they base their day-to-day work efforts on the requirements of users and customers.

eniro

Discover local. Search local.

OUR BRANDS

	Sweden	Norway	Denmark	Finland	Poland
Directories Online / mobile	eniro – Upptäck närheten. Sök lokalt. One of Sweden's most visited websites, Sweden's main site PROFF The Business Finder – B2B service with business-related information REJTA.se – Swedish ratings site	GULE SIDER – One of Norway's most popular net services, the main site PROFF The Business Finder – B2B service with business-related information sol.no – Internal portal with wide-ranging offering anbefalt.no – Norwegian ratings site	krak – One of Denmark's most popular websites, main site DE GULE SIDER – One of the most popular websites, main site PROFF The Business Finder powered by krak – B2B service with business-related information 10-S – Portal for interaction and communication	sentraali – Eniro's Finnish revenue stream, with information and contact-center operations.	PanoramaFirm – Main site
Directories Print	Gula Sidorna – Sweden's largest printed product in A5 format DinDel – Sweden's most popular local directory	ditt distrikt – Local directory, with new A5 format	Den Røde Lokalbog – Local directory in A5 format mostrup – Local directory for the country's 114 municipalities		PanoramaFirm – Printed regional directory budownictwo.pl – B2B catalog for the construction industry in Poland
Media Products	KVASIR MEDIA – Media agency with holistic solutions for searchability	KVASIR MEDIA – Media agency with holistic solutions for searchability	media group – Media agency with holistic solutions for searchability		
Voice	118 118 – The personal search service	1880 GULE SIDER – Directory services, also with premium services		0100100 – Directory of Swedish and Finnish phone numbers	

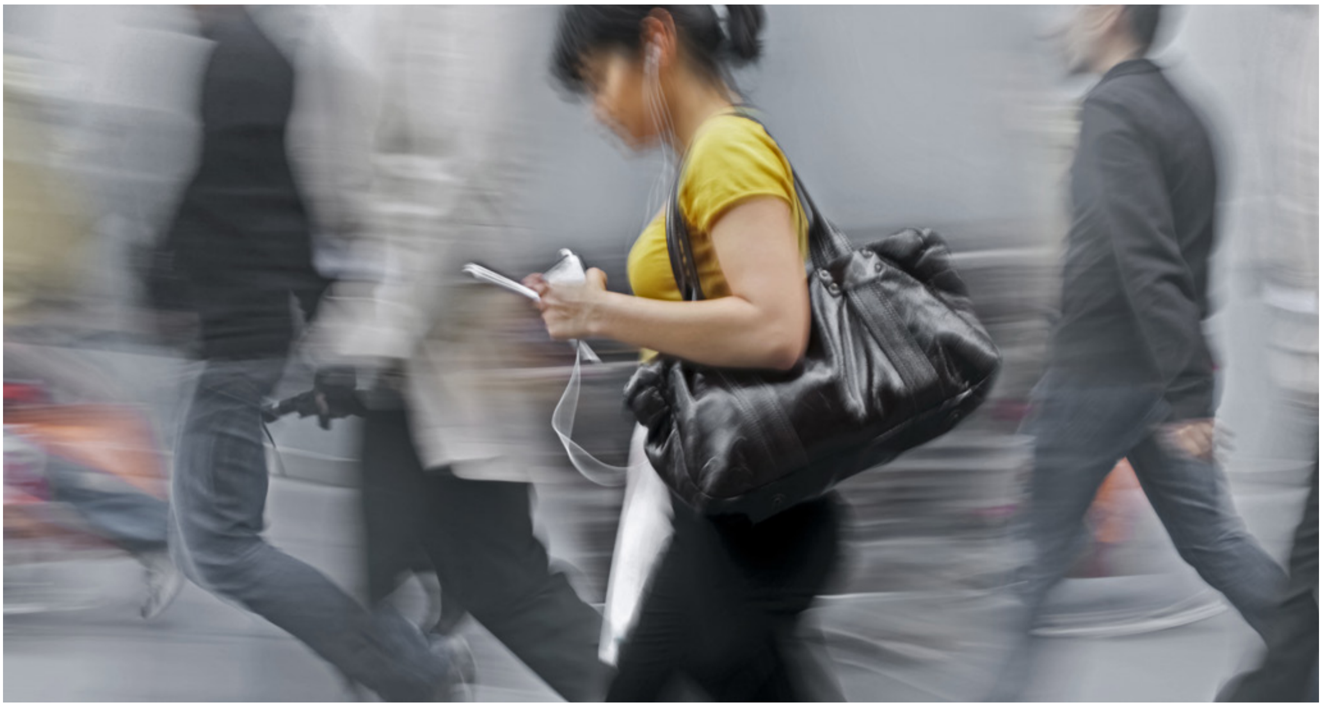
Operations

"We are well positioned for continued growth in the digital channels."

Johan Lindgren
President and CEO

MARKET & BUSINESS ENVIRONMENT

Eniro's transformation from printed media to growth channels in the market is now complete. The total Nordic and Polish markets for local digital search are expected to grow during 2013. Mobile advertising and search word markets are the primary growth channels.



Total media market 2012

External forecasts for the media market point to minor growth in 2012. The total media market in the markets where Eniro is established (Sweden, Norway, Denmark and Poland) reported sales of some SEK 90 billion in 2012, representing a volume decrease from 2011 of some 2 percent. Eniro's share of this market was about 4 percent in 2012.

Search market 2012

Eniro's addressable segment of the overall media market is the search market. The search market encompasses a number of advertising channels in the media market, such as advertising via mobile devices and Internet and printed directories.

Sales in the segment of the total media market in which Eniro is a leading player amounted to some SEK 24 billion in 2012, representing a growth rate of 8 percent from 2011. The search market may be defined as search channels that enable buyers and sellers to meet in order to conduct business. It consists, on the one hand, of companies that pay for various forms of advertising to be searchable and, on the other, the potential customers. Search companies function as a hub in contact creation by providing advertising channels that enable users to find what they are looking for in a structured manner. In recent years, the search market has changed fundamentally. The sharp increase in penetration by smartphones has significantly affected how we seek information. Accessibility to search services is rising, thereby changing user behavior. Smartphones, mobile broadband and portable computers make it easier to seek information online. The offering is not just many times larger than just a few years ago; finding the search target also goes faster and, to an increasing degree, users have access to information no matter where they are and immediately.

Competition and industry colleagues

Regardless of channel, the search market is marked by stiff competition, rapid change and high technological innovation. In the case of printed products, competition consists mainly of various forms of substitute competition, meaning that one search channel gains users and advertising from another type of search channel. Eniro's products and services are subject to both direct and indirect competition from companies offering searchability and relevant presence, round-the-clock throughout the year. Eniro encounters direct competition from players active in the same market and that provide local search services as well as indirect competition from alternative channels that compete for the customer's total media investment, such as daily newspapers, radio, TV and outdoor advertising as well as direct marketing. In addition to major global players, the competitors are small local companies, niche players, media groups and conventional directory companies.

Eniro's competitors may be grouped as follows:

- *global/generic search engines* that provide relevant hits for what the user is seeking, such as Google.
- *social global network pages,* such as Facebook, Twitter and other communities that create traffic and on whose pages the user spends a great deal of time.
- *commercial software companies,* such as Microsoft and Apple, who provide predefined operating systems.

INDUSTRY COLLEAGUES

Unlisted companies	Primary markets	Owner	Revenues, 2012[4]
EDSA [1]	Netherlands, Finland, Austria, and Poland	Triton	N/A
Truvo [2]	Belgium, Portugal, South Africa and Puerto Rico	Privately owned	N/A
Bonnier	Sweden, Norway and Denmark	Bonnier Group	N/A
Berlingske [3]	Denmark	Mecom Group plc	SEK 3,358 M
Listed companies		**Trading place**	
Eniro Sweden,	Norway, Denmark, Finland and Poland	Nasdaq OMX	SEK 3,999 M
Solocal Group	France, Spain, Luxemburg and Austria	Euronext Paris	SEK 9162 M
SEAT [3]	Italy, UK and Germany	Borsa Italiana Telematica	SEK 6,007 M
Hibü [3]	UK, USA, Spain, Argentina, Chile and Peru	London Stock Exchange	SEK 14,896 M
Google INC	Worldwide	Nasdaq	SEK 319,087 M
Schibsted	Sweden, Norway, Denmark and 22 other countries	Oslo Stock Exchange	SEK 17,231 M

[1] EDSA was restructured in 2010 and does not publicly report ownership or revenue. [2] Truvo does not publicly report revenues. [3] Berlingske, SEAT and Hibü had not published their earnings for 2012 at the time of the publication of Eniro's annual report. Instead, earnings are reported for the latest possible rolling 12-month period. [4] Exchange rates as of December 31, 2012.

- *vertical and e-trading sites,* such as Amazon, Blocket and Hemnet, which fulfill a specific function within a special area.
- *local search* companies pursuing operations in Eniro's local markets.

Sweden
In the Swedish market, Eniro competes with both local players and global search engines. A number of international and local players compete in the Internet market, including Google and Hitta. In the market for printed directories, Eniro also encounters competition from the local directory, Lokaldelen.

In the market for directory assistance services, 118 800 and 118100 are competing brands. In Sweden, Eniro has an estimated market share of 5 percent of the total advertising market. For the relevant search market, the share is 17 percent.

Norway
In the Norwegian market, Eniro encounters competition from both local and global search engines. There are strong local players, such as Opplysningen 1881, which Eniro encounters in both the Internet and directory assistance services market. Google also has a strong position in Norway in terms of Internet visits. Eniro's market share in 2012 in Norway is estimated at 5 percent.

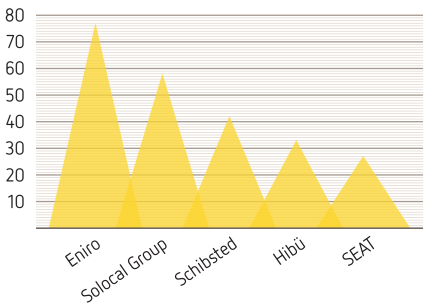
Denmark
Following the acquisition of De Gule Sidor (Yellow Pages) in Denmark, Eniro competes primarily with global players, such as Google, in respect of Internet searches, but also with local players.

In Denmark, Eniro's market share is estimated at 3 percent of the total market.

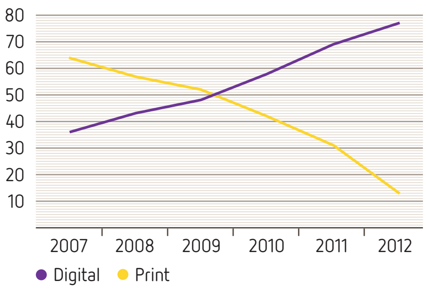
Poland
In the Polish search market, Eniro competes primarily with the local player, PKT. Also in Poland, Google is a strong brand and is frequently viewed as a start page from which a search can continue. In Poland, Eniro has an estimated market share of 1 percent.

Finland
In Finland, Eniro does not pursue conventional search services but is active in directory assistance services, which are directly financed by the user. Eniro's main competitor in Finland is Fonecta.

Percentage of digital in relation to total advertising revenues, 2012



Digital/printed revenues, % of total advertising revenues, 2007–2012



BUSINESS MODEL

The basis for Eniro's business model is its unique proprietary database of commercially relevant information. Good access and high user value in channels used by consumers for searching information make Eniro a key supplier for companies wishing to be searchable round-the-clock very day of the year.

User Services		Customer/advertiser products	Channels	Price model	Customers
• eniro.se • Gulesider.no • Krak.dk • De Gule Sider • Proff • Anbefalt/Rejta/Det Hitter • Panoramafirm.pl • Apps & E-book readers	ONLINE & MOBILE	• Profiling • Visibility • Online ranking • Listing • Corporate information • Mobile website • Ranking on mobile • Search-word optimization	• Field sales • Tele-sales • Customer service • Postal correspondence	• Fixed price for a pre-determined period and insertion	• > 1,000s of customers
• Gula sidorna • Din Del • Ditt Distrikt • Rød Lokalbog • Mostrup • Panoramafirm	PRINT	• Listing • Logs • Advertisements	• Field sales • Tele-sales • Customer service • Postal correspondence	• Pre-determined price for a pre-determined period and insertion	• > 1,000s of customers
• Websites • Search engines • Mobile apps	MEDIA PRODUCTS	• Banners • Video presentation • Websites • Sponsored links • SEO (search engine optimization)	• Field sales • Tele-sales	• Fixed charge • Cost per click (CPC) • Subscription	• > 1,000s of customers
• 118 118 • 1880 • 0 100 100	VOICE	• "Questions and answers" • Voice ranking • Name and number	• Service directly to end user	• Per call or SMS	• > 24 million calls • > 5 million SMS

Users

Millions of people in the Nordic region and Poland use Eniro's services each week. The brand project implemented in 2011 confirms that Eniro's users, irrespective of geographic market, use the company's services in a similar manner and appreciate the high quality, relevance and reliability of the service. This resulted in a new brand platform that shows a clear direction for the entire company. Work to implement the new brand strategy was conducted in 2012 and will continue in coming years.

During 2012, the use of Eniro's products in Sweden generated approximately SEK 68 billion. This represents about 1.9 percent of Sweden's total GDP. Statistics from TNS Sifo show that the conversion rate for one or more contacts on eniro.se is 33 percent, and 46 percent for the Gula Sidorna (Yellow Pages) directory.

Eniro's progress is driven by user requirements, behavior and wishes. The company has increased its focus on creating user value that drives traffic, and thus customer value. Changes in user search behavior, primarily mobile search and search-word advertising, have contributed to a shift in the company's services into new media channels.

Eniro contributes to high user value. The company's mobile apps, based on the geographic location of the user, provide rapid and efficient access to the nearest point of purchase or perhaps the closest seaside restaurant. The new, updated maps, with high Retina resolution, provide clear road directions. Those who are locked out of their homes can find a locksmith by calling the product search service or the information service 118 118. The B2B service proff.se contains information on all Nordic companies and executives.

Customers

Eniro markets and sells visibility via various media channels to hundreds of thousands of customers. Since most of these do not have a readily recognized brand, they need to be searchable. Eniro creates complete searchability for small and midsize companies, a one-stop-shop solution, by providing a media package that offers a wide-ranging presence in the local search market.

The focus on Media Products has extended Eniro's offering from search-

1. Sources of information

- Information register
- Customers
- Website crawling
- Product information
- Users
- Sales reps
- Telecom operators

Eniro compiles and coordinates information from a number of different sources.

2. Eniro's database

Information is stored in the information database, which is the company's principal asset.

3. Distribution channels

- Online
- Mobile
- Voice
- Print
- Media products
- Partnership

The information in the database is processed and provided to customers through a number of distribution channels.

ability alone on the company's proprietary channels to offering a presence in external channels. Eniro offers searchability through sponsored links with such partners as Google, startsiden.no, GP and Hemnet. Eniro cooperates with external partners that deliver parts of the company's services in the form of search-engine optimization (SEO), websites and mobile websites. The package offers a combination of presence on the sponsored links of proprietary sites and partner sites, the establishment of corporate websites, videos and banners and SEO.

Products

With the focus on users and customers, Eniro's services are developing toward new channels, products and services. Product and service development occurs at Group level in two units that are common for all countries. Central development facilitates a cost-effective structure, while ensuring conformity in terms of brand and delivery. Eniro is, and will continue to be, the best player in local search. The digital areas of Online/Mobile and Media Products account for most of the company's service development.

Sales representatives

Eniro has one of the largest sales forces in the Nordic region. Each year, the company's more than 2,000 sales representatives contact millions of current and potential customers. The efforts of the field sales force focus primarily on major customers with more sophisticated requirements. When contracts are to be renewed, existing customers are contacted by telesales representatives or through the postal services in order to enhance process efficiency. An increased number of telesales representatives in the sales force boosted sales canvassing and enhanced efficiency. Customer service has also been given the sales mandate of providing good service to calling customers, which also benefits add-on sales. Sales of the more complicated services in Media Products are conducted through an independent sales team.

Pricing

Pricing differs among the various products and channels. For presence in printed directories, a fixed price model is used, where the customer pays in advance. The products and services provided via the Internet and the mobile channel are paid for when the service is used. The Media Product services encompass various forms of payment, containing fixed and variable components. A fixed start-up and service fee is charged for all sponsored links. The service fee is charged for helping customers to develop the right search words on their websites, to optimize delivery of purchased search words and to improve their ranking in search engines. Customers pay on an ongoing basis for actual clicks on the exposed link to their website, sponsored links. The end user pays in conjunction with the use of Voice services.

Internal and external content

Up until 2011, Eniro's operations were primarily focused on its proprietary brands, products and services. Through the cooperation agreement with Google in late 2011, Eniro expanded its customer base, while increasing the proportion of third-party revenue. Eniro already has partnership agreements with GP, Hemnet, Garmin and Søndagsavisen Bolig in Denmark, and aims to strengthen the network with additional partners. Increased external content will complement and strengthen Eniro's proprietary products.

ONLINE / MOBILE

During 2012, the Online / Mobile revenue stream increased by 6 percent compared with the preceding year and totaled SEK 2,124 M (2,008). Organic revenues rose 1 percent. Online / Mobile accounts for 53 percent of Group operating revenues.

Operations

Online/Mobile is part of Eniro's Directories operations and is conducted in all of the company's geographic markets. The most significant revenue sources in Online/mobile are the Internet sites and the mobile platform eniro.se in Sweden, gulesider.no in Norway, krak.dk in Denmark and panoramafirm.pl in Poland. Via these services, users can easily find local points of purchase, corporate information and addresses, individuals and public services, while Eniro's services make customers searchable 24/7 throughout the year.

As a complement to online searchability, Eniro offers products and services that are technically adapted for the rapidly growing mobile channel.

Eniro provides search information via a number of complementary channels through which the users wish to conduct their search: via computers, through the mobile channel and in printed directories. Within a few years, it is expected that users will primarily use mobile channels. Eniro's local search services are well suited for rapid and more direct channels, such as smartphones.

Business trend in 2012

Eniro's digital business continues to grow and represented 77 percent (69) of the company's total advertising revenues at year-end. The mobile search service progressed particularly favorably, reporting growth of 166 percent. Eniro is capturing market shares and mobile as a growth channel is expected to expand twofold during 2013.

The trend towards greater integration of social media in the local search was notable during the year. Interest in using more user-generated content, such as ratings and check-ins, rose markedly. Due to increased shopping via the Internet and mobile phone, the significance of product searches is rising. During the year, Eniro focused its service development on the user and strengthened its social search offering with more user-generated content. The design of hit lists and profile pages for companies and people in Sweden, Norway and Denmark was updated to gain greater clarity and an improved structure.

The launch of Mobil 2.0, with a completely new user interface, had a major impact. The app, including Facebook integration, proceeds on the basis of the user's geographic position to provide the maximum search results in the local area. Eniro's new apps for iPhone and Android phones were upgraded and, by January 2013, had been downloaded by about two million users in the Nordic region.

Traffic on the Proff sites, Scandinavia's leading search service for financial information about companies, increased by some 35 percent. ProffOffert, through which users can request tenders directly from specific companies free of charge, was relaunched in Sweden and Norway with a significantly higher number of suppliers.

SEO, search engine optimization, was enhanced on eniro.se, gulesider.no and krak.dk in a bid to increase traffic to the sites.

Eniro Sweden continued to streamline its operations. During the year, Eniro Deals, Köp & Sälj (Buy & Sell) and Bilwebb (Car web) were divested. Large parts of the sales organization were restructured late in the year, which is expected to contribute to increased efficiency.

In Norway, the Norwegian B2B service, Inform, was sold to Bisnode and the Norwegian web search service, Kvasir, was sold to Scandinavia Online AS, which is owned jointly with Aller Media AS. Parallel with these moves, the core service, Gule Sider, was streamlined to form a digital product. Despite a positive response from users, it proved difficult to completely convert print revenues to online revenues and this factor, combined with increased competition, adversely impacted full-year revenues in Norway.

In Denmark, the local competitor, De Gule Sider, was acquired, thus strengthening Eniro's position as the largest online/mobile player in the Danish search market.

In Poland, the user and customer offerings were strengthened through tools designed to update database information, combined with activities in social media. A new app was launched during the first quarter of 2013 that offers users easily accessible information on more than 2.4 million Polish companies and authorities and products and services.

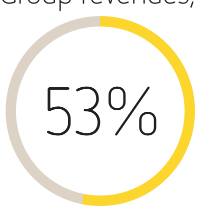
Focus in 2013

The focus for the year is to expand Eniro's customer base. Customer value, and thus the average revenue per customer, is to be increased by offering attractive add-on services to the main services. As a result of improved analysis and customer dialog, relations with existing customers will be strengthened and the churn reduced. The complementary search channels will be harmonized and given a similar appearance to increase user value. Greater integration of social media, ratings and product searches are core development areas.

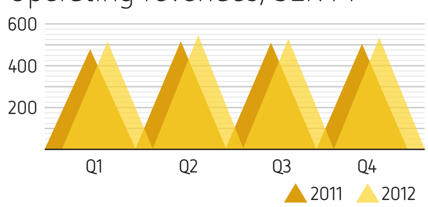
Outlook

The market for online search – especially mobile services – is expected to continue its sharp growth. Eniro has a strong position from which to continue developing the digital service offering. Small and midsize companies are expected to need exposure via Eniro's channels. The unique database offers potential for customers to ensure 24/7 searchability.

Share of Group revenues, 2012



Operating revenues, SEK M



In brief

	2012	2011
Operating revenues, SEK M	2,124	2,008
Revenue trend, %	6	0
Share of Eniro, %	53	46

PRINT

In 2012, total Print revenues declined 30 percent compared with the preceding year and amounted to SEK 740 M (1,051). Organic revenues decreased 33 percent. Print accounts for 19 percent of Group operating revenues.

Operations

The Print revenue stream is part of Eniro's Directories operations and the advertising channel is offered in all of the company's geographic markets, except Finland.

Eniro's printed products – directories and guides – continue to account for a substantial share of revenues although sales are declining. To meet the fall in revenues, a number of actions are being taken to reduce costs. The transition from printed directories to digital media is now complete and has been managed. Printed media continue to decline as an advertising channel but the organization has been adjusted to meet the prevailing market conditions. The use of directories, especially the local products, remains high and profitability is favorable. Growth in digital search is robust, which will prove a challenge for traditional printed advertising in the future. The transition is most rapid in Norway. Sweden is second after Norway in terms of the highest digital usage.

Meanwhile, print continues to account for a large share of revenues in Denmark. Poland was later to enter the transition from print to digital media, but progress is rapid.

Business trend in 2012

Revenues from printed directories continued to decline during the year although the use of directories remained high. This revenue stream contributes with positive earnings and cash flow.

The local directory, Ditt Distrikt, in Norway and the regional directories Swedish Gula Sidorna in Sweden and Den Røde Lokalbog in Denmark were revamped in a smaller, handier and more user-friendly A5 format. Meanwhile, the offering was simplified with fewer advertisement sizes, new pricing and new layout.

The affluent 50+ age group represents the core users of directories in all countries. A new sales concept aimed at the directories' core users, including descriptive purchasing behavior, was launched in Sweden, Norway and Denmark.

In Sweden, the distribution of Gula Sidorna has been changed. Eniro has ceased to distribute the directory to those who do not wish to receive advertising materials, and has also ceased to print information on individuals, the white pages, as a result of the reduced usage. These two changes contributed to cost savings and are part of Eniro's environmental program. Despite the distribution changes, Gula Sidorna remains the most highly used of all print products in Scandinavia. The local directory, Din Del, has gained a new design and layout, plus a simplified offering. During 2013, Din Del will be strengthened with more mobile numbers to private individuals.

In Norway, the regional Gule Sider directories were streamlined to form an online product. Despite a positive response, the expected rise in users in the digital channel did not materialize, and the print revenues could not be fully converted to online revenues. Directory activities were concentrated to the local directory, Ditt Distrikt.

In Denmark, Eniro acquired the local competitor, De Gule Sider, in late 2011. At the time of acquisition, De Gule Sider published a number of printed directories and Eniro continued successfully to publish several of De Gula Sider directories. In Denmark, the transition from print has proceeded more slowly than in the rest of the group. In some regions, directory sales continue to grow. The Mostrup local directory gained a more optimal geographic division that matches the country's division into municipalities, resulting in a concentration and merger of directories.

In Poland, the transition from print to online/mobile is in progress. The shift is moving rapidly, but entails a fall in revenues in the short term. During 2012, the geographic division of Panorama Firm was efficiency enhanced and optimized. A new simplified offering and new pricing were also implemented in conjunction with this. The nationwide directory for the construction industry, Budownictwo, was modernized with a new design and new site.

Focus in 2013

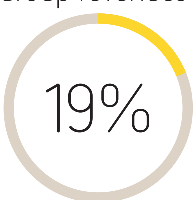
The Print revenue stream plans to focus on reviewing packaging, prices and offerings. Maintaining profitability in a declining market is a challenge. The products will be made more cost-effective through a review of the production processes such as printing, paper quality, partners, the management of advertisements, format, layout and design. A review of the geographical division is conducted regularly.

As regards distribution, the goal is to be as efficient as possible and only distribute directories to those wishing to receive them.

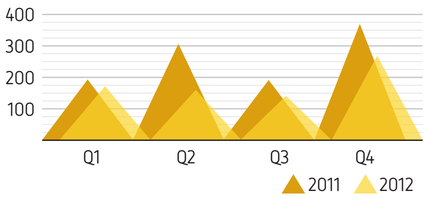
Outlook

Although the market for printed directories is shrinking, Eniro has confidence in this revenue stream. An adjustment of operations is in progress to match the prevailing market trend and costs, while distribution is reviewed regularly. Printed directories are one of Eniro's regular channels and will continue to be produced as long as the Group's customers feel that it is an attractive form of advertising and it offers satisfactory profitability.

Share of Group revenues



Operating revenues, SEK M



In brief

	2012	2011
Operating revenues, SEK M	740	1 051
Revenue trend, %	-30	-36
Share of Eniro, %	19	24
Printed directories, millions	12.6	14.4

MEDIA PRODUCTS

The Media Products revenue stream increased 24 percent in 2012 compared with the preceding year and amounted to SEK 234 M (188). Organic revenues rose by 26 percent. Media Products accounts for 6 percent of Group revenues.

Operations

The Media Products revenue stream, which encompasses sponsored links, search engine optimization (SEO), video and banner advertising, is a growth area for Eniro. The operations are established in Sweden, Norway and Denmark, and were tested in Poland during the year. The objective is to organize the products within a joint sales concept, the Media Business Concept. The concept, which was launched in Sweden and Denmark during the year, includes a joint product portfolio, joint processes and IT systems.

With this establishment, Eniro is advancing its position toward the media market's growth areas. The services are sold under the Kvasir Media brand in Sweden and Norway and under the name Krak Media in Denmark. Eniro offers its customers a broad presence in the relevant search market, a complete digital marketing portfolio – a one-stop shop solution. Eniro aims to function as an advisory media agency in digital media for small and midsize companies. The advertiser pays when the activity occurs, meaning when the user clicks on the advertising link/display advertisement. For services such as mobile websites, videos and SEO, ongoing subscriptions are offered.

Business trend in 2012

Media Products comfortably exceeded the total market growth and average revenue per customer increased. Growth of 24 percent during the year was high, but failed to meet the company's expectations. The products are more complex and differ from Eniro's other offerings, since the advertisements need to be optimized continuously to generate customer value and revenue for Eniro. An extensive training program for the sales force was conducted, since the products sold have a different business logic and greater complexity than, for example, Directory products. Media Products are sold via a separate sales organization in each country by a total of some 150 sales representatives.

Sponsored links based on "click performance" as the payment model and display advertising, for which the number of visitors is counted, are important services in the offering and accounted for most revenues in 2012. Services such as mobile websites, videos and SEO accounted for the remainder. SEO entails that Eniro assists the customer to identify the factors that drive traffic to the customer's website. The trend is for the search engines to register and build user profiles in order to reach such users with selective information.

During the year, Eniro acquired Open AdExchange in Denmark and thus strengthened its position and market network for sponsored links. As a result of the acquisition, Eniro has become an exclusive player in being able to offer a comprehensive solution for sponsored links, including a presence on Google and visibility on the other most visited Internet sites in Denmark.

Cooperation with Google is progressing favorably and Eniro's agreement as a reseller of search words in Google's network resulted in additional customers.

Eniro plans to expand its network with additional partners to become faster at delivering value to customers in terms of the number of clicks bought by customers. In addition to Google, the company cooperates with, for example, Hemnet in Sweden and Søndagsavisen Bolig in Denmark.

For Eniro, transparency vis-à-vis the customer is of key importance. To be able to show the value of the completed investment, a customer web has been developed in which customers can see how the investment is performing on a daily basis.

At the end of the year, in an effort to capitalize on the growing use of digital services in mobile devices, Eniro launched sponsored links to mobile devices in its proprietary network in cooperation with AdQuota.

Focus in 2013

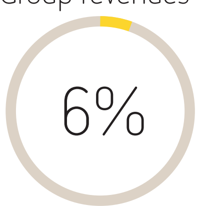
The focus in the media business is to continue to increase revenues and strengthen profitability. The products are sold via package solutions with various profitability margins depending on the content. A combination of activities is required to attain the objective of growing faster than the market and bolstering profitability in the media business. The customer offering, meaning the advertising network, needs to be strengthened through additional external parties, parallel with an improvement in sales efficiency. Sales efficiency is expected to increase by means of a continuing focus on fundamental sales methods and sales management, combined with clearer process and systems support. Further development of the partnership with Google, combined with a strong proprietary network, is a core factor.

More customer-specific offerings are also planned, while contact with media agencies will be strengthened.

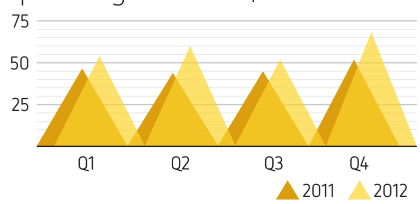
Outlook

The market for Media products is expected to continue growing, not least in the mobile and search word segments. A greater presence on the Internet and in other digital channels is expected to lead to a shift in marketing funds. Like all marketing, digital advertising will become more performance-based and exposed to competition, and successful sites will be able to charge more than others. Eniro is expected to continue to win market shares also in 2013.

Share of Group revenues



Operating revenues, SEK M



In brief

	2012	2011
Operating revenues, SEK M	234	188
Revenue trend, %	24	4
Share of Eniro, %	6	4

VOICE

Total operating revenues for Voice decreased 14 percent in 2012 compared with the preceding year and amounted to SEK 769 M (899). Organic revenues fell 13 percent. Voice accounts for 19 percent of Group revenues.

Operations

Eniro pursues Voice operations in Finland, Norway and Sweden. The company provides directory assistance by phone and SMS, with personal service 24/7. Examples of the premium services include road directions, public transport information, hotel booking or reserving tables at restaurants. In Finland, in addition to directory services, Eniro also operates a contact-center business.

During 2012, a total of 24 million calls were handled and almost 5 million SMSs answered.

Voice differs from other business areas in that it is the end user who pays for the service.

In Sweden, Eniro is the market-leading player with its 118 118 service, while in Norway, Eniro's brand, Gule Sider 1880 holds a challenger position. In Finland, Eniro – via 0100100 and 118 – is also number two in the market. In Sweden and Finland, Eniro also serves as a sub-supplier to other companies.

Voice services have entered a downward trend, with declining volumes and revenues as a result. Competition has increased in a deregulated market, while a larger number of people are using the online and mobile channel to search for information.

Surveys show that the service is appreciated and is perceived as providing good quality.

Business trend in 2012

The number of incoming calls and SMSs continued to decrease on all markets. In Sweden and Norway, Eniro has lost market shares in recent years to challenger brands that provide a more generic low-price service. In Finland, Eniro has performed better and has defended its market share in terms of volume and revenues. Price rises have contributed to maintaining market share in monetary terms. All players in Sweden and Finland raised their prices during the year. The market in Norway is regulated, which entails limits on product and price development.

Eniro has worked actively to consolidate the market for directory services. At the beginning of the year, the company attempted to acquire 118 800 in Sweden. Following indications that the Swedish Competition Authority would not approve the acquisition, Eniro chose not to complete the transaction. Eniro has concluded an agreement with 118 100 regarding the production of its service. The agreement provides volume and contributes to cost synergies.

In Finland, contact-center operations declined as a result of amended legislation. The fall in revenues required a rationalization of activities.

In Norway, operations are conducted from a leased platform. The market is small and regulated, with few opportunities to affect the price situation. Eniro's database and size offer cost advantages and potential cooperation agreements are being reviewed.

An efficient organization is a core factor underlying profitability. With a combination of permanent employees and hourly paid employees, the number of employees on duty can be optimized to match the particular staffing requirement. Fixed costs are adjusted partly through an alignment of marketing expenditure.

Focus in 2013

A program involving the implementation of the new brand strategy commenced during 2012 and will continue during the coming year.

Voice has a faithful and loyal group of frequent users who account for a large share of the volumes. Eniro will continue to develop and consolidate its premium services and secure its position as the first choice for existing frequent users. The category is deemed to have low price sensitivity, but price elasticity is difficult to measure. Market trends and the use of smartphones negatively impact on volumes. The strategy is to provide what users want and develop premium services, where price sensitivity is lower.

Eniro is studying all possibilities to further develop the Voice service by offering personal search services; for example, Car Assistant, which is a partnership aimed at safe driving.

To strengthen the content of the directory services in respect of frequently asked questions by telephone and SMS, Eniro is seeking active partnership with other content suppliers that are appropriate for personal directory information.

Services and platform strategies are reviewed and operational efficiency is increased continuously, with the objective of maintaining high profitability and a strong cash flow. A flexible and efficient infrastructure ensures favorable profitability.

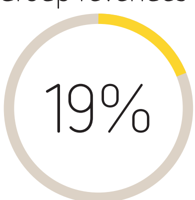
Eniro is focusing on capitalizing on the market volume that remains.

Outlook

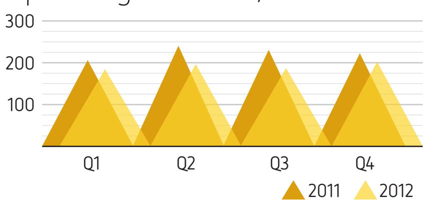
Voice is expected to contribute positively to the Group's profitability in the foreseeable future. The volumes are expected to continue to decline due to the slackening market trend. In the years ahead, the effect of the increased penetration by smartphones is expected to level out and tail off. Seeking information via SMS is largely expected to disappear within a few years.

The channel is deemed to have a long service life and will be retained as long as Eniro's customers and users perceive the service as attractive and as long as it contributes satisfactory profitability.

Share of Group revenues



Operating revenues, SEK M

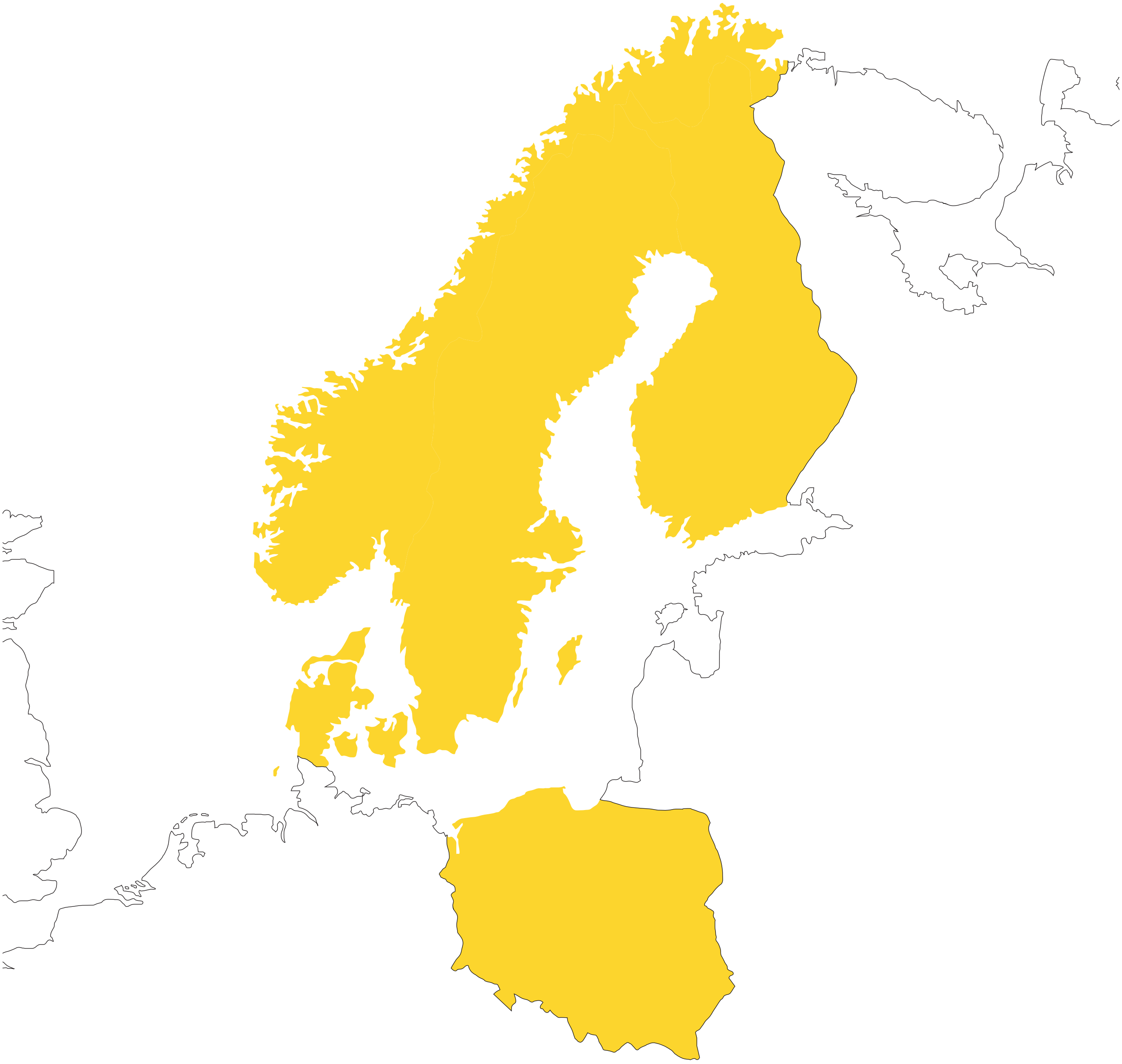


In brief

	2012	2011
Operating revenues, SEK M	769	899
Revenue trend, %	-14	-7
Share of Eniro, %	19	21
Number of calls, millions	24.2	29.1
Number of SMSs, millions	4.9	7.1

ENIRO'S EMPLOYEES

Eniro has 3,187 employees in five countries.



In brief

	Sweden	Norway	Denmark	Finland	Poland
Full-time employees, market unit and staff functions, Dec 31, 2012	1,062	587	406	317	815
Sales reps, % of total workforce, market unit	74%	66%	75%	-	87%
Percentage of women/men	49% 51%	45% 55%	49% 51%	38 % 62%	41 % 59%
Work attendance rate, %	95%	94%	95%	94%	92%

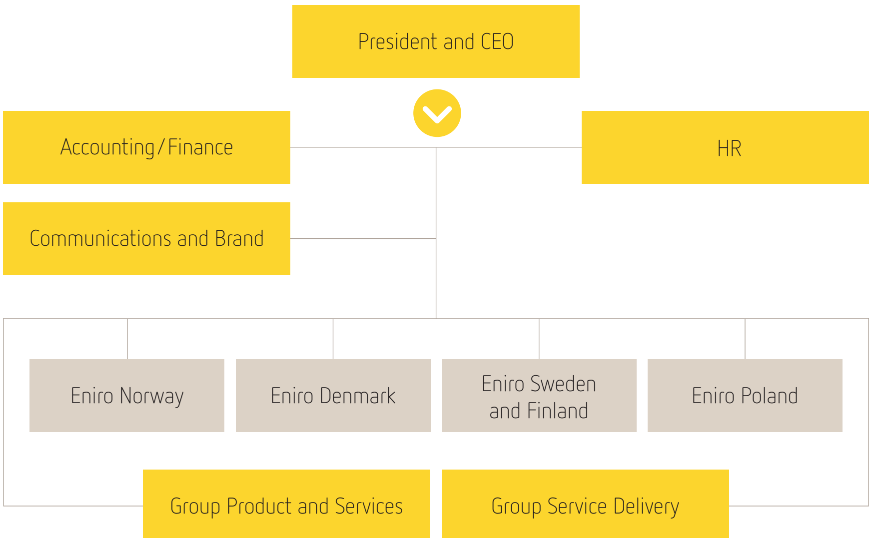
ORGANIZATION

Eniro is a leading search company in the media industry with operations in the Nordic region and Poland. The company's local brands enjoy a high level of awareness in Sweden, Norway, Denmark, Finland and Poland. Eniro has undergone major change in recent years, which has resulted in a substantially more concentrated and efficiency-enhanced organization. Organizationally, Eniro has developed from a geographically decentralized structure to a joint, centralized matrix organization.

In recent years, Eniro has worked intensively on concentrating its operations, efficiency enhancing the organization and thereby increasing market synergies among the various market units. The Group commenced this work in 2011 through the creation of four separate country-based sales organizations with clear revenue responsibility for each geographic market. The organizational change resulted in substantial cost savings, while highlighting fact that the customer and user were the same irrespective of geographic market.

Parallel with the formation of four geographic organizations, product development was centralized to the GPS (Group Product and Services) unit. The department develops products and services, provides input for Eniro's strategy and develops products that support the company's business concept. Development work is conducted in joint projects at Group level for all markets in order create uniformity in terms of products and service delivery, brand clarity and cost synergies.

The GSD (Group Service Delivery) unit delivers the products developed by GPS in the form of functional services.



GSD ensures consistent delivery, quality and process for all countries.

During the year, a decision was taken to fully implement a matrix organization throughout the Group's support functions. The decision entails that operational and cost synergies will also be realized in HR, Finance and Communications & Brands. Joint work methods, processes, support systems and campaigns will result in more efficient support functions with a common task – to work for the market units and sales force. The new working approach will entail a greater local presence and more contact between the functions.

SWEDEN & FINLAND

During 2012, total operating revenues for Eniro Sweden, including Finland, declined 9 percent compared with the preceding year and amounted to SEK 2,128 M (2,331). Organic revenues decreased 10 percent. Eniro Sweden / Finland accounts for 53 percent of Group revenues.

Operations

Sweden is Eniro's largest market in terms of both revenue and personnel. Eniro Sweden offers Online/Mobile, Print, Voice and Media Products services. In Finland, Eniro conducts a Voice operation that offers conventional directory services via phone and SMS, combined with a contact center. The contact-center operation consists of traditional call center activities and a service for handling customers' incoming calls.

Eniro Sweden's largest brand is eniro.se. The Internet site for local search has about 2.4 million unique visitors each week. Eniro Sweden is a leading player for searches in the mobile channel. Sweden's largest printed publication is the printed directory Gula Sidorna (Yellow Pages).

Business trend in 2012

In line with the Group as a whole, Eniro Sweden doubled its mobile revenues compared with the preceding year. The solid information database, combined with well-known, high-quality maps, creates a relevant and prompt service for local search using mobile devices. The proportion of searches performed in the mobile channel is 23 percent, which matches the sales share represented by the channel.

The performance and design of eniro.se have been improved and simplified to suit user requirements. Hit lists have been streamlined, while the response function for individuals has been made more direct. A program aimed at creating a uniform function and appearance, irrespective of the digital channel selection, has commenced. The ROI report, which is distributed to the company's customers, has been further developed. The report is a key sales tool in the customer dialog, since it provides transparent feedback in respect of the results from the customer's investment in Eniro.

Media Products' expansion comfortably exceeded market growth, and average revenue per customer rose. The sales process and service delivery are more complex than conventional directory services, which entailed a greater training requirement. Cooperation with Google in the Media Products area generated new customers and partnerships.

Volumes in the directory assistance service continued to decline during the year due to a shrinking market. Volumes decreased somewhat less in Finland than in Sweden. In Sweden, price increases contributed to retention of the company's market share in monetary terms.

The sales force at Eniro was reorganized as part of efforts to improve sales and cost effectiveness. The company has focused on sales development and training.

In line with the Group-wide strategy, Eniro Sweden streamlined its operations. Eniro Deals was terminated, while Bilwebb (Car web) and Köp & Sälj (Buy & Sell) were divested. The divestments are part of efforts to concentrate operations on digital local search.

Focus in 2013

A program to implement the new brand strategy was implemented and will remain in progress during the year ahead.

The priority is to expand the customer base and average revenue per customer. Another core factor is the profitable development of Media Products. Sales effectiveness is expected to increase as a result of a continuing focus on basic sales methods, sales management and appropriate support systems.

Voice is to focus on efficiency enhancement, cash flow and market position.

Turnover in the sales force remains excessive. Personnel turnover will be reduced by means of improved sales methods, sales management and improved target fulfillment. A reduction in personnel turnover is the key to greater sales effectiveness, higher revenues and profitability.

Outlook

The market for digital services and search word advertising is expected to grow. Eniro will continue to be the best in capitalizing on the growing mobile search.

Print and Voice are expected to continue to shrink due to a declining market trend. However, the channels will remain in place as long as customers and users feel they are attractive media, and continue to offer favorable profitability. In Finland, an active contact-center operation has the potential to offset declining volumes in conventional directory services.

Three questions for:
MATTIAS WEDAR
CEO, Eniro Sweden / Finland

What made you proudest in 2012?
"That we doubled mobile revenues and that the trend is continuing into 2013."

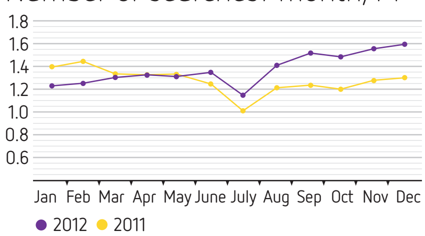
What was Eniro Sweden/Finland's single most important achievement in 2012?
"That we succeeded in raising customer satisfaction by continuing to develop our sales concept."

What will be Sweden/Finland's most significant challenge during 2013?
"For Eniro Sweden, the key challenge is to increase the number of customers. We need to demonstrate the customer value gained by being exposed in our media."

In brief

	2012	2011
Operating revenues, SEK M	2,128	2,331
Revenue trend, %	-9	-17
Share of digital, excl. Voice, %	74	66
Number of employees, Dec. 31	1,379	1,608

Number of searches / month, M



Average use per month among regular users. Data for mobile use is estimated.

DENMARK

Eniro Denmark's operating revenues increased 11 percent in 2012 compared with the preceding year and amounted to SEK 525 M (472). Organic revenues declined 11 percent. Eniro Denmark accounts for 13 percent of Group revenues.

Operations

Eniro Denmark offers services in the Online/Mobile, Print and Media Products product areas. Operations occupy a leading position in digital search on the Internet and via the mobile channel, plus a dominant position in local directories. Eniro Denmark's digital core brands are Krak and De Gule Sider. Both brands enjoy a high recognition rate. Advertising via printed directories continues to account for a high proportion of the company's revenues. Eniro distributes the printed directories Mostrup Vejviser, Den Røde Lokalbog and De Gule Sider.

The sales force is divided into two sections: one with responsibility for small and midsize companies and one with responsibility for major accounts and more complex products such as B2B services, search word and display advertising.

Each week, degulesider.dk and krak.dk have about 2 million unique visitors, a stable level that places Eniro's sites among the most visited in Denmark.

Business trend in 2012

The acquired company De Gule Sider was integrated into Danish operations. As a result of the acquisition, Eniro Denmark strengthened its position as the largest Danish online/mobile player in local search. The acquisition was successful and contributed to the company's progress in 2012. Market shares increased in almost all operating segments.

During the spring, Eniro Denmark acquired Open AdExchange, which contributed to strengthening Eniro's position and network offering in sponsored links. Following the takeover, Eniro became an exclusive player in the Danish market in terms of offering a comprehensive solution with both a local presence on Google and visibility on the other most visited Danish Internet sites.

An increase in mobile search contributed positively to the overall traffic trend, with mobile revenues rising twofold during the year. The strong growth trend in revenues in the mobile segment is expected to continue.

Focus in 2013

Implementation of the new brand strategy in the acquired companies will continue during the year ahead. De Gule Siders' IT system will be fully integrated and Open AdExchange's IT platform will be secured to enhance customer delivery and monitoring. Efforts to improve service quality and functionality are continuing.

The focus in 2013 will be to strengthen the offering and user experience in the primary growth areas of search via the Internet and mobile, while capitalizing on the positive traffic trend for the De Gule Sider. In addition to growing in the digital business, a core factor in Danish operations is to protect revenue in the relatively strong revenue stream for printed directories.

As in the rest of the Group, excessively high personnel turnover is a problem in Denmark. The company must reduce the rate of personnel turnover and thus cut the cost of new recruitment. Programs are in place to improve processes, secure an appropriate target profile and to efficiency enhance the sales force's delivery by means of training activities.

Eniro Denmark is working to reduce the customer churn. An in-progress project, involving extensive customer analysis, monitoring and customer evaluation, will increase insight and thus the potential to take relevant actions to expand the customer base. As of the beginning of 2013, the same ROI reports are used as those in the other Nordic countries, which is expected to contribute to greater transparency and customer dialog.

Outlook

Eniro Denmark is far ahead of most conventional players in the digital transition in the Danish media market. The company has a particularly strong position in the growing segment for mobile advertising. Local search is expected to move to mobile platforms to an even greater extent.

A broad product segment, combined with one of the country's largest sales forces in media advertising, offers Eniro Denmark favorable future prospects. Although advertising for Eniro Denmark's relevant product mix is expected to decline during 2013, the company expects to be able to secure additional market shares.

Three questions for:
STEFAN KERCZA
CEO, Denmark

What made you proudest in 2012?
"That we managed to integrate De Gule Sider into the existing operations and that we acquired OAX. We also received a number of awards, three for the commercial film 'Jagten' and one for the best mobile app."

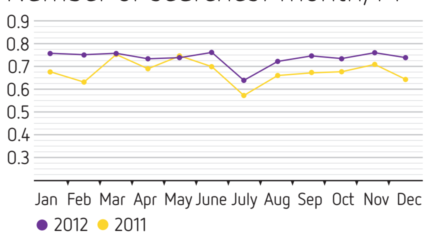
What was Eniro Denmark's single most important achievement during 2012?
"The acquisition of De Gule Sider."

What will Eniro Denmark's most significant challenge be during 2013?
"To reduce the customer churn and thus strengthen customer relations."

In brief

	2012	2011
Operating revenues, SEK M	525	472
Revenue trend, %	11	-21
Share of digital, %	67	53
Number of employees, Dec. 31	406	403

Number of searches / month, M



Average use per month among regular users. Data for mobile use is estimated.

NORWAY

During 2012, Eniro Norway reported an 11-percent decline in total operating revenues compared with 2011, amounting to SEK 1,146 M (1,286). Eniro Norway accounts for 29 percent of Group operating revenues.

Operations

Norway is Eniro's second largest market and has made most progress in the transition from print to online. Eniro Norway offers Online/Mobile, Print, Voice and Media Products services. The primary brand in Norway is Gule Sider. Along with the core service, Gule Sider, Eniro Norway provides a broad, well-developed and profitable B2B portfolio, which accounts for about 15 percent of revenues in Norway. Eniro Norway is a leading player in mobile channel search. The website for local search has some 1.7 million unique visitors each week.

Gule Sider in Norway has been streamlined and now focuses its service on the digital channel, whereby directory assistance services in Norway are being concentrated on the local directory, Ditt Distrikt.

Business trend in 2012

The Norwegian media market is expanding, notably in the search word market and the market for mobile advertising. Competition in Norway is challenging in Eniro's relevant segments. During the year, Eniro Norway worked on developing a strong service for mobile search, and to develop the network in the Media Products revenue stream. As in other Group markets, mobile revenues in Norway grew sharply during the year. The completed streamlining of Gule Sider to offer a dedicated digital service entailed a continued increase in the proportion of digital revenues, which represent the highest for the entire Group. Revenues from digital services could not completely offset the decline in revenues from printed media, which contributed to a decrease in total revenues for Norwegian operations.

Eniro Norway's B2B services witnessed favorable growth during the year. In an effort to concentrate and streamline B2B operations, the Norwegian service Inform was sold to Bisnode. In the future, Eniro's B2B services will be concentrated to the Proff brand.

After year-end, Eniro acquired the low-price challenger brand, 1888, as part of efforts to consolidate the declining but profitable Norwegian market for directory assistance services. The agreement permits substantial efficiency enhancement and cost synergies.

Following a period of negative development, personnel turnover in Norway moved in the right direction. Intensive efforts to chart development, create a clear target profile and improve support for employee follow-ups provided results.

Focus in 2013

Implementation of the new brand strategy was under way during 2012 and will continue during the year ahead.

The slightly declining traffic trend will be reversed through a keener focus on creating user value and superior service quality. Increased traffic entails an incentive for Eniro's customers to invest and be searchable in the company's services.

Sales effectiveness is a core factor and Eniro Norway is working to attain the optimal balance between telephone and field reps.

The continuation of the positive trend and, to a greater extent, the retention of employees are significant from both a sales and cost-effectiveness perspective.

Outlook

The Norwegian market for advertising via digital channels, notably the mobile channel, is growing sharply. Eniro has a strong position in mobile advertising, and the company's service is highly suitable for the growing, more direct searches conducted on the mobile platform.

As in the case of directory services, the printed advertising channel is expected to shrink due to changes in the market's search behavior. However, the channels will be retained as long as customers and users feel they are attractive and as long as they are profitable for Eniro.

Competition from local and global players is challenging. Reviews and assessments of potential strategic cooperation are conducted regularly in efforts to strengthen the offering.

Three questions for:
MATTIAS WEDAR
Acting CEO, Norway

What made you proudest in 2012?
"That the personnel turnover rate is declining."

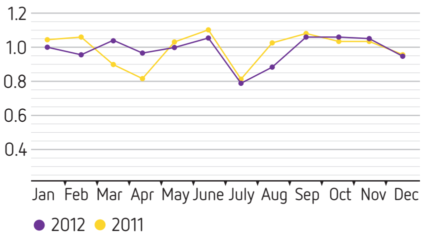
What was Eniro Norway's single most important achievement during 2012?
"That our core offering is now totally digital and that we are gaining market share in the mobile channel, which represents the future."

What will Eniro Norway's most significant challenge be during 2013?
"To enhance the quality and user value generated by our services."

In brief

	2012	2011
Operating revenues, SEK M	1,146	1,286
Revenue trend, %	-11	–17
Share of digital, excl. Voice, %	88	81
Number of employees, Dec. 31	587	688

Number of searches/month, M



Average use per month among regular users. Data for mobile use is estimated.

POLAND

In 2012, Eniro Poland reported total operating revenues of SEK 200 M, down 15 percent compared with the preceding year. Organic revenues declined 10 percent. Eniro Poland accounted for 5 percent of the Group's revenues.

Operations

Eniro Poland markets and sells products and services in the Online/Mobile and Print revenue streams. The company recently launched sales of Media Products. All products and services are designed to enhance local searchability. The core product is the primary website Panorama Firm, which has an online service and mobile apps, as well as regional directory titles. In addition to Panorama Firm, the Budownictwo brand offers a B2B product that was recently modernized. Budownictwo's online service is primarily directed toward the construction industry. Alongside an online website, Budownictwo offers advertising in a national directory.

Compared with the Nordic region, the Polish market for digital services is less developed. The shift from printed directories to digital channels accelerated during 2012.

Panorama Firm's web service for local searches has about 1.3 million unique visitors every week.

Business trend, 2012

Bożena Chmielarczyk assumed the role of CEO for the Polish operations in June. Her most recent position was CEO of the international magazine Reader's Digest in Poland and she has held positions at McDonald's and Coca-Cola.

The change of CEO led to extensive changes, both organizationally and operationally. The distinct objective is to create a digital and modern search company that is fully integrated with the Eniro Group. The Panorama Firm brand is very well-known but to date is mainly associated with printed directories. A re-profiling of the brand, with a new logotype, identity and vision making it the symbol for local search, has been launched. In parallel, a number of internal and external activities, as well as interviews with the CEO about the company's future plans, have been implemented.

Panorama Firm's service offering was strengthened during the year. Digital search services were expanded and new tools enabling users and customers to update information directly in the database were introduced. Eniro Poland implemented a number of activities aimed at promoting the company's local search profile in social media. A new app, which provides easily accessible information about more than 2.4 million Polish companies, government agencies, products and services, was chosen by Samsung as a source for the company's recently launched smart TV in Poland. Better internal methods were also introduced for managing electronic customer data documents, as was a tool for the daily updating of the sales database.

Efforts to streamline and optimize the geographic division of the regional directory, Panorama Firm, continued.

Focus, 2013

Intensive work to implement the new branding strategy was implemented in 2012 and will continue during the coming year. The integration project aimed at including the Polish operations in Eniro's joint product and service development will be of central importance in 2013. In addition to integration and brand implementation, the emphasis will be on measures to reduce personnel turnover, customer churn and activities to optimize end-user benefits.

Mobil 2.0, with a new user interface, will be launched in the first quarter of 2013. A number of activities are taking place in social media to establish a large and active group of users around the brand.

Outlook

Eniro Poland expects to grow significantly in the mobile services segment in 2013 and sees great potential for strengthening its brand and digital position in the Polish local search market. Poland, where more than ten million people have smartphones, is well on its way into the mobile Internet era. The Polish advertising market is estimated to grow in online advertising, mobile platforms, e-shopping and local search advertising.

The distribution of printed directories remains significant, since a large proportion of Polish users still prefer using them to other search channels.

Three questions for:

BOŻENA CHMIELARCZYK

CEO, Eniro Poland

What made you proudest in 2012?

"That we achieved the incredibly ambitious sales target I set when I joined the company, combined with the cultural transformation that we are currently undergoing to become a fully fledged member of the Eniro Group."

What was Eniro Poland's single most important achievement during 2012?

"The launch of the new mobile offering."

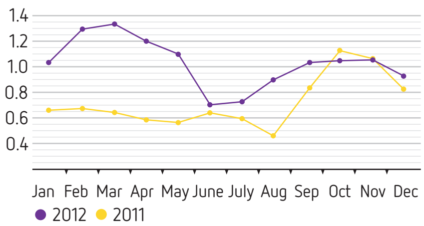
What will be Eniro Poland's most significant challenge during 2013?

"To reduce personnel turnover, and successfully integrate Eniro Poland into the Eniro Group."

In brief

	2012	2011
Operating revenues, SEK M	200	234
Revenue trend, %	-15	-36
Share of digital, excl. Voice, %	69	50
Number of employees, Dec. 31	815	927

Number of searches / month, M



Average use per month among regular users. Data for mobile use is estimated.

THE SHARE AND OWNERSHIP

Eniro's market capitalization at December 31 amounted to SEK 1.6 billion, including the preference shares listed during the year. The price performance of the common share, which has been listed since 2000 on NASDAQ OMX Stockholm Exchange's Mid-Cap list, was marginally negative during the year, declining 3 percent. The preference shares performed positively, rising 21 percent since their listing on June 6, 2012.

Common share price trend

During 2012, the total turnover of Eniro's shares on the NASDAQ OMX Stockholm Exchange was SEK 1.5 billion. In addition to the main trading on the Stockholm Exchange, trading is also allowed in other marketplaces. Including the volume on other marketplaces and OTC trading, turnover in 2012 totaled SEK 1.9 billion. The average turnover per day for the common share and the preference share was SEK 7.3 M (19.3). The turnover rate – that is, the share's liquidity – during the year was 1.4 times (2.5), which may be compared with the exchange average of 0.74 times (0.96) for OMXSPI (OMX Stockholm Exchange All-Share Index), confirming that the liquidity of Eniro's share remains high.

Eniro's market capitalization at the beginning of 2012 amounted to SEK 1.1 billion and was SEK 1.6 billion at year-end, including the listed preference shares. The price of the common share declined a marginal 3 percent during the year, from SEK 11.45 at the beginning of the year to SEK 11.05 on Dec. 31, 2012, which may be compared with the OMX Stockholm Price Index, which went up 12 percent during the year. The peak price for the year was quoted on March 19, 2012 when the closing price was SEK 16.90. The lowest closing price was SEK 7.30, which was quoted on October 16.

At year-end 2012, Eniro's common share was included in the OMXSPI index with a weighting of 0.03 (0.03). Since 2000, the company has been listed on the NASDAQ OMX Stockholm Nordic Mid-Cap list, as part of the Consumer Discretionary/Advertising category.

Preference share price trend

In spring 2012, Eniro signed an agreement with one of the company's lending banks concerning a discounted early repayment of a loan. This repayment generated a capital gain of SEK 154 M for Eniro and also improved the company's indebtedness and cash flow. Preference shares were issued to finance the repayment. The issue price was SEK 400 per share and a total of 1,000,000 shares were issued. The initial trading price for the share on June 6 was SEK 400 and the year-end price was SEK 483, up 21 percent. The peak price for the year was SEK 500. The lowest closing price was SEK 449.50.

Dividend and dividend policy

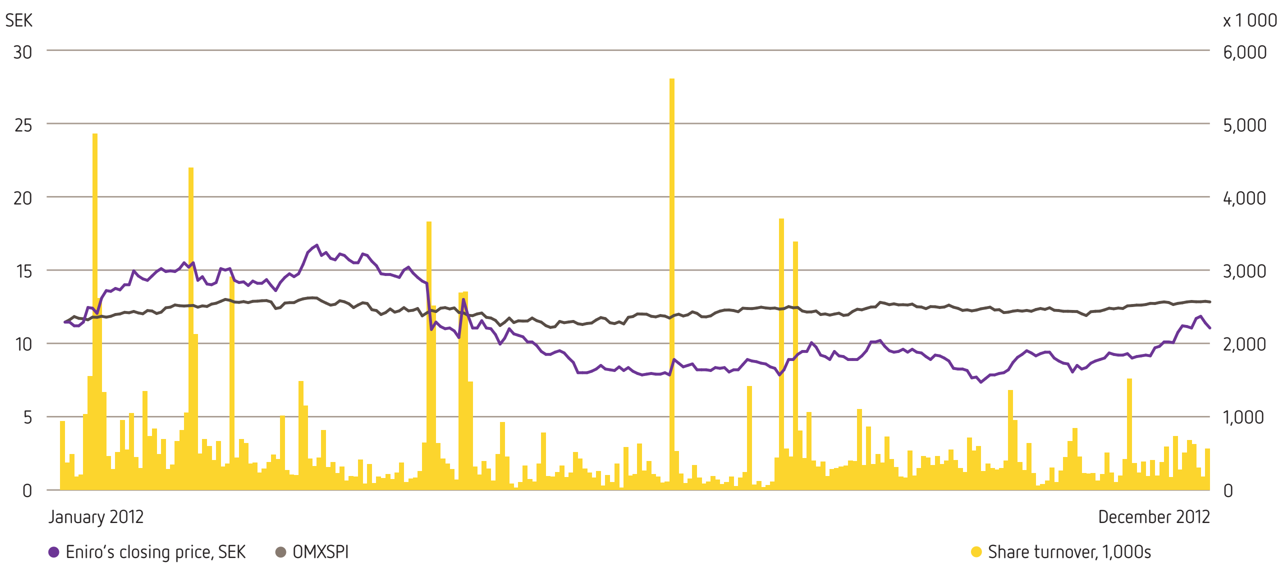
The financial objective of reducing the company's net debt in relation to EBITDA has precedence over common shareholder dividends. The company's objective is that net debt in relation to EBITDA will not exceed 2.5. This means that a reduction in the company's debt continues to have priority. Consequently, the Board of Directors of Eniro proposes that no dividend be paid for common shares for the 2012 fiscal year.

Eniro's preference share qualifies for an annual dividend of SEK 48 per share. The dividend of SEK 12 per preference share is paid quarterly. Two payments were made during the year and the total payment in 2012 thus amounted to SEK 24 M.

Share capital

To enable early repayment at a discount to a bank in the company's loan syndicate, Eniro issued preference shares in June 2012. The private placement, which was oversubscribed, provided a total of SEK 380 M after transaction costs, capital that was used entirely to reduce the company's debt. The issue entailed an increase in the total number of shares by 1,000,000 shares. Thus, after the share issue, the total number of shares outstanding in Eniro was 101,180,740 shares, of which 100,180,740 were

Share price trend and trading, Jan. 1 – Dec. 31, 2012



common shares and 1,000,000 preference shares. The total number of voting rights in Eniro is 100,280,740, of which common shares account for 100,180,740 votes and preference shares for 100,000.

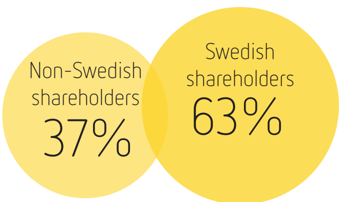
At December 31, 2012, the share capital in Eniro totaled SEK 2,529 M, of which common shares accounted for SEK 2,504 M and preference shares for SEK 25 M. Eniro's holding of treasury shares amounted to 3,266 shares (3,266). On average, Eniro's holding of treasury shares was 3,266 shares during the year.

Shareholders

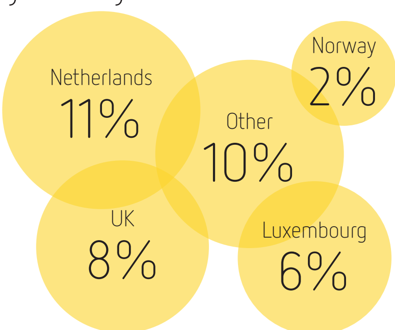
The number of shareholders at December 31, 2012 was 12,863 (14,803). According to information available to the company, the ten largest shareholders represented 52 percent (52.1) of the share capital. Of the total shares outstanding, 63 percent were registered with Swedish owners and 37 percent were held by non-Swedish shareholders (32).

The company's three largest shareholders at December 31, 2012 were Staffan Persson, company and family, Länsförsäkringar Fondförvaltning AB and Danske Capital Sverige AB.

Distribution of Swedish /non-Swedish shareholders



Non-Swedish ownership by country



The ten largest shareholders

Owner, December 31, 2012	No. of common shares	No. of preference shares	Share capital, %
Staffan Persson, company and family	11,279,080	108,861	11.3
Länsförsäkringar Fondförvaltning AB	10,215,317	118,290	10.2
Danske Capital Sverige AB	9,070,076	100,442	9.0
Swedbank Robur Funds	4,841,977	0	4.8
Unionen	3,904,027	17,662	3.9
Skandinaviska Enskilda Banken S.A., W8IMY	3,688,744	320	3.6
Försäkringsaktiebolaget, Avanza Pension	2,639,230	50,276	2.7
JP Morgan Bank	2,466,612	14,500	2.4
Handelsbanken Funds	2,417,385	0	2.4
Home Capital AS	1,735,391	0	1.7
Other shareholders	47,922,901	589,649	48.0

Share information

	Common share	Preference share
Marketplace	Nasdaq OMX Stockholm, Mid	Nasdaq OMX Stockholm, Mid
Abbreviation	ENRO	ENRO PREF
ISIN code	SE0000718017	SE0004633956
Trading lot	1	1
Market capitalization, Dec. 31, 2012 SEK M	1,107	483
Share price, Dec. 31, 2012	11.05	483
Change during the year, %	-3	21
Year high, SEK	16.9	500
Year low, SEK	7.3	449.50

Share data

Data, December 31	2012	2011
Earnings per common share, SEK	2,13	-1,84
Shareholders' equity per common share, SEK	35.02	30.23
Dividend per common share, SEK	-	-
Dividend per preference share, SEK	24	-
Dividend payout ratio, %	-	-
Share price at year-end common share, SEK	11.05	11.45
Share price at year-end preference share, SEK	483	-
Dividend yield common share, %	-	-
Dividend yield preference share, %	7.45	0.35
Number of shares at year-end, 1,000s*	100,177	1,000
Average number of shares, 1,000s	100,177	1,000
Number of shareholders at year-end	12,863	14,803

* After deductions for treasury shares

Analysts monitoring Eniro

Bank	Name
Carnegie	Fredrik Villard
Handelsbanken Securities	Rasmus Engberg
SEB Enskilda	Stefan Nelson

COMMENTS FROM THE CHAIRMAN

Our major focus on creating user value in everything we do has begun to generate results. We see more visitors to Eniro's services, thus strengthening our belief that we are moving in the right direction. In turn, increased traffic entails greater attractiveness for our customers to be searchable in our channels. Eniro is a digital media company positioned for growth.

User value in focus

For the first time in more than 130 years, work has been carried out to try and understand the role that Eniro's brand will play in the future. The branding project that was implemented and launched during the year guarantees that the company's development of products and services proceeds on the basis of user value. Greater user value and a strong link to the company's users will increase traffic to the company's services which, in turn, will generate added value for Eniro's advertising customers. Activities aimed at improving the user experience and the return to our paying customers is thus interconnected. The work we have done demonstrates clearly that Eniro's position as the "symbol of local search" matches the target group's search requirements. During the year, Eniro created a more unified appearance on its websites with harmonized maps, logotypes and colors for both the mobile and digital Internet channel.

Traffic growth

Several million people throughout the Nordic region and Poland use Eniro's services every week. The growing number of visitors to our services is proof that we are moving in the right direction. The increase in visitors strengthens our belief that more and more users are satisfied with our offering and the quality of our services. Improving functionality and quality, and thereby user value, is a constantly ongoing process.

Mobile search is here to stay

Local searches made via the mobile channel are continuing to grow. About 23 percent of total searches are made in Eniro's mobile channel. This is a sharp increase compared with 2011, when the corresponding figure was 15 percent. As a result, it is particularly gratifying to confirm that Eniro's sales in the mobile area are now on a par with the searches completed – in other words, people are now paying for our mobile initiatives. During the year, a new generation of mobile services was developed and launched for the iPad and mobile Internet, as well as the iPhone and Android. Users can now experience a completely new interface, as well as higher quality and content. The Mobil 2.0 launch was a major success and the number of downloaded apps, and thereby users, increased significantly.

Eniro, a digital media company

As one of the first, old "yellow page" companies, Eniro has now undergone a transformation. We have gone from offering advertising in printed directories alone to a media company with 77 percent of its revenue generated by digital search channels. This transformation has entailed a channel glide, whereby online, mobile and keyword advertising is growing at the expense of more traditional directory advertising. Eniro has adapted its operations and implemented a transition towards the market's growing media channels. The company is now considerably better positioned to increase its revenue.

Solid financial position

It is gratifying that our financial position continued to strengthen during the year. Lower indebtedness will reduce interest expense in 2013 considerably. Eniro's solid financial position was helped by the company, with the banks' approval, being able to implement both acquisitions and divestments during the year. The streamlining that took place in 2012 to enable a full focus on our core business, digital search, is sound and will facilitate management focus. I now look forward with confidence to a new year when the Board, Eniro's management and all of our employees can continue our efforts to further advance Eniro's positions.

Stockholm, March 2013

Lars-Johan Jarnheimer

Three questions to:
LARS-JOHAN JARNHEIMER
Chairman of the Board

What made you proudest in 2012?
"That we turned around traffic to our services and that our focus on user value appears to be generating results."

What was the single most significant event for Eniro in 2012?
"That the number of users is growing and that we reduced our indebtedness and thereby our interest expense."

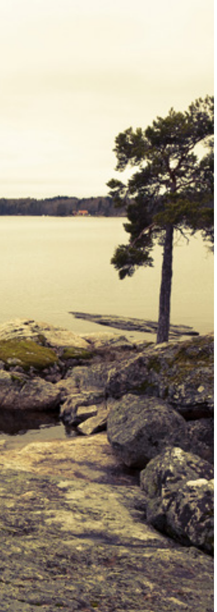
What will be the most significant challenge faced by Eniro in 2013?
"Maintaining our focus on user value, user value, user value and thereby improving customer satisfaction, profitability and cash flow."

"Eniro is now a digital media company with a focus on user value. The company's services make life easier for users in search of information, regardless of the search channel.

Board of Director's Report and corporate governance

"Straightforward and efficient corporate governance ensures that things are done in the right way, while contributing to creating a shared target."

Lars-Johan Jarnheimer
Chairman of the Board



BOARD OF DIRECTOR'S REPORT

Group operations and structure

Eniro AB (publ) is a leading search company in the media market, with operations in Sweden, Norway, Denmark, Finland and Poland. The company specializes in local search and Eniro's well-known brands, products and services are utilized by a large number of daily users.

The information in Eniro's databases is available through various distribution channels: Internet and mobile services, printed directories and other publications and directory assistance and SMS services. The key brands in Sweden are the publications Eniro, Gula Sidorna and Din Del and the information service 118 118. In Norway, the foremost products are Gule Sider, Proff and the directory assistance service 1880. Denmark's search services are marketed under the brands Krak, De Gule Sider, Mostrup and Den Røde Lokalbog, while Panorama Firm is the brand used in Poland. In Finland, Eniro operates an information service through 0100100 as well as contact-center operations.

Eniro's recognition of financial results is allocated between Directories and Voice.

ENIRO'S STRATEGY

Eniro has three focus areas that hallmark everything that the company does and are of key importance to the strategic decision-making process. The three areas are summarized by the terms: *market position*, *quality* and *profitable growth*. The main activities in these focus areas are designed to move Eniro towards its established targets.

Market position

Eniro is a leading operator in local search with operations in the Nordic region and Poland. The company's well-known brands have strong positions and are the market leader or ranked number two in each particular market. Brand recognition is high. 92 percent of local populations recognize eniro.se in Sweden; 93 percent are familiar with the Norwegian gulesider.no; 96 percent identify krak.dk in Denmark; and panoramafirm.pl in Poland is recognized by 60 percent.

Eniro specializes in local search and offers broad, channel-independent solutions. Customers are searchable in a relevant and predetermined manner round-the-clock, throughout the year.

Eniro has a strong position and attractive products in mobile search. Both the market and usage are growing sharply. Eniro will continue to invest in refining the platform for mobile products. Securing a position at the cutting edge of mobile technology will form the foundation for the company's presence in local search. Eniro will continue to be the best at capitalizing on mobile services.

With the user in focus, Eniro continuously strives to develop a product portfolio that will drive profitable growth. Today, Eniro is a digital local-search company with a presence in the channels that customers demand. Services are developed according to user needs, behaviors and requests. A review of the brand has been completed, while comprehensive studies have been conducted in all markets to identify target groups and their usage of the company's products and services. These efforts have resulted in a brand strategy that will distinguish the company's position and sharpen the precision of Eniro's future product development. Intensive work was undertaken in 2012 to implement the new brand strategy.

Quality

Eniro's services must be able to provide correct, relevant and updated information, thereby increasing the number of users and thus visitors to the sites. Eniro endeavors to provide better-quality search hits than its competitors. Systematic analysis is used to identify quality problems, which are rectified through processes, systems and databases, with the aim of improving user value. Improved quality helps to enhance user value.

Corporate culture stems from a company's values and the extent to which the company's employees succeed in living up to these values. During 2013, Eniro will work proactively so that employees and managers increase their awareness of the meaning and purpose of the company's values. Insight into shared foundational values will enable the creation of a strong corporate culture that will facilitate Eniro's development in accordance with the company's vision: to be the symbol of local search. Activities that will be implemented include a "values game" and updated manager and competency profiles that will assess adherence to these values.

Profitable growth

The prerequisites for profitable growth are maximizing our growth while generating the best possible profitability and continuing to streamline our sales force and further optimizing costs. Continued pursuit of an increase in traffic is also essential in order to achieve growth.

Eniro is working actively to retain existing customers and give them value for their investments. Recruitment of new customers is also vital to future development. With the ROI report, customers receive transparent information on a monthly basis about the customer value created by their investment in Eniro's channels.

Eniro launched the revenue area Media Products early in fiscal year 2012. The business grew during the year and captured market share. Media services are being sold under a different brand and by an in-house sales force, which requires continued high revenue growth in order to cover costs. Work is ongoing to increase the number of third-party partnerships to achieve economies of scale and create a more attractive customer offering.

To create long-term profitability, Eniro needs to increase its revenues per sales representative. Cost-effective telephone sales are gaining greater priority over customer visits, while sales through the customer service channel are being encouraged. Better-defined sales targets that help to improve the customer experience, combined with a thorough analysis of customer needs, are of vital importance to efforts to create sustainable customer relationships.

To facilitate investments in growth areas, the cost of more mature operations has to be reduced. Cost awareness among the employees needs to be strengthened on a daily basis. Continuous cost control is a prerequisite for maintaining competitiveness.

Business trend 2012

SEK M	2012 (Jan-Dec)	2011* (Jan-Dec)
Total operating revenues	**3,999**	**4,323**
Directories	3,230	3,424
Voice	769	899
Adjusted EBITDA before nonrecurring items and depreciation/amortization	**976**	**1 078**
Nonrecurring items	0	-47
Depreciation/amortization	-483	-477
Impairment losses	-12	-378
Operating income	**481**	**176**
Net financial items	-134	-364
Taxes	-102	4
Net income/loss	**245**	**-184**

* Figures for the comparative year have been restated to match the amended accounting policies for pensions.

Revenues for 2012 amounted to SEK 3,999 M (4,323), an organic decline of 10 percent (11). Eniro has undergone a transformation from print to digital media channels and the remaining revenues from printed directories account for a limited share of total revenues. Digital revenues currently account for 77 percent of total advertising revenue. Five years ago, the proportion was 36 percent.

Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, amounted to SEK 976 M (1,078), down 9 percent compared with the preceding year. EBITDA for 2012 decreased to SEK 976 M (1,031), mainly because of the revenue decline in Print, which could not be fully offset by growth in Online/Mobile and Media Products. Despite the revenue decline, Eniro succeeded in maintaining its profit level because the company continued to work hard to reduce costs during 2012. Increased cost effectiveness was achieved in all parts of the business, but particularly in product and service development, IT Supply, HR and print/distribution. Initially, the communicated cost-savings target was SEK 200 M, a figure that was raised by an additional SEK 50 M in the third quarter. The actual cost savings for the year ended up at an impressive SEK 266 M. Operating income for 2012 was SEK 481 M (176 including goodwill impairment losses of SEK 378 M).

For 2012, net financial items amounted to an expense of SEK 134 M (364), which was favorably affected by a gain of about SEK 154 M deriving from the waiving of debt. Net financial items were also affected positively by lower interest rates and indebtedness, and negatively by an exchange-rate loss of SEK 7 M (exchange-rate gain of SEK 9 M). During the spring, Eniro was offered an opportunity to prematurely repay a loan at a discount of SEK 154 M. A bank in the company's banking consortium wanted the outstanding loan to be repaid for internal reasons. By financing the loan repayment through the issuance of preference shares, Eniro was able to increase its own freedom of action, at the same time as indebtedness, interest cost and other key figures were substantially improved for the holders of common shares.

Income before tax for the year was SEK 347 M (loss: 188). For 2012, Eniro reported a tax cost of SEK 102 M (tax revenue: 4). The tax cost for the year includes a nonrecurring item of approximately SEK 40 M resulting from a reduction in the corporate tax rate from 26.3 percent to 22 percent in Sweden, which arose from the revaluation of deferred tax assets. Net income for the year was SEK 245 M (loss: 184).

Earnings per share

Earnings per common share amounted to SEK 2.13 (loss: 1.84)

Directories

SEK M	2012 (Jan-Dec)	2011* (Jan-Dec)
Operating revenues	**3,230**	**3,424**
Sweden	1,433	1,527
Norway	1,072	1,191
Denmark	525	472
Poland	200	234
EBITDA	**777**	**770**
EBITDA margin, %	24.1	22.5

* Figures for the comparative year have been restated to match the amended accounting policies for pensions

Operating revenues for Directories amounted to SEK 3,230 M (3,424), a decline of 6 percent. Revenues in Denmark rose 11 percent as a result of the acquisition of De Gule Sider in December 2011.

EBITDA for Directories amounted to SEK 777 M (770) and the EBITDA margin was 24 percent (22).

Voice

SEK M	2012 (Jan-Dec)	2011* (Jan-Dec)
Operating revenues	**769**	**899**
Sweden	446	520
Norway	74	95
Finland	249	284
EBITDA	**279**	**344**
EBITDA margin, %	36.3	38.3

* Figures for the comparative year have been restated to match the amended accounting policies for pensions

Operating revenues in Voice amounted to SEK 769 M (899), down 14 percent. A volume decline was noted in all markets, which was partially offset by price increases.

EBITDA for Directories amounted to SEK 279 M (344) and the EBITDA margin was 36 percent (38).

Financial position

Condensed consolidated balance sheet

SEK M	2012 (Dec 30)	2011 (Dec 30)
Tangible assets	42	67
Intangible assets	7,330	7,666
Other non-current assets	491	449
Current assets excl. cash and cash equivalents	883	1,050
Cash and cash equivalents	198	557
Total assets	**8,944**	**9,789**
Shareholders' equity	3,543	3,028
Interest-bearing liabilities incl. derivative instruments	2,966	4,127
Other non-interest-bearing liabilities	2,435	2,634
Total shareholders' equity and liabilities	**8,944**	**9,789**

The balance sheet total declined by about 9 percent to SEK 8,944 M (9,789). The Group has intangible assets totaling SEK 7,330 M (7,666), of which goodwill accounted for SEK 6,124 M (6,119) and trademarks with an indefinite useful life for SEK 923 M (916). The change in tangible och intangible assets between the periods was due to customary depreciation/amortization of SEK 483 M (477) and an impairment loss of SEK 12 M (378). In addition, investments during the year, mainly in development projects, amounted to SEK 121 M. The change in other fixed assets pertains to an increase in pledged bank funds by approximately SEK 60 M as collateral for a pension insurance policy with PRI Pensionsgaranti. The currency effect during the year was marginal.

Non-interest bearing current assets were lower at the end of 2012, due to reduced accounts receivable as a result of lower revenues. The decrease in sales also had an adverse impact on prepaid income, which contributed to a reduction in non-interest-bearing current liabilities. Cash and cash equivalents decreased SEK 359 M to SEK 198 M (557), as a result of considerable repayments of the loan liability during the year.

Shareholders' equity amounted to SEK 3,543 SEK M (3,028) at year-end, reflecting an increase of SEK 515 M, due to the positive comprehensive income for the year and to the completed new issue of preference shares. The preference shares were registered with the Swedish Companies Registration Office on July 2,2012. Eniro financed a premature repayment of bank loans through the issuance of preference shares. The issuance of preference shares amounted to SEK 383 M after issue expenses. No dividend was paid to the holders of common shares during the year. The dividend established for the preference shares has been booked and reduced shareholders' equity by SEK 36 M. Shareholders' equity per share amounted to SEK 35.02 (30.23) and shareholders' equity accounted for 40 percent (31) of total assets.

Interest-bearing liabilities, including derivative instruments, declined a full SEK 1,161 M, following the scheduled and additional repayments, as well as the advance redemption of a loan at a discount of SEK 154 M. A bank in the company's banking consortium requested repayment of the outstanding loan for internal reasons.

At December 31, 2012, the Group's interest-bearing net indebtedness had declined by more than SEK 800 M to SEK 2,704 M, compared with SEK 3,535 M at the beginning of the year. Interest-bearing net indebtedness in relation to EBITDA, excluding other items affecting comparability items, was 2.8 (3.3 at the beginning of the year).

SEK M	2012 (Dec 31)	2011* (Dec 31)
Borrowing excl. derivative instruments	-2,966	-4,100
Derivative instruments **	0	-27
Other current interest-bearing receivables	3	8
Other non-current interest-bearing receivables ***	61	-
Cash and cash equivalents	198	557
Interest-bearing net debt incl. interest-rate swaps	**-2,704**	**-3,562**
Less: market value of interest-rate swaps	-	27
Interest-bearing net debt	**-2,704**	**- 3,535**

* Figures for the comparative year have been restated to match the amended accounting policies for pensions

** Included in other receivables (positive market value) and borrowing (negative market value)

*** Included in other receivables

On December 31, 2012, the debt outstanding on the credit facility amounted to NOK 1,114 M, DKK 57 M and SEK 1,635 M. At year-end, Eniro had an unutilized credit facility of SEK 165 M. On December 31, 2012, cash and cash equivalents and unutilized credit facilities totaled approximately SEK 363 M.

Financial risks

The Group-wide financial policy that was adopted by the Board of Directors provides the foundation for the management of financial operations, the division of responsibilities and financial risks. The focus of Eniro's risk management is to reduce or eliminate financial risks, while taking into account costs, liquidity and financial position. The subsidiary Eniro Treasury AB has centralized responsibility for handling financing and risk management. According to Eniro's financial policy, the Board of Directors makes decisions about the hedging of transaction risks. In respect of net investments in foreign currencies, the translation risk should be taken into account. Eniro mainly has investments in NOK, EUR, PLN and DKK, with the largest exposure in NOK. As a feature of efforts to reduce the risk exposure of net investment in foreign currencies, parts of the borrowing have been raised in NOK and DKK.

For a more detailed description of risk management, see Note 21 Financial risk management.

Cash flow

Operating cash flow increased to SEK 299 M (230). Cash flow was affected positively by a reduction of interest costs, tax payments and investments compared with 2011. The trend in working capital during the year was negative due to lower sales and thus lower accounts receivable and advance payments. Cash flow from financing activities was affected negatively by repayments of the credit facility totaling SEK 1,021 M and positively by the completed issuance of preference shares in an amount of SEK 376 M. Eniro also paid a dividend on preference shares of SEK 24 M, which had an adverse impact on cash flow. Long-term investments rose SEK 61 M, which pertained to pledged bank funds for the continued pension insurance policy with PRI Pensionsgaranti. Cash flow for the year was a negative SEK 361 M (positive: 113).

Development projects

Eniro strives to have a world-class department for the development of local search. The primary focus of Eniro's product development is on mobile and digital-search channels. Joint development of mobile and Internet platforms ensures efficiency and quality.

Eniro develops its products for users based on user needs. Users who utilize Eniro's products and services increase traffic, which in turn strengthens the customer value for Eniro's advertising customers.

In 2012, Eniro created a more uniform appearance on its websites and harmonized the maps, logotypes and color schemes for both the mobile and digital Internet channels. Mobil 2.0, which was launched in 2012, has an entirely new user interface and proceeds on the basis of the user's geographic position to enable the best possible search result in the local area.

Products and services for the entire Group are centrally developed through Group Product & Services (GPS). The Polish GPS organization, which was previously a separately managed unit, was also integrated as part of the Group-wide product-development unit.

In total, the following development costs have been capitalized in the balance sheet in the past three years.

SEK M	2012	2011	2010
Development costs	99	108	157

Acquisitions and divestments

Acquisitions

Eniro acquired the assets of Open Ad Exchange of Denmark, thus strengthening its position and network offering in the Danish market for sponsored links. The date of transfer for the transaction was May 29, 2012. The purchase consideration was approximately SEK 2 M.

Divestments

The divestments that occurred during the year were part of efforts to streamline and concentrate Eniro's operations to digital local search. Eniro sold the Norwegian B2B service, Inform, to Bisnode. The divestment resulted in a capital gain of about SEK 37 M. Inform had full-year sales of approximately SEK 19 M and a positive EBITDA. Bisnode paid a purchase consideration totaling about SEK 37 M. The amount was paid in cash in connection with access on November 30, 2012.

Eniro sold the Norwegian online search service kvasir.no to Scandinavia Online AS, which Eniro owns jointly with Aller Media AS. The divestment comprises brands, domain names, search engines, IT platforms, supplier agreements, distribution agreements and staff. Following the divestment, Eniro Norge AS will continue to own 50.1% of SOL, with the remaining 49.9% owned by Aller Media AS. Scandinavia Online AS paid a purchase consideration initially totaling SEK 19 M. The amount was paid in cash in January 2013. In addition to the purchase consideration received in connection with access, there is a possibility that a supplementary purchase consideration will be received based on the company's revenue trend. The transaction gave rise to a capital gain for the Group of approximately SEK 7 M for that portion of the divestment that is owned by Aller Media AS.

Outlook and forecast for 2013

During 2013, Eniro intends to further streamline its operations. Revenues from digital media, which currently account for about two-thirds of sales, are expected to increase. Revenues from Print and Voice, which represent the remaining one-third of the business, will continue to decline due to changing user patterns. Eniro will maximize cash flow from these media. Continued cost savings and a more efficient organizational structure are expected to yield a strong cash flow, which will be used to further reduce debt. The objective is to retain EBITDA in 2013 at the same level as in 2012, assuming a changed revenue mix and continued savings.

The objective is that net debt in relation to EBITDA should not exceed a multiple of 2.5.

Personnel

On December 31, 2012, the number of full-time employees was 3,187, compared with 3,626 at the beginning of the year. Accordingly, the number of employees was reduced by 439. The number of employees by country is presented in the table below.

Full-time employees at year-end

	(Dec 31) 2011	(Dec 31)
Sweden incl. Other	838	934
Norway	539	629
Denmark	406	403
Poland	815	927
Directories, including Other	**2,598**	**2,893**
Sweden	255	274
Norway	48	59
Finland	316	400
Voice	**589**	**733**
Group total	**3,187**	**3,626**

Environment

Eniro pursues systematic and target-oriented environmental work. During 2012, environmental efforts focused primarily on the production and distribution of directories and transportation, and reducing energy consumption and waste.

Further information on Eniro's environmental work is available on Eniro's website, www.eniro.com.

Parent Company

Operating revenues for 2012 amounted to SEK 43 M (36). All operating revenues pertain to intra-Group sales. Income before tax for the year was SEK 167 M (-273). Investments amounted to SEK 0 M (0). The Parent Company has no external interest-bearing net indebtedness.

The Parent Company's shareholders' equity at the end of 2012 amounted to SEK 5,428 M (5,002), of which unrestricted shareholders' equity accounted for SEK 2,898 M (2,497). During 2012, Eniro AB issued preference shares at an issue price of SEK 400 and totaling 1,000,000 shares. The preference shares were registered with the Swedish Companies Registration Office on July 2, 2012. The reason for the issuance was to finance a premature loan repayment. On December 31, 2012, registered share capital amounted to SEK 2,529,518,500, represented by 100,180,740 common shares and 1,000,000 preference shares. At the end of 2012, the quotient value per Eniro share was SEK 25. On December 31, 2012, Eniro AB had 3,266 treasury shares, which was also the average holding of treasury shares during the year.

At the end of the year, the Parent Company Eniro AB had 31 full-time employees (30).

Significant agreements that are affected by a public purchase offer

On November 30, 2010, Eniro renegotiated its loan agreement with the same bank consortium as under the previous loan agreement. The loan agreement came into effect on January 13, 2011.

If an owner, or group of owners, acquires more than 30 percent of the voting rights in Eniro, Eniro and the banks in question must within 30 days reach an agreement on continuation of the loan agreement. If an agreement is not reached, the loan agreement may be terminated, and the outstanding loan must be repaid immediately.

Significant events after year-end

Eniro has an insurance policy with PRI Pensionsgaranti. During 2012, SEK 60 M was reserved as restricted bank funds as collateral for the same pension guarantee. In March 2013, Eniro placed an additional SEK 50 M as restricted bank funds for a continued guarantee. As a result, total restricted bank funds amount to about SEK 110 M plus the return.

On February 1, 2013, Eniro Norge AS signed an agreement with the principal owners of the Norwegian directory assistance service, 1888 Vaersågod! AS – Marell Invest AS and TV2 AS – concerning a merger. Following the merger, Eniro will control 60% of the joint operations, while the owners of 1888 will control the remaining 40%. In 2012, Eniro's revenues from the proprietary directory assistance service, 1880, totaled approximately SEK 75 M, while 1888's revenues for the corresponding period amounted to approximately SEK 65 M. The transaction as such did not give rise to a capital gain and will not impact cash flow because no purchase consideration will be paid.

The merger contributes to consolidating a market with declining volumes and creates the prerequisites for more attractive service. The agreement enables significant efficiency enhancements and cost synergies. The jointly owned company is to be consolidated in the Eniro Group during the first quarter of 2013. The transaction is expected to increase Eniro's revenues by SEK 50 M and raise EBITDA by approximately SEK 20 M on an annual basis.

Dividend

Ahead of the 2013 Annual General Meeting, the Board of Directors proposes that SEK 48 M be distributed to holders of preference shares. Accordingly, profit distribution of SEK 12 per preference share per quarter is proposed. January 31, April 30, July 31 and October 31 are proposed as the record date for dividends. Payment of the proceeds is to occur on the third banking day after the record date.

The Board of Directors proposes that no dividend be paid on common shares for the 2012 fiscal year. This is because the financial objective of continuing to reduce the company's net indebtedness is considered more important than the payment of dividend.

Board of Directors' proposal concerning distribution of unappropriated income

The following funds in the Parent Company are at the disposal of the Annual General Meeting:

	SEK
Net profit for the year	79,597,983
Earnings brought forward	2,818,748,163
Total	**2,898,346,146**

The Board of Directors proposes that

	SEK
Dividend on preference shares of SEK 48 per share	48,000,000
To be carried forward	2,850,346,146
Total	**2,898,346,146**

OPERATIONAL RISKS AND RISK MANAGEMENT

Eniro's definition of risk

Eniro defines risk as the uncertainty of an event occurring that would affect the company's ability to achieve its established business objectives within a given period. Risks are a natural part of all business operations that the organization must be able to manage effectively.

Risk management is designed to prevent risks from materializing or to limit or prevent risks from adversely impacting operations. Eniro has an annual, recurring risk analysis process, Enterprise Risk Management (ERM), which includes all parts of the business, revenue streams and Group functions. Eniro aims to identify, assess and manage the risks it faces including industry- and market-related risks, commercial risks, operational risks, financial risks, compliance risks relating to laws and regulations, and financial reporting risks. The risk exposure varies within the various revenue streams of Online/mobile, Print, Media Products and Voice, and during the risk analysis the various risks are identified in a structured manner by analyzing a number of risk drivers per risk category. For each evaluated risk, an assessment is made to determine to what extent the risk should be monitored, eliminated, reduced or increased. The risk analysis also provides a basis for annual business planning, where risk-management activities are planned as strategic or operational initiatives. Risk analysis, including risk-management activities, is reported to the company's Audit Committee and Board of Directors for evaluation and approval. Eniro has defined the following three primary purposes of its risk-management processes:

1. To ensure that the company's management and Board of Directors are well aware of the company's risks and that accurate information about the company's risk exposure is communicated.
2. To support operational management by providing relevant risk information and decision-making data to create a basis for effective risk management, and effective operational control and monitoring to achieve established business objectives.
3. To help company management and the Board of Directors to systematically identify, manage and monitor risks at various levels of the organization in order to minimize damage to the business.

The Group's main risks and uncertainties

Risk category	Potential risks for Eniro	Risk management
Market risks	Risk of lower-than-expected growth in Media Products.	New products and expanded network for increased exposure of sponsored links. Media Business Concept for packaging products adapted to each customer.
	Risk of lower-than-expected traffic trend for online services.	Eniro bases product development, communication and strategies on clearly defined target groups. Quality databases generates increased user satisfaction.
	Risk of lower call volume in Voice due to substitutes.	Develop premium services in personal search services. Maintain high customer satisfaction index.
	Risk of lower-than-expected growth in Directories.	Retain current and attract new customers. Demonstrate the customer value of a local search presence.
	Risk of not maintaining competitiveness.	Streamline and concentrate operations.
	Risk of reduced demand for media products if economic conditions decline.	Continued cost control to enable rapid adjustment of operations.
Operational risks	Risk that product development fails to match user expectations.	The user in focus on the basis of the brand project and continuous meetings with focus groups.
	Risk of high personnel turnover in the sales organization.	Active coaching of sales managers with distinct sales targets. Enhance professional pride in the sales force.
	Risk of operational disturbances in the database.	Focus on operational reliability and protection of IT solutions.
Financial risks	Risk associated with interest-rate and exchange-rate fluctuations and the possibility to obtain financing.	Financial policy for financial risks, hedging and long-term loans. Evaluate financing alternatives and terms and conditions ahead of the renegotiation of loans.
Legal risks	Risk associated with amended laws and disputes affecting commercial and financial agreements.	Continuous follow-up of laws and agreements, as well as evaluation of risk exposure.
Financial reporting risks	Risk of misleading results in internal and external financial statements.	Internal control system and other control procedures, as well as external auditors.

Risks affecting the Group

Development Media products

The market for digital services and search-word advertising continues to grow and it is essential that Eniro develops in pace with the company's user expectations and captures market share. To achieve profitable growth, Eniro is focusing on the development of new products and increasing its efficiency in the media area. Eniro's network will be expanded to increase scope through additional advertising partnerships, thus boosting revenues from sponsored links and banners. Collaborations have also been entered into with network partners that provide display and sponsored links on mobile platforms. Eniro's network will be expanded to increase scope through additional advertising partnerships, thus boosting revenues from sponsored links and banners.

The focus of the Media Business Concept, a collective term for products, processes and support systems for the sale of sponsored links combined with products such as websites, video, mobile websites and search-engine optimization, is on the growing market for search-word advertising. The Media Business Concept enables customers to monitor and optimize their visibility through customized solutions.

Traffic trend on websites

The traffic on Eniro's websites and the number of users who perform searches are relevant for advertisers and ensuring that customers receive a return on their investment. The traffic trend on Eniro's websites is to be strengthened by increasing the focus on generating user value and by improving the service quality. As more users visit Eniro's various media channels, traffic to the sites increases. Eniro seeks to provide more relevant and superior-quality search hits than other available search services. Through the years, the Group has invested heavily in improving quality, in order to strengthen the user experience. Eniro develops its products for users based on user needs. Our efforts to improve the user experience and the return for our paying customers go hand in hand. An increase in users of Eniro's products and services increases traffic, which in turn increases the incentive for customers to be searchable through Eniro's channels. Accordingly, user value can be equated with customer value. In the sales discussion, a positive traffic trend is a key to underscoring the customer value and demonstrating the return on the investment made.

Call volumes Voice

Volumes within Voice are expected to continue to decline, due to the deteriorating market trend, whereby smartphones are having a negative impact on volume. The directory-assistance services have a faithful and loyal group of frequent users who account for a large part of their volumes and will be retained as long customers want the services, attractive services are offered to users and healthy profitability is generated.

Eniro's strategy is to satisfy its users' requirements and to secure the position as the first choice for existing customers who use the service frequently. To enhance the content of the directory-assistance service, Eniro is focusing on partnership with other suppliers of content that is appropriate for personal information services. Eniro is also working to develop premium services for which price sensitivity is lower. In Finland, Eniro offers an active contact-center operation to offset the declining volumes in the traditional directory-assistance service. Services and platform strategies are being reviewed and the efficiency of the operations is being enhanced continuously, all in line with the objective of maintaining high profitability and a strong cash flow.

Development Directories

Digital revenues represent the largest and principal source of revenue for the Group and are expected to offset the decline in revenues from Print and Voice. Digital accounts for 77 percent of Eniro's advertising revenue and the remaining revenue from printed media for a limited proportion of the total. The digital advertising market is characterized by intense competition and continuous technological innovation. The aim of the market players is to attract users who drive traffic, which in turn strengthens the customer value for advertising customers.

Retaining existing customers and giving them a return for their investments is a key objective for Eniro's operations. Efforts to attract new customers and increase the customer base are conducted in parallel. Eniro's customers want to be visible where users perform their searches, in order to optimize their searchability and increase their exposure to potential customers.

To provide users with an attractive and relevant service that generates user value, it is essential that Eniro develops products for users based on user needs. Quite simply, Eniro must provide the best products for local search. Accordingly, user value can be equated with customer value. To increase customer reinvestment, it must be possible to demonstrate the customer value of the investment made. The results of the customer's investment are reported continuously in the form of monthly return reports.

Uphold competitiveness

The search market, regardless of channel is characterized by intense competition, rapid change and high technological innovation. Eniro's products and services are exposed to both direct and indirect competition from companies offering searchable and relevant presence, around the clock, every day of the year. Competitors comprise both large global players and smaller local companies, niche players, media groups and traditional directory companies. Eniro has started to streamline its operations and has both acquired and divested operations to increase the concentration of its services. Centralized product development and a stronger brand are essential if Eniro is to be able to successfully compete for both customers and users.

Economic changes affect demand

Changes in the labor and financial market and in the global economy are difficult to predict, and could affect demand in the markets where Eniro is established. The marketing plans of customers govern the demand for Eniro's products and services. Eniro proved during 2012 that the company had succeeded in maintaining high profitability despite reduced revenues. As a result of continued efficiency enhancement and effective cost control, Eniro can adapt its operations to various economic fluctuations.

Product development that matches user expectations

It is vitally important that product development reflects the expectations of the users. Occupying a position at the cutting edge of the growing digital and mobile search market is essential. The brand project that was implemented and launched during 2012 ensures that the company's development of services has user value as the point of departure. By means of increased user value and a strong connection to the company's users, traffic to Eniro's services will increase, thus generating added value for Eniro's advertising customers.

Eniro engages focus groups in its product development to ensure that its services are developed in a manner that matches its customer groups' requirements. The brand project focuses on ensuring that Eniro's position as "The symbol of local search" harmonizes with the search requirements of the target group. During the year, Eniro created a more uniform appearance on its websites and harmonized the maps, logotypes and color schemes for both the mobile and digital Internet channels. A new generation of mobile services was produced and launched for iPad and mobile Internet, as well as for Eniro's iPhone and Android mobile apps. Mobil 2.0 has an entirely new user interface and proceeds on the basis of the user's geographic position to enable the best possible search result in the local area. It also offers Facebook integration, whereby Eniro's maps can show a person's current position via Facebook check-in. During 2013, Eniro will continue to develop innovations such as the integration of social media and user-generated content, as well as product-search improvements.

Personnel turnover in the sales organization

For a number of years, a challenge for Eniro has been an excessively high personnel turnover rate. In 2012, this negative trend was broken and fewer employees left than in the preceding year. To reduce the personnel turnover rate and thus reduce the cost of new recruitment, an extensive program is under way. The program is aimed at improving processes, ensuring the right target scenario and increasing the efficiency of the sales force's delivery capacity through expanded training efforts. Personnel turnover is to be reduced by means of improved sales methods and sales management, as well as by higher target fulfillment.

To enhance professional pride in the the sales force, Eniro participated in the establishment of the Sales representative of the Year award. Overall, Eniro has been focusing on a number of activities to reduce personnel turnover as a key to increasing sales efficiency and raising profitability.

Operational reliability in the database.

Eniro's business operations are greatly dependent on efficiently functioning and disturbance-free IT and communication systems, including data security systems. A disruption or defect in current or future systems could worsen Eniro's ability to collect, process and store data and to conduct its operating activities. Eniro's IT and communication systems could be susceptible to damage or disruption caused by a variety of sources, such as attacks from computer viruses on websites targeted at Eniro's online services. Eniro and its external suppliers of IT and communication systems work continuously to take actions that limit the potential that Eniro's databases will be destroyed or lose their content due to disruption, damage or disturbance.

Interest-rate and exchange-rate fluctuations and the possibility to obtain financing

Eniro's net interest cost is affected by changes in market interest rates. A portion of Eniro's non-current borrowing was previously locked at a fixed interest rate via an interest-rate swap agreement, but this was terminated during 2012, whereby borrowing is now raised in its entirety at variable interest rates. During 2012, Eniro made scheduled loan payments and extra repayments, as well as the premature redemption of a bank loan, which when combined contributed to reducing borrowing and thus cutting interest costs.

As an international group, Eniro is exposed to translation risk when the net assets of foreign subsidiaries are translated to SEK. These translation risks are hedged in part through borrowing in foreign currency. Eniro's financial policy is adopted by the Board of Directors and serves as the foundation for managing financial operations, the division of responsibility and financial risks. For a detailed description of financial risk management, see Note 21, Financial risk management.

Eniro's loan agreement has a maturity until November 2014, which means that Eniro will need to renegotiate the agreement or apply for alternative financing before the loan matures. Eniro's opportunities to successfully refinance bank debt depend on market conditions and Eniro's financial situation at the time of the the refinancing. Market conditions and financial events determine terms and conditions such as interest rates, covenants and possible restrictions. Alternative financing that could be available takes the form of corporate bonds. Eniro intends to evaluate the various possible financing alternatives that are available well in advance of the refinancing date and focus on achieving the best possible terms.

Legal risks involving laws, regulations and commercial and financial agreements

Changed laws, regulations and government decisions could result in changed prerequisites for the business and thus affect Eniro. The company has a well-established system for internal regulations and principles, which clearly regulates and determines how the operations should be managed in various respects.

The company regularly follows up compliance with laws, regulations and internal policies. The responsibility for monitoring and controlling the management of legal risks occurs centrally and the results are reported to the Board of Directors.

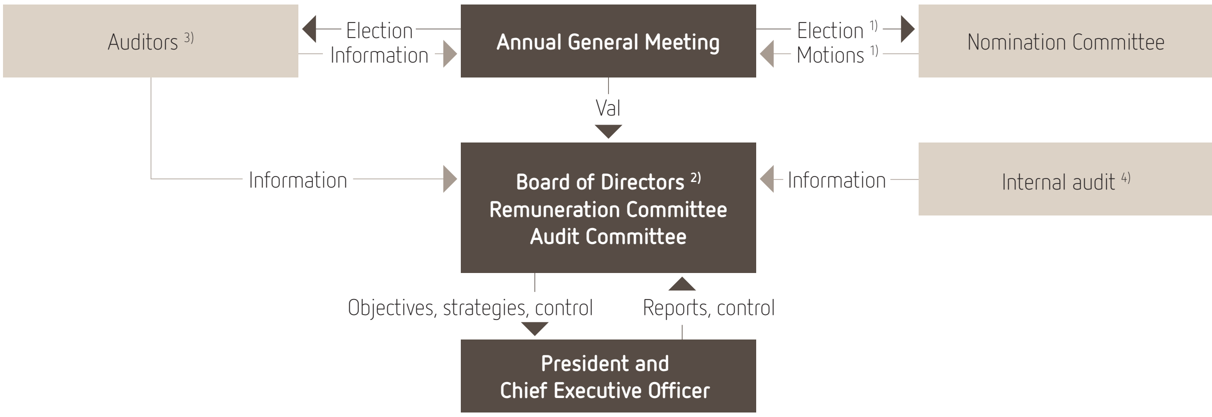
Financial reporting risks

Correct and appropriate financial reporting and sound internal controls are essential for the company's credibility with respect to shareholders and other stakeholders. Eniro devotes considerable resources to the development of its processes for risk analysis and risk management in order to maintain good internal control over its financial reporting, in accordance with the intentions of the Swedish Code of Corporate Governance. The risk of material errors in the company's financial reporting is analyzed from the viewpoint of the consolidated income statement and balance sheet. Key accounts are identified and a risk analysis carried out, in which both quantitative and qualitative risk parameters are assessed.

For a detailed description of the company's risk analysis and risk-management activities with respect to its financial reporting, refer to the section on internal control in the Corporate Governance Report.

CORPORATE GOVERNANCE

Eniro is a Swedish public limited liability company that has its headquarters in Stockholm, Sweden. This Corporate Governance Report has been examined by the company's independent auditors.



1) The Nomination Committee prepares proposals for resolutions, which are presented to the Annual General Meeting, which resolves on the principles for appointing the Nomination Committee.
2) From among its members, the Board of Directors establishes the committees and appoints their members.
3) Performs the audit and reports to the Board and to the shareholders.
4) Reports to the Audit Committee.

Internal governance instruments

Business concept and objectives, Articles of Association, rules of procedure for the Board of Directors, instructions for the President/CEO, strategies and policies in respect of such matters as financial, information and insider issues, and processes for internal control and governance.

External governance instruments

The Swedish Companies Act, the Annual Accounts Act, Nasdaq OMX Stockholm's rules and regulations for issuers, other relevant laws and the Swedish Code of Corporate Governance.

Eniro is a Swedish public limited liability company. The shareholders of Eniro ultimately decide upon the Group's corporate governance through the election of the Board of Directors at the Annual General Meeting (AGM). The Board, in turn, is the body that has the day-to-day responsibility for ensuring that the corporate governance complies with laws and other external and internal governance instruments. At a General Meeting, all shareholders may vote for the full number of shares held and represented without any restriction on voting rights. All shares carry equal voting rights. The model illustrates the structure of corporate governance within Eniro.

Governance of the Group is based on, for example, the Articles of Association, the Swedish Companies Act and the rules and regulations of Nasdaq OMX Stockholm. Eniro has applied the Swedish Code of Corporate Governance since 2005. The Code is available on the Swedish Corporate Governance Board's website www.corporategovernance.se. Eniro has no instances of non-compliance with the Code to report for the 2012 fiscal year.

Eniro works to ensure that the operations will generate a healthy long-term return for shareholders and other stakeholders. Efficient corporate governance at Eniro can be summarized in a number of interacting components, which are described in the illustration above.

Shareholders

The number of shareholders in Eniro on December 31, 2012 was 12,863 (14,803). In accordance with details known to the company, the ten largest owners represented 52 percent (52.1) of the share capital. 63 percent of total shares outstanding were registered to Swedish shareholders, while 37 percent were owned by non-Swedish shareholders (32).

The company's three largest shareholders on December 31, 2012 were Staffan Persson, companies and family (11.3%), Länsförsäkringar Fondförvaltning AB (10.2%) and Danske Capital Sverige AB (9.0%). Read more about Eniro's share on pages 38–39.

Share capital and voting rights

Share capital in Eniro on December 31, 2012 amounted to SEK 2,529 M, represented by 100,180,740 common shares and 1,000,000 preference shares, of which treasury shares held by Eniro accounted for 3,266 common shares (3,266). Eniro's holding of treasury shares averaged 3,266 common shares during the year. The intention of the holding of common treasury shares was that they would be used for the share-savings program for Eniro employees. However, the program was discontinued in 2011.

The total number of voting rights was 100,280,740, of which common shares accounted for 100,180,740 voting rights and preference shares for 100,000 voting rights. All shares have a quotient value of SEK 25 and provide identical rights to a share in the company's assets and earnings.

Dividend and dividend policy

The Eniro share is listed on Nasdaq OMX Stockholm and is traded under the ticker ENRO. On the Nasdaq OMX Nordic list, Eniro is index classified under Consumer Discretionary/Advertising in the Nordic Mid Cap segment. Eniro had market capitalization of SEK 1.6 billion on December 31, 2012, including the listed preference shares.

The financial objective of reducing the company's net debt in relation to EBITDA has precedence over shareholder dividends.

The company's objective is that net debt in relation to EBITDA should not exceed a multiple of 2.5. This means that a reduction in the company's debt continues to have priority. Consequently, the Board of Directors of Eniro proposes that no dividend be paid for the 2012 fiscal year.

The Board of Directors will propose to the 2013 Annual General Meeting that a dividend of SEK 48 per share be paid on preference shares, meaning a total dividend cost of SEK 48 M. A dividend for preference shares will be provided at three-month intervals. For each three-month period, a dividend of SEK 12 will be paid per share.

The Board of Directors had earlier decided that SEK 36 M in dividends on preference shares be paid for 2012, a proposal that was adopted at an Extraordinary General Meeting on June 7, 2013.

General Meetings

The shareholders' influence over the company is exercised at shareholders' meetings, which constitute the company's supreme decision-making body. Shareholders who are registered in the share register on the record date and who have notified their intention to attend may participate in a General Meeting, in person or by proxy. Resolutions taken at a General Meeting normally require a simple majority. For certain matters, however, the Swedish Companies Act requires that a proposal be supported by a larger majority. Individual shareholders requesting that an item of business be addressed by a General Meeting can make such a request to Eniro's Board of Directors under a special address, which is published on the Group's website, www.eniro.com, well in advance of a General Meeting.

An AGM must be held within six months following the close of the fiscal year. The official notification of the AGM must be published no later than four weeks and no earlier than six weeks prior to the AGM. The AGM passes resolutions concerning the dividend, approval of the annual financial statements, election of Members of the Board and auditors, remuneration to be paid to Members of the Board and auditors, guidelines regarding remuneration and other employment terms and conditions for senior executives, amendments to the Articles of Association and other important matters. An Extraordinary General Meeting may be convened by the Board or at the request of the auditors or of shareholders representing at least 10 percent of all of the shares in Eniro.

Annual General Meeting 2012

Eniro's 2012 AGM was held on April 25 at Näringslivets Hus, Stockholm.

The AGM resolved, in accordance with proposals from the Board of Directors, that no dividend was to be paid for the 2011 fiscal year and that the company's available funds would instead by carried forward.

In accordance with the proposal presented by the Nomination Committee, the AGM resolved that Eniro's Board of Directors would comprise six members and no deputies. The AGM, in accordance with the Nomination Committee's proposals, reelected Members of the Board Fredrik Arnander, Thomas Axén, Cecilia Daun Wennborg, Ketil Eriksen and Lars-Johan Jarnheimer, and newly elected Leif Aa Fredsted. Lars-Johan Jarnheimer was elected Chairman of the Board.

The AGM also passed resolutions concerning directors' fees, guidelines for the remuneration of senior executives and the establishment of the Remuneration Committee prior to the 2013 AGM.

The AGM also resolved, in accordance with proposals, on two amendments to the Articles of Association. The first amendment was necessary to enable the period in office of auditors to be one year and the second amendment was necessary to enable the AGM to be held at the company's Head Office in Solna.

In accordance with the Nomination Committee's proposal, the AGM resolved to elect the authorized accounting firm PricewaterhouseCoopers AB as its auditor up to the next AGM.

Extraordinary General Meeting 2012

An Extraordinary General Meeting Eniro shareholders held on June 2013 adopted the Board of Directors decision of May 7, 2012 to issue new preference shares and also the related decisions concerning: an amendment of the Articles of Association to enable the introduction of a new class of shares, preference shares, authorization of the Board of Directors to make decisions on a new issue of preference shares and an extra profit distribution on preference shares in accordance with the proposal.

The new issue comprised a total of not more than 1,000,000 preference shares at a subscription price of SEK 400 per preference share, which at full subscription corresponded to issue proceeds of SEK 400 M before issue expenses.

The share issue was completed to finance premature repayment of a debt to bank in the consortium of banks with which the company had entered into loan agreements. By financing an existing debt at a discount by means of the issuance of preference shares Eniro's indebtedness was reduced, at the same time as improving the company's cash flow, earnings and key data.

The acceptance period for the share issue ended on June 21, 2012. In total, subscription applications were received corresponding to an amount of SEK 725 M. The Board of Directors of Eniro decided, in accordance with previously determined allotment principles, to allot approximately 40 percent of the share issue to existing Eniro shareholders within the framework of the offering to the public. All existing shareholders who had submitted correctly completed application forms received an allotment pro rata to the number of shares already held and otherwise in accordance with the principles of allotment that had been specified in the prospectus underlying the share issue. The remaining portion of the share issue, approximately 60 percent within the framework of the institutional offering, was allotted to investors who had undertaken in advance to subscribe for shares from the share issue. No payment was made to those undertaking to subscribe for the institutional offering.

Attendance at General Meetings 2012

At the 2012 Annual General Meeting

A total of 32,022,592 shares and voting rights were represented at the AGM, corresponding to approximately 32.96 percent of the total number of possible voting shares at the AGM.

At the Extraordinary General Meeting (EGM) during 2012

A total of 42,705,338 shares and voting rights were represented at the AGM, corresponding to approximately 42.6 percent of the total number of possible voting shares at the EGM.

All documents from the AGM and EGM held during 2012 are available at www.eniro.com.

Nomination Committee

Since 2005, the AGM has determined that the four largest shareholders are to be offered an opportunity to appoint one representative each and that these representatives, together with the Chairman of the Board, are to form the Nomination Committee for the period until a new Nomination Committee has been appointed. The composition of the Nomination Committee is to be announced in a press release as soon as the members have been appointed. Such an announcement is to take place no later than six months prior to the AGM.

Ahead of the 2012 AGM, the members of the Nomination Committee are Monica Lundström (Zimbrine Holding BV; Staffan Persson, companies and family), Philip Wendt (appointed by Länsförsäkringar Fondförvaltning AB), Mikael Nordberg (Danske Capital AB), Åsa Nisell (Swedbank Robur fonder) and

Lars-Johan Jarnheimer (Chairman of the Eniro Board). Philip Wendt is the Chairman of the Nomination Committee.

If a member of the Nomination Committee resigns from the position prior to the conclusion of the Committee's work, the shareholder who appointed the resigning member, if considered to be necessary, is to appoint a successor. If that shareholder is no longer, in terms of voting rights, one of the four largest shareholders, then such right is transferred to the new shareholder who, following these shareholders, has the largest shareholding.

The Nomination Committee's task ahead of the AGM on April 25, 2013 is to present proposals concerning the number of Board Members to be elected by the AGM, directors' fees, any remuneration for committee work, the composition of the Board, election of Chairman of the Board, election of Chairman of the AGM, auditors' fees and election of auditors. The Nomination Committee is also to present proposals to the AGM concerning a process for establishing the following year's Nomination Committee.

Up to March 1, 2013, the Nomination Committee had held three meetings. The Nomination Committee has not received any nomination proposals from other shareholders.

The annual evaluation of the Board's work and the individual evaluation of each Board member constitute an important part of the Nomination Committee's work.

During 2012, the evaluation took the form of an extensive questionnaire combined with individual interviews of Board Members. During its 2012 evaluation, the Nomination Committee interviewed and met with certain AGM-elected Board members. This work provided the foundation for the Nomination Committee's discussions regarding an appropriate composition for the Board of Directors.

The Nomination Committee aims to ensure that, given the nature of Eniro's business, the Board will have an appropriate composition in terms of competency, experience and background. The Nomination Committee's proposals are presented in the official notification of the AGM and on the Eniro website, www.eniro.com. This is where, in connection with the issuance of the official notification, the Nomination Committee also publishes its reasoned opinion underlying the proposal concerning Board membership. Shareholders wishing to maintain regular contact with the Nomination Committee can do so by e-mailing nominationcommittee@eniro.com.

Auditors

The AGM elects the company's auditors. As of June 1, 2011, it is a legal requirement that auditors be elected for a period of one year. However, a period in office of four years may be stipulated in the Articles of Association, which was previously the case with Eniro's Articles of Association. However, the 2012 AGM resolved on an amendment of the Articles of Association changing the period of office for auditors to one year. The Remuneration Committee submits proposals concerning the election of auditors to the AGM, where the election of auditors takes place.

On the basis of an annually adopted audit plan, the auditor is responsible for examining and evaluating the risks associated with the operations and the Group's financial reporting. The auditor meets with the Audit Committee regularly in order to provide information on the ongoing audit work.

Eniro's current auditor was originally elected by the 2004 AGM, re-elected by the 2008 AGM and re-elected again for one year by the 2012 AGM. The 2012 AGM re-elected PricewaterhouseCoopers AB as auditor for the period extending to the 2013 AGM. PricewaterhouseCoopers AB was represented by Bo Hjalmarsson and Eva Medbrant. At the 2012 AGM, it was announced that Bo Hjalmarsson had been appointed auditor-in-charge.

Prior to the 2013 AGM, the Remuneration Committee proposes reelection of PricewaterhouseCoopers AB as auditor for the period extending to the 2014 AGM.

Auditors for PricewaterhouseCoopers AB

Bo Hjalmarsson
Auditor-in-charge since: 2008
Authorized Public Accountant since: 1989
Other major audit assignments: Lundin Petroleum and Teracom.
Other major assignments: Chairman of FAR's Policy Group for Audits.

Eva Medbrant
Auditor of Eniro since: 2011
Authorized Public Accountant since: 2001
Other major audit assignments: Cygate Group and InfoCare Service.
Other major assignments: –

Remuneration paid to auditors 2010–2012 (SEK M)

Year	Other assignments	Audit	Total
2010	1.4	9.1	10.5
2011	1.4	5.1	6.5
2012	1.2	4.8	6.0

During 2012, the audit fee also included examination of the issue prospectus.

Board of Directors

The Board of Directors is to manage the company's affairs in the interests of the company and all shareholders. According to the Swedish Companies Act, the Board is responsible for the organization and the management of the affairs of the company. Eniro's Articles of Association stipulate that the Board is to consist of four to ten members, who are nominated by the Remuneration Committee and elected annually by the AGM for a term until the end of the next AGM. Three of the members are to be appointed by employee organizations pursuant to Swedish law. The employee organizations also appoint one deputy. The Board currently comprises six AGM-elected Board members and three employee representatives. No Board member is a member of company management.

Every year, the Board adopts written rules of procedure of the Board which, together with the Swedish Companies Act, the Articles of Association and the Swedish Code of Corporate Governance, specify the Board's responsibilities and distribute those responsibilities within the Board, meaning between the Chairman and the other Board members, as well as between the Board and its committees.

The rules of procedure of the Board contain procedures for the day-to-day Board work. The Board is normally to hold six scheduled meetings annually, including one to be held with the company's auditors in attendance and also without the attendance of members of company management. Unscheduled Board meetings may be held in order to deal with matters that cannot suitably be dealt with at a scheduled meeting. Such meetings may be held by telephone, by video conference or by circulation. Scheduled meetings are normally to be convened by notification to the members one week in advance. The notification is to include the agenda and relevant documents and background materials regarding the items that are to be addressed at the meeting.

The Group's auditors participated in the Board meeting where the year-end and the interim reports for 2012 were approved. During the year, the auditors participated in all of the meetings of the Audit Committee and presented their examination reports at the meetings held to address the year-end and nine-month interim reports. The Chairman is ultimately responsible for the Board's work and continuously oversees the operations in close consultation with the President/CEO. The Chairman is responsible for making sure that the other Board members receive the information they require to execute their assignments in a responsible manner. The Chairman is also responsible for ensuring that the annual evaluation of the Board's work is conducted. The Chairman is to represent Eniro in ownership matters.

The rules of procedure of the Board include instructions on the distribution of duties between the Board and the President/CEO and procedures for the manner in which the President/CEO is to keep the Board informed of the progress of the Group's operations and its financial position. The President/CEO participates in all Board meetings except those dealing with the evaluation of the President/CEO's work. Other senior executives participate, when necessary, in order to keep the Board informed, or if requested specifically by the Board or the President/CEO.

The Board of Directors currently has two committees that it has appointed from among its numbers: the Remuneration Committee, which was initially established in 2001, and the Audit Committee, which was initially established in 2004. During the year, the Board adopted rules of procedure for each committee. The Board has also decided on Group-wide policies covering financial, information and insider matters.

Board of Directors' work during 2012

During the year, the Board held 16 meetings, of which two by telephone and six by correspondence. At the scheduled Board meetings, the President/CEO reported on the Group's results and financial position, including the outlook for the quarters ahead.

Important issues addressed by the Board of Directors during the year included the company's financial position, a changed objective for the capital structure and work on the preference-share issue such as a prospectus, allotment of preference shares, extra profit distribution on preference shares and the Extraordinary General Meeting held to address the share issue; in addition, the Board addressed strategy, the corporate culture and the company's brand platform.

Other matters addressed included agreements and investments, as well as acquisitions and divestments, such as an agreement with the lending banks and the divestment of the operations of Bilweb in Sweden, the Norwegian B2B service Inform and the Norwegian online search service kvasir.no to Scandinavia Online AS, which Eniro owns jointly with Aller Media AS.

The Board also decided on the acquisition of Open AdExchange, whereby Eniro Denmark AS strengthened its media products offering and took over a competitive and complete network for sponsored links in the Danish search-word market.

Remuneration Committee

During the period after the 2012 AGM, the Remuneration Committee consisted of Lars-Johan Jarnheimer (Chairman) and Ketil Eriksen.

In accordance with the Swedish Code of Corporate Governance, the Remuneration Committee's duties include preparing the Board's proposals to the AGM concerning guidelines for determining salary and other remuneration of the President/CEO and other senior executives. In accordance with the Board's rules of procedure, the Remuneration Committee's proposals are to be presented to the Board, which decides on whether to present the proposals to the AGM. The proposals are to comply with standard practice for listed companies. The Board's proposals concerning guidelines ahead of the AGM 2013 are presented on page 58.

The Board, by means of the Board's rules of procedure, has authorized the Remuneration Committee to make decisions on individual salaries, remuneration and pension benefits for senior executives, excluding the President/CEO.

The Remuneration Committee held three meetings during the year and all members participated in all of the meetings. The meetings of the Remuneration Committee are minuted and an oral debriefing occurs at Board meetings.

Audit Committee

During the period after the 2012 AGM, the Audit Committee has consisted of Cecilia Daun Wennborg (Chairman), Thomas Axén and Lars-Johan Jarnheimer.

In accordance with the Swedish Companies Act, the Audit Committee's duties include monitoring the company's financial reporting. The Audit Committee is responsible, in accordance with the Board's rules of procedure, for preparing the Board's work on ensuring the quality of the Group's financial reporting. This includes monitoring the audit processes and the efficiency of the internal control of financial reporting. The Audit Committee is to continuously meet Eniro's auditor and keep itself informed of the focus and scope of the audit work and to evaluate this work. The Committee is also to continuously discuss with the auditor the views of Eniro's risks in terms of the financial reporting. At least one of the Committee's members must have accounting or auditing competency.

The Audit Committee must inform Eniro's Nomination Committee of its evaluation of the audit work. In connection with the election of auditors, the Audit Committee is to assist the Nomination Committee in its work in respect of the formulation of proposals concerning auditors and fees for audit work. The Board, by means of the Board's rules of procedure, has authorized the Audit Committee to establish guidelines concerning the services other than audit services that Eniro is permitted to procure from its auditor, and to annually adopt the internal audit plan with the support of the external auditor.

The Audit Committee is entitled to request information from and support for its work from all employees of the Group, as well to request that individual officers participate in the meetings of the Audit Committee. The Audit Committee is entitled to independently commission the services of external advisors for special inquiries that the Audit Committee deems necessary to implement.

The Audit Committee held five meetings during the year. Meetings of the Audit Committee are minuted, appended to Board material and an oral debriefing occurs at Board meetings. Major matters addressed by the Audit Committee during the year included monitoring of financial reporting, financing issues, the internal and external audit, risk analyses, pension issues and impairment testing of intangible assets.

Remuneration of the Board

The AGM resolves on the remuneration to be paid to the Members of the Board. The 2012 AGM resolved that directors' fees were to be paid in a total amount of SEK 3,650,000, of which SEK 1,100,000 to the Chairman of the Board and SEK 420,000 to each other AGM-elected member, SEK 150,000 to the Chairman of the Board's Audit Committee and SEK 75,000 to each of the other four members of the Board's committees. The Chairman of the Board and other AGM-elected members have no pension benefits or agreements concerning severance pay.

Group Management and organization

Eniro's Group Management consists of the President/CEO, Senior Vice President Group Product & Services, Senior Vice President Group Service Delivery, President of Eniro Sweden and Finland, President of Eniro Norway, President of Eniro Denmark, President of Eniro Poland, Chief Financial Officer, Senior Vice President Communications and Senior Vice President Human Resources.

The President/CEO directs the work of Group Management and makes decisions following consultation with these members. During the year, Group Management focused its work on actions designed to strengthen user value and the digital product offering. In parallel, work was conducted on streamlining and concentrating the operations. Eniro's financial position was strengthened considerably during the year and Group Management evaluated alternative financing solutions to be able to prematurely repay a loan at a discount.

Since June 19, 2012, Bozena Chmielarczyk has been President of Eniro Poland and, on August 15, Sara Kullgren took office as Senior Vice President Group Product & Services.

THE BOARD OF DIRECTORS

Lars-Johan Jarnheimer
Chairman of the Board

Born: 1960
Principal education /degree: Degree in economics and business administration, University of Lund and Växjö.
Significant professional commitments/employment: Board assignments.
Other significant Board assignments: INGKA Holding BV (IKEA's Parent Company), CDON Group, Egmont International AS, Arvid Nordquist HAB and SSRS Holding AB and is the Chairman of BRIS, the Swedish children's rights organization.
Former positions: CEO of Tele2, Marketing Director Northern Europe at Saab Automobile and CEO of Comviq.

Fredrik Arnander
Member of the Board

Born: 1965
Principal education /degree: Degree in economics and business administration, Stockholm School of Economics.
Significant professional commitments/employment: CEO and founder of Keybroker, a company active in online sales in the Nordic search market, as well as in the UK and the US.
Other significant Board assignments: Keybroker Group AB, among other companies/operations.

Thomas Axén
Member of the Board

Born: 1960
Principal education /degree: Degree in economics and business administration, Stockholm School of Economics.
Significant professional commitments/employment: CEO of Axstores.
Other significant Board assignments: Litorina Capital.
Former positions: President of Bonnier Dagstidningar (Bonnier Newspapers). Has worked for McKinsey.

Cecilia Daun Wennborg
Member of the Board

Born: 1963
Principal education /degree: Degree in economics and business administration, Stockholm University.
Significant professional commitments/employment: Board assignments.
Other significant Board assignments: Getinge AB, Hakon Invest AB, Proffice AB, Ikanobanken AB, Carnegie Fonder AB and Sophiahemmet AB.
Former positions: Executive positions in the service sector, including Carema Vård och Omsorg, Ambea and the Skandia Group.

Ketil Eriksen
Member of the Board

Born: 1963
Principal education /degree: Degree from Oslo School of Business Administration.
Significant professional commitments/employment: Board assignments.
Other significant Board assignments: Plantagen, Polarica, Fazer Group and SelStor.
Former positions: Executive positions in consumer-oriented companies such as President of Colgate-Palmolive AB and CEO of The Absolut Company and Vin&Sprit AB.

Members of the Board

Name	Independent	Born	Elected	Nationality	Common shares	Preference shares
Lars-Johan Jarnheimer, ordf.	Yes	1960	2011	Swedish	100,000	5,000
Fredrik Arnander	Yes	1965	2011	Swedish	30,500	–
Thomas Axén	Yes	1960	2010	Swedish	–	–
Cecilia Daun Wennborg	Yes	1963	2011	Swedish	10,000	210
Ketil Eriksen	Yes	1963	2011	Norwegian	–	200
Leif Aa. Fredsted	Yes	1961	2012	Norwegian	5,000	–
Susanne Olin Jönsson [3]	–	1959	2011	Swedish	–	–
Jonas Svensson [3]	–	1966	2010	Swedish	–	–
Jennie Hallberg [4]	–	1983	2010	Swedish	–	–
Bengt Herkules [5]	–	1955	2012	Swedish	–	–
Deltotal					145,500	5,210
Lina Alm [2]	–	1981	2008	Swedish	–	–
Deltotal						
Totalt					**145,500**	**5,210**

[1] Shares and other financial instruments in Eniro held by individual concerned or by closely related natural or legal entities according to information available to the company.
[2] Regular employee representative until July 2, 2012.
[3] Regular employee representative.
[4] Deputy employee representative until July 2, 2012; regular employee representative as of July 2, 2012.
[5] Deputy employee representative since July 2, 2012.

All members of the Board are independent in relation to the company and its senior management as well as independent in relation to the company's major shareholders.

Leif Aa. Fredsted
Member of the Board

Born: 1961
Principal education /degree: Degree in economics and business administration, Handelshøyskolen BI.
Significant professional commitments/employment: COO Vivaki Nordic.
Other significant Board assignments: Chairman of Vivaki Norway, Vivaki Sweden and Vivaki Denmark.
Former positions: CEO Starcom Norway AS, CEO Markup Consulting AS, CEO Synergi Rf, General Manager Fredsted Consulting/Norska Mediesentral, Marketing Manager & Account Planner Young & Runbicam, Market & Analysis Manager Aftenposten.

Jennie Hallberg
Employee representative

Born: 1983
Principal education /degree: Senior high school graduate.
Significant professional commitments/employment: Senior Work Safety Officer and super-searcher at Eniro 118 118 AB.
Other significant Board assignments: Local trade union at Eniro, Regional Branch of Unionen and member of national steering committee, Ung Arena.
Former positions: Assistant nurse and super-searcher at 118 118.

Susanne Olin Jönsson
Employee representative

Born: 1959
Principal education /degree: Secondary school transition, leadership training.
Significant professional commitment/employment: Chairman of the Eniro union, Unionen.
Former positions: Supervisor, group manager, store manager, coach and operator.

Jonas Svensson
Employee representative

Born: 1966
Principal education /degree: Three years of Secondary education.
Significant professional commitment/employment: Deputy Chairman of the Eniro union, Unionen.
Former positions: Project Manager, Business & Sales Controller, Eniro 118 118 AB.

Bengt Herkules
Deputy employee representative

Born: 1955
Principal education /degree: Higher education within business and marketing.
Significant professional commitment/employment: Sales representative at Eniro.
Former positions: Sales representative.

Attendance at meetings

Remuneration

Board of Directors	Remuneration Committee	Audit Committee	Board work	Committee work
16 of 16	3 of 3	5 of 5	1,100,000	150,000
14 of 16	n/a	n/a	420,000	–
14 of 16	n/a	5 of 5	420,000	75,000
16 of 16	n/a	5 of 5	420,000	75,000
16 of 16	2 of 2	n/a	420,000	150,000
10 of 10	n/a	n/a	420,000	–
15 of 16	n/a	n/a	16,500	–
15 of 16	n/a	n/a	15,000	–
5 of 16	n/a	n/a	7,500	–
3 of 4	n/a	n/a	6,000	–
			3,245,000	450,000
10 of 12	n/a	n/a	9,000	–
			9,000	–
			3,254,000	**450,000**

GROUP MANAGEMENT

Johan Lindgren
President and CEO

Employed in Eniro since: 2010
Born: 1957
Nationality: Swedish
Education: B. Sc. Business Administration, Stockholm University
Former positions: Chief Financial Officer for Telenor's operation in India, CEO of Telenor Sweden, Chief Financial Officer for Bredbandsbolaget, Chief Financial Officer for MTG and Metro International
Shares held: 276,900, of which 173,000 in an endowment policy*) **)
Synthetic shares: 140,265

Bożena Chmielarczyk
CEO of Eniro Poland

Employed in Eniro since: 2012
Born: 1965
Nationality: Polish
Education: Degree in Business Administration and Management, Regent University, USA.
Former positions: Country Manager for the international publisher Reader's Digest in Poland, executive positions at Coca-Cola and McDonald's.
Shares held: –*)
Synthetic shares: 1,412

Annica Elmehagen Lundquist
Senior Vice President, Corporate Communications

Employed in Eniro since: 2011
Born: 1969
Nationality: Swedish
Education: BA in Media and Communications Science, Uppsala University.
Former positions: Vice President Communications, Telenor Sweden.
Shares held: –*)
Synthetic shares: 48,764

Stefan Kercza
President, Eniro Denmark

Employed in Eniro since: 2011
Born: 1964
Nationality: Danish
Education: M. Sc. Business Administration, AVT Business School.
Former positions: President for regions Tamil Nadu and Kerala at Telenor India.
Shares held: –*)
Synthetic shares: 51,656

Sara Kullgren
SVP Group Product and Services.

Employed in Eniro since: 2012.
Born: 1967
Nationality: Swedish
Education: Degree in Market Economics, IHM Business School.
Former position: Regional Director EMEA North and Managing Director Sweden, Oriflame, positions at Nokia and Apple.
Shares held: –*)
Synthetic shares: 2,404

Mattias Lundqvist
Chief Financial Officer

Employed in Eniro since: 2005
Born: 1969
Nationality: Swedish
Education: M. Sc. Business Administration, Växjö University
Former positions: Group Controller, Eniro AB and Group Financial Director, TDC Song.
Shares held: –*)
Synthetic shares: 40,488

Krister Skålberg
Senior Vice President, Group Service Delivery

Employed in Eniro since: 2010
Born: 1961
Nationality: Swedish
Education: Master of Science in Engineering, Royal Institute of Technology, Stockholm.
Former positions: CIO Telenor Sweden.
Shares: –*)
Synthetic shares: 51,137

Martina Smedman
Senior Vice President, Group Human Resources

Employed in Eniro since: 2011.
Born: 1963
Nationality: Swedish
Education: B.Sc. in Human Resource Management, Linköping University.
Former positions: Head of Human Resources, Preem AB.
Shares held: –*)
Synthetic shares: 23,791

Mattias Wedar
President, Eniro Sweden & Finland

Employed in Eniro since: 2005
Born: 1973
Nationality: Swedish
Education: M. Sc. Informatics and Systems Analysis, Lund University.
Former positions: CIO Eniro and President Eniro Denmark.
Shares held: 79*)
Synthetic shares: 108,274

*) Shares and other financial instruments in Eniro held by individual concerned or by closely related natural or legal entities according to information available to the company.
**) The President and CEO does not own any shares or holdings in companies with which the company has significant business relations.
Source: Finansinspektionen

Individuals who left group management in 2012/2013

Name	Position	Timing
Roger Asplund	President Eniro Poland	June 2012
Göran Sällvin	SVP Group Controlling and Transformation	June 2012
Morten Algøy	President Eniro Norway	February 2013

BOARD OF DIRECTORS' DESCRIPTION OF THE INTERNAL CONTROL

Pursuant to the Swedish Companies Act, the Board has to ensure that the company's organization is structured in such a manner that the accounting, management of funds and the company's financial circumstances in general are monitored in a satisfactory manner. The Board also has to establish an Audit Committee to monitor such items as the company's financial reporting and, in respect of the financial reporting, monitor the efficiency of the company's internal control, internal audits and risk management. Pursuant to the Swedish Code of Corporate Governance, the Board has to ensure that the company has adequate internal control and formalized procedures to ensure compliance with the approved principles for financial reporting and internal control. The Board also has to ensure that the company's financial reports are produced in compliance with legislation, applicable accounting standards and other requirements for listed companies. Internal control regarding financial reporting is intended to provide reasonable assurance of the reliability of external financial reporting, including interim reports, press releases and annual reports, and is also to ensure that the external financial reports comply with laws, applicable accounting standards and other requirements for companies listed on Nasdaq OMX Stockholm. Eniro has implemented a modified COSO framework for internal control regarding financial reporting and the framework is divided into five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Framework for internal control at Eniro

Control environment

The Board of Directors has established an Audit Committee, which is responsible for preparing the Board's work to ensure the quality of the consolidated financial statements. This also includes monitoring audit processes, ensuring effectiveness of internal controls for financial reporting and the follow-up on deviation reports.

Responsibility for maintaining an efficient control environment and effective internal control of financial reporting has been delegated to the President/CEO. The Group has an outsourced internal audit function that supports the Audit Committee in respect of particular issues and that reports directly to the Audit Committee.

The control environment at Eniro comprises a number of corporate policies, guidelines and supporting frameworks related to financial reporting. These include a financial manual with instructions for accounting and reporting, financial policy, directives and instructions concerning decision levels and authorization levels for various areas, directives concerning insider issues and policies regarding information and ethics. The guidelines are monitored and updated regularly and are communicated to all employees involved in financial reporting.

Risk assessment

Eniro implements an annual risk-assessment process and, based on this assessment, the significant risks impacting the internal control of financial reporting are identified and evaluated. This risk assessment provides the foundation for managing risks through an improved control environment and also results in prioritized areas to be evaluated by the internal audit.

Control activities

The primary purpose of control activities is to detect and prevent errors and thereby ensure the quality of financial reporting. Based on the risk analysis, control activities within the identified processes have been implemented both in major subsidiaries and on Group level. These processes are documented with flow charts and detailed descriptions of control activities ensuring that the fundamental requirements of the external financial reporting are met. The activities are both manual and automated and large-scale control activities include the review and approval of various types of bookkeeping transactions, analysis of key figures and ratios, inspection of log lists, reconciling of accounts and checklists, as well as application controls for financial information in IT systems supporting financial reporting.

INFORMATION AND COMMUNICATION

External

Eniro's communication is to be correct, open and available to all interested parties simultaneously and without delay. All communication must be provided in accordance with the Nasdaq OMX Stockholm's Rule Book for Issuers. The Board has approved an information policy regulating the manner in which the company is to disclose information. Information is communicated regularly to third parties through press releases and via www.eniro.com. The Board regularly receives financial reports. The Board reviews and approves interim reports and the annual report at regular meetings prior to publication. Financial information about the company may only be communicated by the President/CEO, the Chief Financial Officer and the Head of IR.

Internal

Principles and guidelines regarding financial processes are communicated between management and other personnel via regular meetings, intranet and email. The CFO reports the results of his internal control work related to financial reporting to the Audit Committee.

The results of the Audit Committee's work are reported regularly to the Board in the form of observations, recommendations and suggestions for decisions and actions to be taken.

Monitoring

The CFO is responsible for monitoring and evaluating the operational effectiveness of the company's risk-management and internal control system. During the year, the internal audit focused primarily on controls involving revenue recognition. The Internal Audit work is regularly reported to Group Management and the Audit Committee. These ongoing reports form the basis for the Board's evaluation and assessment of the effectiveness of internal controls related to financial reporting and are the basis for decisions regarding any potential improvement measures.

REMUNERATION OF SENIOR EXECUTIVES

Remuneration of senior executives 2012

Information on remuneration in 2012 is presented in Note 24, Remuneration of senior executives 2012.

The 2012 AGM authorized the Board to deviate from the principles if particular reasons were at hand. The Board did not deviate from the principles during 2012.

Information regarding previously decided remuneration

For the synthetic shares vested during 2012, the estimated amount to be disbursed is SEK 2.7 M (according to the terms and conditions for the synthetic shares) based on a price per share of SEK 15 and, at the maximum increase in the share price, it is estimated that SEK 10.9 M will be disbursed. The payments will be made in 2016.

For the synthetic shares vested during 2011, the estimated amount to be disbursed is SEK 5.1 M (according to the terms and conditions for the synthetic shares) based on a price per share of SEK 15 and, at the maximum increase in the share price, it is estimated that SEK 24.6 M will be disbursed. The payments will be made in 2015.

For the synthetic shares vested during 2010, the estimated amount to be disbursed is SEK 0.6 M (according to the terms and conditions for the synthetic shares) based on a price per share of SEK 15 and, at the maximum increase in the share price, it is estimated that SEK 5.0 M will be disbursed. The payments will be made in 2014.

Remuneration of senior executives 2013

The Board of Directors propose that the 2013 AGM resolve on
A. Principles on remuneration of senior executives and
B. Approval of variable remuneration of senior management in the form of a new share-based incentive program.

A. Principles for remuneration of senior executives

The term "senior executives" refers to the President/CEO and members of Group Management, currently nine executives (the number during 2012 was ten and will be ten when the new President of Eniro Norway has been recruited).

The aim of the principles for remuneration of senior executives is for Eniro to offer market-aligned remuneration, comprising the following components: fixed salary, variable salary, the Long Term Incentive Program (LTIP 2013) as well as pension provisions and other remuneration and benefits. In relation to the principles adopted by the 2012 AGM, the principles for remuneration proposed by the Board of Directors have been partly revised in respect of variable remuneration. The main difference is that the variable remuneration based on synthetic shares will cease and it is proposed that it be replaced by a share-based incentive plan based on the executive's own holding of common shares in Eniro AB. The fixed salary is to be based on the individual executive's area of responsibility, competencies and experience. The variable salary comprises a cash payment capped at 40 percent of the fixed salary (for the President/CEO: 50 percent). Payment of part of the variable remuneration is to be conditional upon achievement of the underlying targets on a sustainable basis. The targets for the variable salary are to be determined by the Board of Directors starting on January 1, 2013. The targets are to primarily encompass the Group's financial results and be measured in relation to the Group's revenues and EBITDA. The Board of Directors will determine the variable remuneration based on semi-annual evaluations of the individual executive's fulfillment of the targets. The company is to be entitled to demand repayment of variable remuneration if its payment is based on information that subsequently proves to be obviously incorrect.

To qualify for payment under the new share-based incentive program (LTIP 2013), target achievement will be measured in relation to the total return on the company's common shares, Group revenues and EBITDA. There will also be a lock-in period of at least three years and the payment will be based on the executive's own investment in shares (known as saving shares).

Eniro's pension policy is based either on an individual occupational pension plan or a defined-contribution pension plan corresponding to a maximum of 35 percent of fixed salary. When the company initiates employment termination, a maximum period of notice of 12 months applies. For historical reasons, a couple of individual agreements providing entitlement to 12 months of severance pay and a couple of agreements providing entitlement to six months of severance pay still apply in addition to a period of notice of 12 months. Other remuneration and benefits, such as company car and medical insurance, must be market aligned.

The Board of Directors may deviate from the principles if there are particular reasons for doing so in individual cases.

B. Approval of variable remuneration in the form of cash payment plus a new share-based incentive program

The proposal involving variable remuneration paid in cash is in line with the main principles of the system for variable salary based on a combination of cash and synthetic shares that applied during 2012 in that the maximum cash variable payment will remain equally large and is capped at 40 percent (for the President/CEO: 50 percent) of fixed salary depending on the individual executive's position. The participants' maximum profit under LTIP is capped at SEK 30 per share award and option. The Board of Directors is entitled to make necessary adjustments to ensure that the economic outcome reflects such factors as dividends or changes in the share capital.

Information on costs for variable salary in 2013

Based on the current composition of Group Management, the cost of the payment of cash variable remuneration to senior executives is SEK 4.8 M at 50 percent target fulfillment and SEK 9.5 M at 100 percent target fulfillment, excluding social security fees.

LTIP 2013 will be recognized in accordance with IFRS 2, which entails that the share awards and the options will be expensed as personnel costs and accrued over the measurement period. The total cost of LTIP, excluding social security fees, is estimated at approximately SEK 5.9 M, assuming a share price of SEK 12.21, that each participant has the maximum holding, an approximate annual personnel turnover of 10 percent and average fulfillment of 50 percent of the terms and conditions for matching. The estimated cost of social security fees will also be expensed as a personnel cost and is estimated at SEK 1.8 M, assuming an annual increase of 10 percent in the share price. Assuming achievement of a maximum profit of SEK 30 per share award and option, that all participants retain their saving shares within the framework of LTIP 2013 and that the terms and conditions for matching are 100 percent fulfilled, the maximum cost of LTIP 2013, in accordance with IFRS 2, will be approximately 12.1 M and the maximum cost for social security fees will be approximately SEK 11.6 M.

"Eniro's financial position continues to be strengthened and bank loans were reduced by SEK 1.2 billion during 2012"

Mattias Lundqvist, CFO

Financial

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

SEK M	Note	2012	2011
Gross operating revenues		4,013	4,345
Advertising tax		-14	-22
Operating revenues	3	**3,999**	**4,323**
Production costs	4	-959	-1 182
Sales cost	4	-1,288	-1,260
Marketing costs	4	-570	-584
Administration costs	4,23,24,25	-431	-415
Product development costs	4	-327	-325
Other operating income		83	14
Other operating costs		-14	-17
Impairment of non-current assets	7, 8	-12	-378
Operating income		**481**	**176**
Financial income	5	178	62
Financial cost	5	-312	-426
Income before tax		**347**	**-188**
Income tax	6	-102	4
Net income		**245**	**-184**
Dividend established for cumulative preference shares during the period		-32	-
Earnings for the period used to calculate earnings per share		**213**	**-184**
Earnings per share, SEK (attributable to Parent Company shareholders)		2.13	-1.84
Average number of common shares, 000s	14	100,177	100,177
Average number of preference shares at Dec. 31, 2012, 000s	14	1,000	-

Consolidated statement of comprehensive income

SEK M	Note	2012	2011
Net income		**245**	**-184**
Other comprehensive income			
Exchange-rate difference on translation of foreign subsidiaries		18	-40
Hedging of cash flow		27	46
Hedging of net investment		-20	3
Actuarial gains/losses pension obligations		-128	-61
Tax attributable to actuarial gains/losses	6	22	16
Tax attributable to hedging of cash flow and net investment	6	4	-13
Other comprehensive net income, net of income tax		**-77**	**-49**
Total comprehensive net income		**168**	**-233**

Consolidated balance sheet

SEK M	Note	Dec 31, 2012	Dec 31, 2011
ASSETS			
Non-current assets			
Tangible assets	7	42	67
Intangible assets	8	7,330	7,666
Holdings in associated companies	9	0	0
Deferred tax assets	6	393	391
Other receivables	10	98	58
Total non-current assets		**7,863**	**8,182**
Current assets			
Work in progress		75	75
Accounts receivable	11	560	690
Prepaid costs and accrued revenues	12	167	185
Current income tax receivables		14	22
Other non-interest-bearing current assets	11	64	70
Other interest-bearing receivables	11	3	8
Cash and cash equivalents	13	198	557
Total current assets		**1,081**	**1,607**
TOTAL ASSETS		**8,944**	**9,789**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	2,529	2,504
Other equity contributions		5,125	4,767
Reserves		-107	-136
Retained earnings		-4,004	-4,107
Total shareholders' equity		**3,543**	**3,028**
Non-current liabilities			
Borrowing	15	2,527	3,442
Deferred tax liabilities	6	278	274
Pension obligations	17	515	464
Other provisions	18	11	21
Total non-current liabilities		**3,331**	**4,201**
Current liabilities			
Accounts payable		189	186
Current tax liabilities		62	63
Accrued costs and prepaid revenues	19	1 168	1 374
Other non-interest-bearing liabilities		182	226
Other provisions	18	30	26
Borrowing	15, 20	439	658
Derivative instruments	16	-	27
Total current liabilities		**2,070**	**2,560**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**8,944**	**9,789**

Consolidated statement of changes in equity

SEK M	Note	Share capital	Other equity contributions	Hedging reserve	Translation reserve	Retained earnings	Total
		Equity attributable to owners of the parent					
Closing balance at December 31, 2010		**2,504**	**4,767**	**-55**	**-77**	**-3,670**	**3,469**
Effects of amended accounting policies pensions		-	-	-	-	-208	-208
Opening balance at January 1, 2011		**2,504**	**4,767**	**-55**	**-77**	**-3,878**	**3,261**
Net income		-	-	-	-	-184	-184
Cash-flow hedging							
Measurement of interest-rate swaps at fair value		-	-	46	-	-	46
Tax on fair value of interest-rate swaps		-	-	-12	-	-	-12
Hedging of net investment							
Measurement of loan liabilities		-	-	-	3	-	3
Tax on measurement of loan liabilities		-	-	-	-1	-	-1
Translation of foreign subsidiaries		-	-	-	-40	-	-40
Change to pensions							
Actuarial gains/losses		-	-	-	-	-61	-61
Tax on actuarial gains/losses		-	-	-	-	16	16
Total comprehensive income		**-**	**-**	**34**	**-38**	**-229**	**-233**
Closing balance at December 31, 2011	14	**2,504**	**4,767**	**-21**	**-115**	**-4,107**	**3,028**
Opening balance at January 1, 2012		**2,504**	**4,767**	**-21**	**-115**	**-4,107**	**3,028**
Net income		-	-	-	-	245	245
Cash-flow hedging							
Measurement of interest-rate swaps at fair value		-	-	27	-	-	27
Tax on fair value of interest-rate swaps		-	-	-6	-	-	-6
Hedging of net investment							
Measurement of loan liabilities		-	-	-	-20	-	-20
Tax on measurement of loan liabilities		-	-	-	10	-	10
Translation of foreign subsidiaries		-	-	-	18	-	18
Change to pensions							0
Actuarial gains/losses		-	-	-	-	-128	-128
Tax on actuarial gains/losses		-	-	-	-	22	22
Total comprehensive income		**-**	**-**	**21**	**9**	**139**	**168**
Shareholder transactions:							
Rights issue, net after transaction costs		25	358	-	-	-	383
Dividend on preference shares		-	-	-	-	-36	-36
Total shareholder transactions:		**25**	**358**	**-**	**-**	**-36**	**347**
Closing balance at December 31, 2012	14	**2,529**	**5,125**	**-**	**-106**	**-4,004**	**3,543**

Consolidated statement of cash flows

SEK M	Note	2012	2011
Operating activities			
Operating income		481	176
Adjustment for non-cash items			
Depreciation, amortization and impairments of non-current assets	4	495	855
Provisions		-37	-102
Gain from divestments of non-current assets		-48	11
Other non-cash items		-87	-5
Reversal of expensed pension obligations		-	-70
Interest received		15	20
Interest paid		-271	-367
Income tax paid		-62	-184
Cash flow from operating activities before changes in working capital		**486**	**334**
Cash flow from changes in working capital			
Decrease / increase in work in progress		-1	18
Decrease / increase in current receivables		169	165
Decrease / increase in current liabilities		-234	-146
Cash flow from operating activities		**420**	**371**
Investing activities			
Acquisition of subsidiaries and other operations	28	-2	-27
Acquisition of tangible assets	7	-13	-28
Acquisition of intangible assets	8	-109	-114
Divestment of subsidiaries and associated companies	9, M8	72	27
Divestment of tangible assets	7	1	1
Cash flow from investing activities		**-51**	**-141**
Financing activities			
Proceeds from borrowings		50	4,536
Repayment from borrowings		-1,071	-4,643
Non-current investments		-61	-
Share issue		376	-10
Dividend from preference shares	14	-24	-
Cash flow from financing activities		**-730**	**-117**
Cash flow for the year		**-361**	**113**
Cash and cash equivalents at the beginning of the year		557	450
Exchange rate differences in cash and cash equivalents		2	-6
Cash and cash equivalents at year-end	13	**198**	**557**

NOTE 1 ACCOUNTING POLICIES

GENERAL
Eniro AB (publ), corporate registration number 556588-0936 and registered office in Stockholm, has had its shares listed on the Nasdaq OMX Stockholm exchange since October 10, 2000. The annual accounts and the consolidated financial statements were approved by the Board of Directors on March 21, 2013 and will be subject to adoption by the Annual General Meeting on April 25, 2013.

GENERAL ACCOUNTING POLICIES 2012
The Annual Report was prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the EU, and IFRIC Interpretations, as well as the applicable statutes of the Swedish Annual Accounts Act and Recommendation RFR 1, Supplementary reporting rules for corporate groups, as issued by the Swedish Financial Accounting Standards Council.

NEW AND AMENDED STANDARDS APPLIED BY THE GROUP
None of the new and amended IFRSs or IFRIC interpretations that became statutory in January 1, 2012 had any material impact on the consolidated financial statements. In accordance with the existing IAS 19, Eniro has discontinued applying the corridor method as of January 1, 2012 and recognizes actuarial gains and losses under "other comprehensive income" as they arise.

Accordingly, accrual accounting of actuarial losses in operating income will cease. Actuarial losses at the beginning of 2011 amounted to SEK 226 M and the switch to new accounting policies has led to an increase in pension obligations in the balance sheet parallel to a reduction in shareholders' equity. In 2011, operating income was charged with SEK 41 M for this. Figures for the comparative year have been restated in this annual report to match the amended accounting policies.

NEW AND AMENDED STANDARDS FROM 2013 AND LATER
The following standards, amendments and interpretations to existing standards have been published and are mandatory for periods beginning on or after January 1, 2013 but have not been applied in advance.

- IAS 1 Presentation of Financial Statements includes amendments to other comprehensive income. The most significant change arising from the amended IAS 1 is the requirement that items recognized in "other comprehensive income" are to be presented divided into two categories. Such a division is to be based on whether or not the items are to be reclassified in profit or loss (reclassification adjustments). The amendment does not address the matter of which items are to be included in "other comprehensive income".
- IAS 19 Employee benefits, which came into effect on January 1, 2013, entails that interest expenses and expected returns on plan assets are to be replaced by net interest calculated using a discount interest rate, based on the net operating surplus or deficit in the defined-benefit plans. The Group's preliminary assessment is that the amended policy will increase interest expense for pensions by approximately SEK 5 M.
- IFRS 9 "Financial instruments" deals with the classification, measurement and recognition of financial liabilities and assets. IFRS 9 was issued in November 2009 for financial assets and in October 2010 for financial liabilities and replaces the components of IAS 39 that are associated with classification and measurement of financial instruments. According to IFRS 9, financial assets are to be classified in two categories: measurement at fair value or measurement at accrued cost. Classification is established on the first recognition occasion, on the basis of the company's business model and characteristic properties of contractual cash flows. For financial liabilities, no major changes arise compared with IAS 39. The most significant change pertains to liabilities identified at fair value, for which the component of the fair value change that is attributable to the company's own credit risk must be recognized in other comprehensive income rather than in profit or loss, unless this results in an accounting mismatch. The Group intends to apply the new standard no later than in the fiscal year beginning on January 1, 2015 and has yet to evaluate the impact. The Group will evaluate the effects of the remaining phases of IFRS 9 when they have been completed by the IASB.
- IFRS 10 "Consolidated financial statements" is based on existing policies, since it identifies control as the decisive factor in establishing whether a company is to be included in the consolidated financial statements. The standard provides additional guidance for the establishment of control in cases where this is difficult to evaluate. The Group intends to apply the new standard no later than in the fiscal year beginning on January 1, 2014 and has yet to evaluate the entire impact.
- IFRS 12 "Disclosures of interests in other entities" encompasses disclosure requirements for subsidiaries, joint arrangements, associated companies and non-consolidated "structured entities". The Group intends to apply IFRS 12 no later than in the fiscal year beginning on January 1, 2014 and has yet to evaluate the entire impact on the financial statements.
- The purpose of IFRS 13 "Fair value measurement" is to make measurement at fair value more consistent and less complex since the standard will provide an exact definition and a joint source in IFRS to fair value measurement and associated disclosures. The standard provides guidance for the fair value measurement of all types of assets and liabilities, both financial and non-financial. The requirements do not expand the application area for when fair value is to be applied but provide guidance concerning its application when other IFRSs already require or permit fair value measurement.

None of the other IFRSs or IFRIC interpretations that have yet to become effective is expected materially impact the Group.

CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements include the Parent Company and its subsidiaries. Subsidiaries are those companies in which the Parent Company, directly or indirectly, has the right to determine financial and operative strategies in a manner that normally results from a shareholding greater than or equal to 50 percent of the voting rights. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence was transferred to the Group. They are eliminated from the consolidated financial statements on the date from which this controlling influence ceases.

Eniro applies the purchase method for the recognition of the Group's business combinations. The purchase consideration for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities incurred by the Group in relation to the previous owner of the acquired company and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities resulting from an agreement concerning a conditional purchase consideration.

Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the date of acquisition. For each acquisition, meaning on an acquisition-by-acquisition basis, the Group determines whether non-controlling interests in the acquired company are to be recognized at fair value or at the holding's proportional share of the carrying amount of the acquired company's identifiable net assets. Acquisition-related costs are expensed as they arise. If the business combination is implemented in several stages, the previous shares in the equity of the acquired company are remeasured at their fair value on the date of acquisition. Any resulting gain or loss is recognized in profit or loss. Each conditional purchase consideration that is to be transferred by the Group is recognized at fair value on the date of acquisition. Subsequent changes in the fair value of a conditional purchase consideration that has been classified as an asset or liability is recognized in accordance with IAS 39 either in profit or loss or in other comprehensive income. Conditional purchase considerations that are classified as shareholders' equity are not remeasured and subsequent settlement is recognized in shareholders' equity.

Goodwill is initially measured in the amount by which the total purchase consideration and fair value for non-controlling interests is expected to exceed the fair value of identifiable acquired assets and assumed liabilities. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognized directly in profit or loss.

In companies that are not wholly owned subsidiaries, non-controlling interest is recognized as the share of the subsidiary's equity held by external shareholders. This item is recognized as part of the Group's shareholders' equity. The shares accruing to the non-controlling interest are recognized in profit or loss. Disclosures concerning the non-controlling interests in income are recognized in the consolidated income statement.

Intra-Group transactions and balance sheet items are eliminated, as are unrealized gains on transactions between Group companies. Unrealized losses are also eliminated, unless the loss corresponds to a need to recognize an impairment loss.

ASSOCIATED COMPANIES
Associated companies are those companies in which the Group has a share of the voting rights of between 20 and 50 percent and thus a significant influence. Holdings in associated companies are recognized in accordance with the equity method. The Group's share of the post-acquisition income arising in associated companies is recognized in profit or loss. Accumulated post-acquisition changes are recognized as a change in the carrying amount of the holding. Unrealized gains and losses on transactions between the Group and its associated companies are eliminated against the Group's holdings in the associated companies.

JOINT VENTURE
A joint venture is defined as a contractual agreement in which two or more parties initiate an economic activity that is subject to joint control. This may take the form of jointly owned companies that are controlled jointly. Joint ventures are consolidated according to the proportional method. Accordingly, the Group's share of the joint venture's income and balance sheet are included under the corresponding items in the consolidated financial statements.

DISCONTINUED OPERATIONS
Operations that during the holding period have constituted a cash-generating unit or group of such units and have either been divested or are being held for sale are recognized in accordance with IFRS 5, Fixed assets held for sale and discontinued operations. Should such a business remain in the Group on the balance-sheet date, all assets are to be recognized as current assets and all liabilities directly attributable to the business as current liabilities.

Income/loss after tax from the business during the holding period and the capital gain/loss on the implemented sale are recognized in profit or loss as income/loss from discontinued operations. Fixed assets held for sales are recognized at the lower of the carrying amount and fair value less selling costs in the event that their carrying amount is primarily recovered through a sales transaction and not through continuous use.

TRANSLATION OF FOREIGN CURRENCY
Financial reporting takes place in the currency used in the area in which each Group company is primarily active. This is the unit's functional currency. In the consolidated financial statements, SEK is used, which is the Parent Company's functional and the

Group's reporting currency. Transactions in foreign currency are translated to the functional currency according to the exchange rates applying on the transaction date. Gains and losses arising in payments for such transactions and in the translation of monetary assets at the exchange rate applying on the balance-sheet date are recognized in profit or loss. Exceptions are transactions that constitute hedges and which satisfy the conditions for hedge accounting of cash flows or net investments. Such gains or losses are recognized directly in other comprehensive income. Income statements and balance sheets for subsidiaries with another functional currency than SEK are translated as follows:

- Assets and liabilities are translated at the exchange rate applying on the balance-sheet date.
- Revenues and costs are translated at the average rate or, if this does not provide a reasonable approximation, at the weighted average rate.
- Exchange-rate differences are recognized as a translation difference in other comprehensive income.

In the consolidated financial statements, exchange-rate differences attributable to net investments in foreign operations, or borrowing and other currency instruments identified as hedges for such investments, are charged to other comprehensive income. When foreign operations are divested, such exchange-rate differences are recognized in profit or loss as part of the capital gain or loss. Goodwill and other adjustments of fair value arising from the acquisition of foreign operations are treated as assets and liabilities in that operation and translated at the exchange rate applying on the balance-sheet date.

REVENUES

Revenues are recognized when it becomes probable that the economic benefits associated with the transaction will accrue to Eniro and when the revenue, and any associated costs, that have been incurred, can be measured in a reliable manner.

Revenues in Eniro are generated from ads shown when a user searches on the Internet, via mobile phones, in directories and via directory assistance services. Revenues are recognized in the period in which Eniro performed the service. Should a product contain a number of components, the market value attributable to each component is recognized on delivery. Revenue recognition occurs after deductions for discounts or other similar deductions. The outcome of the allocation among the various revenue-recognition methods depends on the value of the constituent components in the particular package and is assigned in accordance with the market value of commercial use based on price lists. Revenues for advertising packages are allocated in accordance with the various revenue recognition principles applying for the constituent components.

Online/Mobile revenues

Online and mobile advertising packages include corporate data, in-depth corporate information, links to the advertiser's website, video presentations of the advertiser and search word optimization. Revenues from subscription services for online and mobile products are recognized over the period during which the service is provided, normally 12 months. For the video product, revenues are allocated to the components video and video publication, whereby the revenue attributable to the video is recognized when the recording is ready and the video is delivered to the customer. Revenues attributable to video publication are accrued over the period when the service is provided. Search word optimization means that Eniro analyzes the traffic on Eniro's search pages, whereby it subsequently chooses specific search words for various customers, thus increasing customer searchability and thereby visibility hit lists. Optimization is recognized when the analysis has been performed. The optimization service is included in both advertising packages and can be purchased separately if the customer requests a new or expanded analysis. Online and mobile advertising packages are available in various sizes with various contents and geographical spread, thus enabling the customer to tailor its own advertising.

Print revenues

Revenues from printed directories, Print, are recognized in the period when the directory is distributed. There are specific advertising packages for Print as well as Online/Mobile advertising packages that contain elements of Print.

Media revenues

Eniro has several Media services, which are marketed under the brands Kvasir Media in Sweden and Norway and under Krak Media Group in Denmark. Eniro offers services such as search-engine optimization (SEO), video, websites, both online and mobile, and sponsored links.

SEO means that the customer's website is optimized for the major search engines; in addition, a top placement in the major search engines is guaranteed for a certain number of days. To achieve this, Eniro conducts continuous updates in order to deliver the desired results. Revenues from SEO are recognized over the period during which the service is provided, which normally means that the revenue is recognized over 12 months, but other periods are also possible.

For the video product, the offering entails filming and editing a 60-second presentation video. The video is then published on Eniro's search pages and on major video sites, such as YouTube, and is optimized for the major search engines. The customer may also publish the video on his/her own website. Revenues are allocated to the consisting components video and video hosting, whereby the revenue attributable to the video is recognized when the recording is ready and the video is delivered to the customer. Revenues attributable to video hosting are recognized on a straight line basis over the subscription period, meaning the period when the service is provided.

The website product means that Eniro produces a website for the customer, which is published during a subscription period. Revenues are allocated to the components website and website hosting. The market value of the website is recognized when the website is delivered to the customer. Revenues attributable to website hosting are recognized on a straight line basis over the subscription period, meaning the period when the service is provided.

Sponsored links are an auction-based service, whereby clickable text ads are provided on Eniro's search pages or on one of Eniro's business partners' websites. Revenues for sponsored links are recognized when a user "clicks" on the sponsored link at the prevailing cost per click (CPC), in accordance with an auction procedure.

Voice revenues

Revenues from directory assistance services or other voice services are recognized when the services are provided to the end user in calls or by SMS.

SEGMENT RECOGNITION

Operating segments are recognized in a manner that complies with how financial information is presented internally to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of segments. In Eniro, this function is the Group Management. The recognition of financial information, EBITDA, is in line with the organization and is based on management's follow-up of financial performance.

During 2012, segment information was reported for the segments Directories and Voice. Directories operations are conducted in Sweden, Norway, Denmark and Poland. Voice operations are conducted in Sweden, Norway and Finland. The recognition of financial information reflects the transnational organization within Directories, whereby Group Products and Services has Group responsibility for the development of products and concepts, while Group Service Delivery has responsibility for the Group's production and local support functions. During 2012, Communication & Brand and Finance also implemented a transnational organization. The Voice operation is governed separately and is not an integral part of the function-based organization and is thus a separate segment.

During 2011, segment information was reported for the segments Directories Scandinavia, Voice and Poland. Following the integration of Poland into the transnational organization, it constitutes an entity within Directories as of 2012. Comparative figures have been recalculated to reflect the change in the segment division.

TAXES

In the consolidated financial statements, both current and deferred income taxes are recognized. In recognizing income taxes, the balance sheet method is applied in accordance with IAS 12 Income Taxes. According to this method, deferred tax liabilities and tax assets are recognized for all temporary differences between carrying amounts and values for tax purposes of assets and liabilities. In addition, deferred tax assets attributable to tax-loss carryforwards are recognized when it is considered probable that the loss carryforwards can be utilized in the future. Deferred tax liabilities and tax assets are measured on the basis of the anticipated tax rate on the expected date when the deferred tax assets concerned will be realized or the deferred tax liabilities will be settled. The effects of changes in prevailing tax rates are recognized in profit or loss or in other comprehensive income during the period in which the change is adopted. No deferred taxes are recognized on temporary differences relating to participations in subsidiaries.

TANGIBLE ASSETS

Tangible assets are recognized at cost less depreciation and any impairment losses. Cost includes expenses that can be directly attributable to the acquisition of the asset. Depreciation is applied straight line over the assets' estimated useful life. The estimated useful life varies between three and five years for equipment. Equipment consists primarily of computer equipment, office fittings and vehicles. The residual value of assets and their useful life are impairment tested on every closing date and adjusted as necessary.

INTANGIBLE ASSETS

Goodwill consists of the amount by which the cost exceeds the fair value of the Group's share of the acquired subsidiary/ associated company's assets on the acquisition date. Goodwill arising from the acquisition of operations in foreign subsidiaries is recognized as a separate item under intangible assets. Goodwill arising from the acquisition of associated companies is included in the value of the associated company. Goodwill is assumed to have an indefinite useful life.

Other intangible assets with indefinite useful life consist of brands that were added through acquisitions. Goodwill and other intangible assets with indefinite useful life are assessed annually to identify possible impairment losses and are recognized at cost reduced by accumulated impairment losses. Gains or losses arising from the divestment of a unit include the residual carrying amount of goodwill and other intangible assets attributable to the divested unit.

Customer relations and other intangible assets are reduced by amortization over their useful life. The useful life for customer relations is based on repurchasing frequency and varies between three and seven years. Other brands have a determinable useful life that varies between five and ten years.
Other intangible assets primarily consist of software, databases and publication rights of a unique nature that are controlled by Eniro and provide economic benefits over a period exceeding three years and that exceed the costs of their acquisition and development.

Other intangible assets are amortized straight line over their estimated useful life, which varies between three and ten years. Capitalized costs include personnel costs and a reasonable share of attributable indirect costs.

IMPAIRMENT LOSSES

Assets with an indefinite useful life are not amortized; they are impairment tested each year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are also impairment tested whenever there is an indication that the asset's value may be impaired. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value reduced by sales costs and its value in use.

In impairment testing, assets are grouped at the lowest level at which there are separate identifiable cash flows (cash-generating units).

FINANCIAL ASSETS

Financial assets are classified in the following categories:

- Financial assets measured at fair value in profit or loss;
- Loans and accounts receivable;
- Financial assets held for sale.

Financial assets measured at fair value over the income statement consist primarily of assets intended to be sold shortly. At the end of 2012, there were no assets in this category.

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments and that are not listed on an active market. Loan receivables are insignificant in scope. Financial assets held for sale are non-derivative financial assets in which the assets have been identified as available for sale or not classifiable in any other category. At the end of 2012, there were no assets in this category.

Purchases and sales of financial assets are recognized on the date at which Eniro undertakes to purchase or sell the asset. Financial assets are initially measured at fair value plus transaction costs. Financial assets measured at fair value in profit or loss are measured without transaction costs. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or when virtually all risks and benefits associated with the asset have been transferred to another party.

Loan receivables and financial assets held to maturity are recognized at accrued cost by applying the effective interest method. Financial assets and liabilities are offset and the net amount recognized in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis.

WORK IN PROGRESS

The value of work in progress consists of direct production costs and attributable indirect production costs. Costs for borrowing are not included. For printed directories, direct production costs primarily relate to paper purchases, printing and binding of directories, as well as costs for obtaining and processing the information for publication in printed directories. An individual assessment is made for expensed amounts for each individual directory. For internet services, direct production costs mainly refer to cost for the layout of advertisements.

ACCOUNTS RECEIVABLE

Accounts receivable are measured at fair value, which normally corresponds to the invoiced amount. Thereafter, accounts receivable are valued at cost without discounting and reduced by any reserves for customer bad debt. No discounting is recognized, since the average credit period is short and interest is thus insignificant. Credit risks are handled through active credit checks and procedures for follow-up and debt collection. In addition, the size of the reserves is tested regularly based primarily on confirmed losses in previous years and taking into account current payment patterns. Amounts that are not expected to be received are offset by reserves and recognized as sales costs in profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and disposable funds in bank accounts, as well as other short-term investments with a maturity shorter than three months from the acquisition date. The Parent Company's cash and cash equivalents include balances on the Group accounts.

Cash and cash equivalents in the form of restricted bank funds are classified as a financial asset.

SHAREHOLDERS' EQUITY

Consolidated shareholders' equity is divided into share capital, other equity contributions, reserves and earnings brought forward.

Holdings of treasury shares purchased within frameworks approved by the Annual General Meeting are recognized in the consolidated financial statements as a reduction in other equity contributions. In the Parent Company, these are recognized as a reduction of retained earnings or, where applicable, against a fund to be used in accordance with resolutions by the Annual General Meeting. Costs in addition to the purchase price arising in conjunction with the buyback of own shares are charged against retained earnings. This holding is not included in shares outstanding when calculating key data per share.

Untaxed reserves, which occur in the accounts in certain countries, are recognized in the consolidated financial statements in part as a deferred tax liability and in part as retained earnings. The deferred tax liability is calculated according to the prevailing tax rate in each particular country.

BORROWINGS

Borrowings are initially recognized at fair value as a net amount after transaction costs. Thereafter, borrowings are recognized at accrued cost, and any difference between the amount received after transaction costs and the amount repaid is recognized in profit or loss and distributed over the repayment period by applying the effective-interest method.

Liabilities expected to be settled within 12 months after year-end are classified as current liabilities. Liabilities expected to be settled later than 12 months after year-end are classified as non-current liabilities.

RECOGNITION OF DERIVATIVE INSTRUMENTS AND HEDGING MEASURES

Derivative instruments are recognized in the balance sheet on the contract date and measured at fair value both initially and on subsequent revaluations. Eniro uses derivative instruments to hedge fair value, cash flows or net investment in foreign currency. At present, there are no hedges of fair value within the Group.

When a hedging contract is entered, Eniro documents the relationship between the hedging instrument and the hedged item, as well as the effectiveness of the derivative instrument employed in balancing fair value or cash flow for the hedged items.

Hedging of fair value

Changes in value of derivative instruments employed to hedge fair value, and that satisfy the conditions for hedge accounting, are recognized in profit or loss together with changes in value of the hedged asset or liability.

If a hedge no longer fulfills the criteria for hedge accounting, the adjustment of the carrying amount of a hedged item will be distributed in profit or loss over the remaining maturity period.

Hedging of cash flow

The effective portion of changes in value of derivative instruments employed to hedge cash flows, and that satisfy the conditions for hedge accounting, are recognized in other comprehensive income. The gain or loss attributable to the ineffective portion is immediately recognized in profit or loss under the item Financial cost.

Accumulated amounts in other comprehensive income are restated in profit or loss in the periods in which the hedged item affects income. If the hedged transaction results in the recognition of a non-financial asset or liability, gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and included in the value of the asset or liability. When a hedging instrument expires or is sold or when the hedge no longer satisfies the conditions for hedge accounting and accumulated gains or losses are included in other comprehensive income, the accumulated amount is also reversed, since the hedged item affects profit or loss. If the hedged transaction is no longer expected to occur, the accumulated amount is immediately recognized in other comprehensive income.

Hedging of net investment

Hedging of net investment in foreign operations is recognized in a similar manner as hedging of cash flows. The effective portion of the hedge is recognized under other comprehensive income, while the ineffective portion is recognized immediately in profit or loss under the item Financial cost. Accumulated gains and losses under other comprehensive income are recognized as a portion of the capital gain or loss arising when a foreign unit is divested.

PROVISIONS

Provisions refer to debts that are uncertain with respect to their amount or the date on which they will be settled. Provisions are recognized when the Group has a legal or informal obligation resulting from previous events and it is more likely that an outflow of resources will be required to settle the obligation than the opposite and the amount can be calculated in a reliable manner.

Provisions primarily relate to pension obligations, deferred tax liabilities, costs arising from changes in personnel and legal proceedings. Amounts expected to be settled within 12 months after the balance-sheet date are recognized under the heading current liabilities, while others are recognized as non-current liabilities. The reserved amounts comprise the best estimate of what would be paid out on the balance-sheet date to settle the obligation or to transfer it to a third party.

ACCOUNTS PAYABLE

Accounts payable are initially recognized at fair value and subsequently at amortised cost applying the effective interest method.

EMPLOYEE BENEFITS

Pension obligations

There are various pension plans within the Eniro Group. Swedish units are primarily covered by defined-benefit plans, while the Norwegian and Finnish units are partly covered by defined-benefit plans. In all significant respects, units in Denmark and Poland apply defined-contribution plans.

For defined-contribution plans, the company pays fixed fees to a separate legal entity and has no obligation to pay further fees. Costs are charged against consolidated earnings in pace with the vesting of benefits.

In defined-benefit plans, compensation is paid to employees and former employees based on salary at the time of retirement and number of years of employment. The Group assumes the obligation for defraying the promised payment. Eniro has defined-benefit plans in Sweden, Norway and Finland. Certain plans are funded with special assets or funds that are held separately from the Group for future disbursement. Other plans are unfunded and payments from these are defrayed by the Group as they become due. The pension liability essentially pertains to employees in Sweden, of which virtually all are covered by defined-benefit pension plans. Eniro 118 118 has assets that have been detached in a pension foundation, while other obligations in Sweden are secured through insurance with PRI Pensionsgaranti. The defined-benefit pension plans are funded in one case and otherwise unfunded. The net of the estimated present value of the obligations and the fair value of the plan assets is recognized in the balance sheet either as a provision or as a non-current financial receivable. In cases where a surplus in a pension plan cannot be fully utilized, the only item recognized is that portion of the surplus that the company is able to recover through reduction of future fees or bonuses.

For defined-benefit plans, the pension cost and the pension obligation are calculated according to the Projected Unit Credit method. This method distributes pension costs over the period during which employees perform work for the company that increases their entitlement to future compensation. The calculations are performed annually by independent actuaries. The company's commitments are measured at the present value of anticipated future payments after application of a discount interest rate. In Sweden, the discount interest rate corresponds to the yield on housing bonds with a maturity corresponding to the obligation in question. The most important actuarial assumptions are described in the note entitled Pension obligations. In establishing the present value of the obligation and the fair value of plan assets, actuarial gains and losses may arise. These arise either because the actual outcome differs from previous assumptions or because the assumptions have changed. As of January 1, 2012, Eniro recognizes actuarial gains and losses in other comprehensive income.

The provision for pensions also includes an allocation in Eniro 118 118 AB for early retirement in accordance with an arrangement in collective bargaining agreements concerning obligations in an Early Retirement Benefit plan (ERB) at 55, 60 or 63 years for certain personnel categories. The ERB plan is a pension plan encompassing certain Eniro employees who were previously employed by Televerket (currently TeliaSonera) prior to its incorporation in 1991. According to the agreement, payments from this plan are to be covered in part by the former owner, TeliaSonera, and at 31 December 2012, the corresponding receivable amounted to SEK 25 M. The credit risk associated with this receivable may be regarded as negligible.

Interest cost reduced by anticipated return on plan assets is classified as a financial cost. Other cost items included in pension costs are charged against operating income.

If the pension costs and the pension provisions determined for the Swedish plans in accordance with IAS 19 differ from the corresponding amount according to FAR 4, a cost is recognized for special salary tax on the difference in accordance with UFR 4. The obligation for old-age pension for salaried employees is secured through insurance in Alecta. In accordance with a statement from the Swedish Financial Accounting Standards Council, UFR 3, this is a defined-benefit plan that encompasses a number of employers. The Group has not had access to the type of information that would make it possible to recognize this as a defined-benefit plan. Accordingly, the ITP pension plan covered by insurance in Alecta is recognized as a defined-contribution plan.

The accounting policies described above for defined-benefit pension plans are applied only in the consolidated financial statements.

Share-related benefits
The Eniro Group has a share-price related incentive program directed towards the President, Group Management and certain key persons. Under the incentive program, a maximum of 15 to 40 percent of fixed salary is reserved for allotment of what are called synthetic shares. For the President and CEO, 50 percent of fixed salary is reserved for synthetic shares. The number of synthetic shares, which corresponds to the amount calculated for each participant, is based on the average price paid for the Eniro share during the five trading days following the record date. After three years, the holding of synthetic shares is converted to a cash payment. A prerequisite for payment on synthetic shares is that the participant completes an employment period of three years after allotment and that Eniro accrues the cost of the incentive program during the lock-in period. The maximum amount payable for each synthetic share is to be limited to five times the share price at the time of the conversion to synthetic shares. The Board of Directors has been authorized to make adjustments necessary in order for the financial outcome of the synthetic shares to reflect such developments as payments of dividends or changes in share capital. Accordingly, this incentive program does not involve compensation in the form of Eniro shares. Instead, the Eniro share can be seen as an index that regulates the amount of cash compensation. Funds are reserved regularly in a manner similar to other variable remuneration. The reserve is based on the current Eniro share price plus social costs.

LEASING AGREEMENTS
Leasing agreements are recognized in accordance with recommendation IAS 17 Leases. Leasing in which a significant portion of the risks and benefits resulting from ownership are retained by the leaser are classified as operational leasing. Payments made during the lease period are expensed on a straight-line basis over the lease period. Currently, the Group only has operational leasing agreements.

NOTE 2 KEY ESTIMATES AND ASSESSMENTS

Estimates and assessments, which are evaluated continuously, are based on historical experience and other factors, including expectations of future events that are regarded as reasonable under prevailing conditions.

The Group makes estimates and assessments concerning the future. The estimates for accounting purposes that result from these will, by definition, rarely match actual outcome. The estimates and assessments that give rise to a material risk of significant adjustments of the carrying amounts for assets and liabilities during the following fiscal year are outlined below.

Impairment testing of goodwill and brands
In accordance with IFRS, goodwill and brands with an indefinite useful life are not amortized; they are impairment tested annually. Other intangible assets and other fixed assets are amortized/depreciated over the period during which company management has assessed that the asset will generate revenues. These assets are also subject to regular impairment testing.

A number of estimates and assessments are made when the value in use of the asset is calculated, such as revenue growth for the particular segment on the basis of market conditions and the way the cost base will develop, taking into account cost-cutting initiatives. Other significant assumptions include the cost of capital, which is based on Eniro's cost of capital and risk premium at the time of the valuation. Management arrives at the assumptions, which are scrutinized by the Audit Committee. Additional information concerning goodwill and brands with an indefinite useful life is presented in Note 8 Intangible assets.

Income taxes
The Group is obliged to pay tax in several countries. Comprehensive assessments are required to be able to establish the Group's provision for income taxes. Many transactions and calculations involve amounts whereby the final tax payment is uncertain. In cases in which the final tax for these matters differs from the amount initially recognized, these differences will affect current and deferred tax assets and liabilities during the period when such conclusions are made.

Pension benefits
The present value of pension obligations depends on a number of factors that are established on an actuarial basis assisted by a number of assumptions. The assumptions used when establishing the net cost of pensions include the discount interest rate. Each change in these assumptions will impact the carrying amount of pension obligations. The Group establishes an appropriate discount interest rate at the end of each year. This is the interest rate used to determine the present value of anticipated future payments that are expected to be required to cover the pension obligations. When establishing an appropriate discount interest rate, the Group takes into account yields on first-class housing bonds that are expressed in the currency in which the payments will be made and that have maturities matching the assessments for the particular pension obligation. Other important assumptions concerning pension obligations are based in part on prevailing market conditions. Additional information is presented in Note 17 Pension obligations.

NOTE 3 SEGMENT INFORMATION

Eniro recognizes its financial results distributed in the following business areas: Directories and Voice. In Directories, there are cross-country functions for Group Product and Services, Group Service Delivery, Communication & Brand and Finance. The Voice operation is governed separately and is not an integrated part of the function-based organization. Refer also to the description of segments in the accounting policies.

	Directories		Voice		Other		Total	
SEK M	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Operating revenues								
Sweden	1,433	1,527	446	520	-	-	**1,879**	**2,047**
Norway	1,072	1,191	74	95	-	-	**1,146**	**1,286**
Denmark	525	472	-	-	-	-	**525**	**472**
Finland	-	-	249	284	-	-	**249**	**284**
Poland	200	234	-	-	-	-	**200**	**234**
Total operating revenues	**3,230**	**3,424**	**769**	**899**	**-**	**-**	**3,999**	**4,323**
Adjusted EBITDA	**760**	**802**	**282**	**345**	**-66**	**-69**	**976**	**1 078**
Items affecting comparability	17	-32	-3	-1	-14	-14	**0**	**-47**
Depreciation/amortization	-462	-456	-20	-20	-1	-1	**-483**	**-477**
Impairment	-12	-211	-	-167	-		**-12**	**-378**
Operating income	**303**	**103**	**259**	**157**	**-81**	**-84**	**481**	**176**
Net financial items							**-134**	**-364**
Taxes							**-102**	**4**
Net income							**245**	**-184**
Assets and liabilities								
Goodwill	4,777	4,764	1,347	1,355	-	-	**6,124**	**6,119**
Other non-current assets	1,178	1,526	66	85	1	3	**1,245**	**1,614**
Other distributed assets	614	753	181	190	69	104	**864**	**1,047**
Undistributed assets	-	-	-	-	711	1,009	**711**	**1,009**
Total assets	**6,569**	**7,043**	**1,594**	**1,630**	**781**	**1,116**	**8,944**	**9,789**
Distributed liabilities	1,335	1,560	102	109	144	164	**1,581**	**1,833**
Undistributed liabilities	-	-	-	-	7,363	7,956	**7,363**	**7,956**
Total liabilities	**1,335**	**1,560**	**102**	**109**	**7,507**	**8,120**	**8,944**	**9,789**
Other information								
Investments	119	131	3	11	0	0	122	142

Tangible and intangible assets in Sweden amounted to SEK 2,149 M (2,174).

Net external revenue by category was distributed as follows:

SEK M	**2012**	**2011**
Directories		
Online/Mobile	2,124	2,008
Print	740	1,051
Media products	234	188
Other products	132	177
Voice	769	899
Total operating revenues	**3,999**	**4,323**

Since Eniro offers a diverse portfolio of search services and products to hundreds of thousands of customers, the Group's dependency on individual customers is close to non-existent.

NOTE 4 BREAKDOWN OF OPERATIONAL COSTS

SEK M	2012	2011
Employee benefits, incl. social security costs	1,664	1,825
Paper, printing and distribution	140	186
Agents, consultants and other non-employed personnel	161	140
Advertising and marketing	232	193
Other	895	985
Depreciation/amortization	483	477
Total operational costs	**3,575**	**3,806**

Operational costs refer to production costs, sales costs, marketing costs, administration costs and product development costs.

Depreciation and amortization by function

SEK M	2012	2011
Tangible assets		
Production costs	24	28
Sales cost	6	8
Marketing costs	0	0
Administrative costs	7	5
Product development costs	0	1
Total tangible assets	**37**	**42**
Intangible assets		
Production costs	45	48
Sales cost	3	1
Marketing costs	298	306
Administrative costs	11	6
Product development costs	89	74
Total intangible assets	**446**	**435**
Total depreciation and amortization	**483**	**477**

Impairments relating to tangible assets amounted to SEK 0 M (0). Impairments relating to intangible assets amounted to SEK 12 M (378).

NOTE 5 FINANCIAL INCOME AND COSTS

SEK M	2012	2011
Income		
Exchange-rate gains on borrowing	-	2
Exchange-rate gains on intra-Group receivables and liabilities	6	40
Other financial income	155	1
External financial-interest income	17	19
Total financial income	**178**	**62**
Costs		
Exchange-rate losses on borrowing	-	0
Exchange-rate losses on intra-Group receivables and liabilities	-13	-34
Other financial costs	-2	-1
Interest cost for pension liabilities	-8	-8
External financial-interest costs	-289	-383
Total financial costs	**-312**	**-426**
Total net financial items	**-134**	**-364**

Other financial income in 2012 was positively impacted by a capital gain of SEK 154 M that the company generated in conjunction with the premature repayment of a loan to one of Eniro's lending banks.

External financial-interest costs in 2012 increased by SEK 36 M due to the effects of outstanding interest-rate swaps for the period up to and including August 2012, when the interest-rate-swap agreement expired. For 2011, the corresponding effect increased external financial-interest cost by SEK 52 M.

NOTE 6 TAX

Tax costs include the following components:

SEK M	2012	2011
Current tax on income for the year	-64	-55
Adjustment of current tax for prior years	-1	-9
Deferred tax cost relating to utilized loss carryforwards	-62	-17
Deferred tax cost relating to temporary differences	-60	-44
Deferred tax cost related to unutilized loss carryforwards	-1	-2
Deferred tax income due to changed tax rate	-41	-
Deferred tax income related to temporary differences	109	104
Deferred tax income relating to loss carryforwards	19	52
Adjustment of deferred tax for prior years	-1	-25
Tax recognized	**-102**	**4**

Connection between tax cost for the year and tax cost according to applicable Swedish tax rate:

SEK M	2012	2011
Recognized income before tax	**347**	**-188**
Tax according to Swedish tax rate of 26.3%	-91	49
Tax effect of		
- operating costs not deductible for tax purposes	-6	-102
- revenues that are not taxable	37	68
Prior-year losses for which loss carryforwards have now been utilized	4	12
Prior-year non-capitalized loss carryforwards now deemed possible to be utilized	-1	11
Adjustment of prior-year tax and changed tax rate	-42	-34
Differences between Swedish and foreign tax rates	-3	0
Tax recognized	**-102**	**4**

The recognized tax cost for 2012 was SEK 102 M (+4). The underlying tax rate for the year was 18 percent (18). Eniro AB has tax deficits originating from the liquidation of a German subsidiary in 2010 and utilized approximately SEK 190 M of this deficit during the year. The Group also has tax-loss carry-forwards in Denmark and Finland, and is thus expecting tax payments to be low in the years ahead. Corporate tax in Sweden was reduced from 26.3 percent to 22 percent and required a remeasurement of deferred tax assets. Due to this reduction, the tax expense in the fourth quarter was charged with a nonrecurring cost of SEK 40 M, of which SEK 30 M arose from the remeasurement of tax-loss carryforwards.

NOTE 6 TAX – CONT'D

The tax that is attributable to components in other comprehensive income amounted to the following:

	2012			2011		
SEK M	Before tax	Tax effect	After tax	Before tax	Tax effect	After Tax
Exchange-rate difference	18	-	18	-40	-	-40
Hedging of cash flow	27	-6	21	46	-12	34
Hedging of net investment	-20	10	-10	3	-1	2
Actuarial gains/losses pension obligations	-128	22	-106	-61	16	-45
Total other comprehensive net income	**-103**	**26**	**-77**	**-52**	**3**	**-49**
Current tax		-			-	
Deferred tax		26			3	

Tax effect for the year includes the effect of a changed corporate tax rate in Sweden from 26.3 percent till 22 percent.

Deferred tax assets and liabilities include the following components:

	2012			2011		
SEK M	Deferred tax assets	Deferred tax liabilities	Net assets (+) liabilities (-)	Deferred tax assets	Deferred tax liabilities	Net assets (+) liabilities (-)
Tangible assets	51	-	51	54	-	54
Intangible assets	18	308	-290	16	383	-367
Financial assets	-	-	-	-	-	-
Current receivables	12	1	11	13	2	11
Pension provisions	84	3	81	114	5	109
Other provisions	7	-	7	8	23	-15
Non-current liabilities	-	24	-24	7	38	-31
Current liabilities	15	-	15	14	-	14
Loss carryforward	268	-	268	342	-	342
Other items	3	7	-4	3	3	-
Deferred tax assets/liabilities	**458**	**343**	**115**	**571**	**454**	**117**
Offsetting of deferred tax assets/liabilities	-65	-65	-	-180	-180	-
Net deferred tax assets/liabilities	**393**	**278**	**115**	**391**	**274**	**117**

Changes in deferred tax

SEK M	2012	2011
Opening carrying amount for deferred tax assets (+) / liabilities (-)	**117**	**44**
Recognized in profit or loss	-29	68
Recognized in other comprehensive income	26	3
Translation differences	1	2
Net closing carrying amount for deferred tax assets (+) / liabilities (-)	**115**	**117**

Most of the net deferred tax liabilities will mature after more than 12 months.
The Group has no loss carryforwards that were not valued at December 31, 2012.

NOTE 7 TANGIBLE ASSETS

	Equipment	
SEK M	2012	2011
Accumulated cost	400	409
Accumulated depreciation	-343	-327
Accumulated impairment losses	-15	-15
Carrying amount, closing balance	**42**	**67**
At the beginning of the year	**67**	**84**
Investments for the year	13	28
Divestments and disposals	0	-2
Reclassifications	0	0
Depreciation for the year	-37	-42
Impairment losses for the year	0	-
Translation difference for the year	-1	-1
Carrying amount, closing balance	**42**	**67**
Compensation received from divestments	**1**	**1**

NOTE 8 INTANGIBLE ASSETS

	Goodwill		Brands with indefinite useful life		Other brands		Customer relations		Other intangible assets		Total	
SEK M	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Accumulated cost	11,391	11,283	1,267	1,255	61	61	2,316	2,286	1,293	1,298	16,328	16,183
Accumulated depreciation	-	-	-	-	-36	-31	-1,858	-1,541	-939	-894	-2,833	-2,466
Accumulated impairment losses	-5,267	-5,164	-344	-339	-3	-3	-439	-431	-112	-114	-6,165	-6,051
Carrying amount, closing balance	**6,124**	**6,119**	**923**	**916**	**22**	**27**	**19**	**314**	**242**	**290**	**7,330**	**7,666**
At the beginning of the year	**6,119**	**6,494**	**916**	**917**	**27**	**15**	**314**	**595**	**290**	**315**	**7,666**	**8,336**
Acquisitions	-7	27	-	-	1	15	1	16		4	-5	62
Investments for the year	-	-	-	-	-	-	-	-	10	6	10	6
Internally developed assets	-	-	-	-	-	-	-	-	99	108	99	108
Divestments and disposals	-	-1	-	-	-	-	-	-	-	-6	-	-7
Reclassifications	-	-	-	-	-	-	-	-	-	0	-	0
Amortization for the year	-	-	-	-	-4	-3	-297	-298	-145	-134	-446	-435
Impairment losses for the year	-	-376	-	-	-	-	0	-	-12	-2	-12	-378
Translation difference for the year	12	-25	7	-1	-2	0	1	1	0	-1	18	-26
Carrying amount, closing balance	**6,124**	**6,119**	**923**	**916**	**22**	**27**	**19**	**314**	**242**	**290**	**7,330**	**7,666**
Compensation received from divestments	-	-	-	-	-	-	-	-	-	-	-	-

Goodwill and other intangible assets with an indefinite useful life are initially valued at cost. Certain brands are deemed to have indefinite useful life, since they are market leading and have very high recognition. These brands are long established and used in the Directories operations. There are currently no known legal, contractual or competitive factors limiting their useful life. The brands referred to include Gule Sider and Ditt Distrikt in Norway, which was added through the acquisition of Findexa in 2005, and KRAK, which was added through acquisition in 2007.

Other brands, customer relations and other intangible assets are amortized over their useful life. The useful life of other brands is five to ten years. Average remaining useful life for other brands is four years. The useful life of customer relations is based on the repurchase rate and amounts to five to ten years. The average remaining useful life of customer relations is three years (1).

Impairment testing of goodwill and brands with indefinite useful life
The Group conducts impairment tests of goodwill and brands with indefinite useful life for cash-generating units that correspond with the segments that, at a given time, are used for internal follow-up and external reporting. This level is the lowest level for which goodwill is monitored in the internal control.

The assumptions that are used as a base for measuring cash-generating units result from the Group's annual long-term strategy process. Key data used for the cash flow is the forecast for the coming three years prepared by the segment responsible and approved by Group Management and Board, which is also checked against external market research. Forecast cash flows are based on the anticipated revenue trend for each segment taking into account market conditions and the development of the cost base adjusted for cost-saving initiatives. The assumed investment rate is 2 percent of the revenues of the respective segment. The trend in working capital is estimated to have a relatively minor impact on cash flow. Other key assumptions are the weighted-average cost of capital (WACC) and the assumption concerning growth as of year four. From year four, growth of 2 percent is assumed i.e. in line with expected inflation. A discount rate before tax has been prepared for each cash-generating unit, which varies between 10.1 and 12.1 percent. The computed interest rates are relatively unchanged compared with the preceding year. Lower risk-free interest rates were offset by a higher risk premium.

The impairment test showed declining future cash flows from directory-information services in Norway and Sweden, but not to the extent that impairment is needed.

Valuation included the following assumptions and resulted in the following:

Unit	WACC before tax	Annual cash-flow growth, years 0–3	Margin based on carrying amount	Margin at 1% higher WACC after tax	Margin at 10% lower cash flow
Sweden Directories	10.1%	5%	465%	389%	404%
Sweden Voice	10.1%	-22%	15%	0%	3%
Norway Directories	11.1%	1%	24%	8%	11%
Norway Voice	11.1%	-11%	2%	-11%	-8%
Denmark Directories	9.5%	n.a.*	5%	-11%	-7%
Poland Directories	12.1%	n.a.*	68%	48%	45%
Finland Voice	10.2%	1%	42%	22%	26%

* not relevant due to negative start value
In annual cash-flow growth for years 0–3, the Directories operation in Sweden and Norway is expected to stabilize. Denmark Directories is expected to improve significantly from a low level as a result of the recent consolidation in the market. In the Voice operation, the cash-flow trend is expected to be negative for 0–3 years in in Sweden and Norway due to changed search habits that benefit other channels, to then stabilize. Margin pertains to the difference between value in use and the carrying amount.

For 2011, the Group had a discount rate before tax of between 10.5 percent (Sweden) and 14.4 percent (Poland). In 2011, the Group's annual cash-flow growth for the Voice operations was negative for 0–3 years (-24 percent in Sweden, -15 percent in Norway and -9 percent in Finland). For Directories operations, annual cash-flow growth in 2011 for 0–3 years was 0 percent in Sweden, +10 percent in Norway and 70 percent in Denmark.

NOTE 8 INTANGIBLE ASSETS – CONT'D

Impairment requirements based on changed parameters

SEK M		Change in WACC after tax			
		0%	0,50%	1,00%	2,00%
Change in income before amortization and depreciation	0%	-	37	108	511
	-5%	13	90	205	774
	-10%	70	183	437	1,054
	-20%	343	714	1,052	1,623

Goodwill and other intangible assets with an indefinite useful life are recognized in the following cash-generating units:

SEK M

Goodwill	2012	2011
Sweden Directories	1,070	1,070
Norway Directories	3,001	2,960
Denmark Directories	608	641
Poland Directories	97	93
Directories	**4,776**	**4,764**
Sweden Voice	854	854
Norway Voice	203	200
Finland Voice	291	301
Voice	**1,348**	**1,355**
Total goodwill	**6,124**	**6,212**
Brands		
Norway Directories	794	783
Denmark Directories	107	111
Directories	**901**	**894**
Norway Voice	22	22
Voice	**22**	**22**
Total brands	**923**	**916**
Total intangible assets with indefinite useful life	**7,047**	**7,128**

Goodwill included in the recognized residual value for which amortization is deductible for tax purposes:

SEK M	2012	2011
Denmark	219	182
Finland	151	179
Total	**370**	**361**

NOTE 9 SHARES AND PARTICIPATIONS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Shares and participations in associated companies at December 31, 2012

Company/operation	Corp. Reg. No.	Regis-tered office	Number of shares	Share-holding	Date of acqui-sition
Spray Passagen Internet KB	969733-6957	Stock-holm	1,000	50	2008-01-19

Participations in associated companies

SEK M	2012	2011
Opening cost	**0**	**10**
Decrease due to divestment	-	-7
Dividend from associated companies	-	-3
Closing cost	**0**	**0**

The following companies and operations were sold or liquidated during 2011

	Corp. Reg. No.	Registered office
Netclips AB Danderyd	556688-6080	Danderyd

Shares and participations in joint ventures at December 31, 2012

Company/operation	Corp. Reg. No.	Registered office	Number of shares
Scandinavia Online AS	988 875 740	Oslo	1,093,739
Start Networks AS	981 910 273	Oslo	3,094,894

Scandinavian Online AS is a company jointly owned with Norsk Aller AS, where Eniro owns 50.1 percent of the company and Aller owns a total of 49.9 percent. SOL is an Internet portal in Norway, www.sol.no. As of May 14, 2008, Scandinavian Online AS has a joint venture with DB Medialab AS, where Scandinavian Online owns 50 percent, meaning that Eniro owns 25 percent of the company. Start Network is a portal that has positioned itself as an entertainment arena primarily for young users. Eniro consolidates joint ventures in accordance with the proportional method. Accordingly, Eniro's share of the joint venture's profit/loss and balance sheet is included under the corresponding items in Eniro's accounts.

Income from joint ventures

SEK M	2012	2011
Operating revenues	31	30
Operating costs	-32	-31
Net income	**-1**	**-1**

Assets and liabilities from joint ventures

SEK M	2012	2011
Non-current assets	22	29
Current assets	23	24
Total assets	**45**	**53**
Non-current liabilities	-	-
Current liabilities	5	5
Total liabilities	**5**	**5**
Net assets	**40**	**48**

As of December 31, 2012, the Group's goodwill includes SEK 20 M (23) from joint ventures.

NOTE 10 OTHER NON-CURRENT ASSETS

SEK M	2012	2011
Shares in external companies	1	1
Interest-bearing receivables, restricted bank funds	61	-
Other interest-bearing receivables pension obligations	22	19
Other non-interest-bearing receivables	14	38
Carrying amount, closing balance	**98**	**58**

NOTE 11 ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

SEK M	2012	2011
Accounts receivable	669	798
Provisions for customer bad debts	-109	-108
Total accounts receivable	**560**	**690**
Age analysis of accounts receivable		
-not due	312	314
-due less than one month	151	285
-due 1–3 months	56	43
-due more than 3 months	41	48
Total	**560**	**690**

Accounts receivable subject to impairment requirements are equal to provisions for customer bad debts.

Provisions for customer bad debts

SEK M	2012	2011
Opening provisions	**108**	**175**
New provisions	64	67
Provisions utilized during the year	-62	-103
Reversed unutilized provisions	-3	-21
Effects of exchange-rate changes	2	-10
Closing provisions	**109**	**108**

Customer bad debts recognized as sales costs in profit or loss amounted to SEK 44 M (44).

Other non-interest-bearing current assets

SEK M	2012	2011
-not due	62	54
-due less than one month	-	1
-due 1–3 months	0	-
-due more than 3 months	2	15
Total	**64**	**70**

Other interest-bearing receivables

SEK M	2012	2011
-not due	3	4
-due more than 3 months	0	4
Total	**3**	**8**

On the balance-sheet date, the maximum exposure to credit risk was the fair value of each category of receivables stated above. The Group has no collateral as security.

NOTE 12 PREPAID COSTS AND ACCRUED REVENUE

SEK M	2012	2011
Other prepaid costs	48	85
Accrued revenues	119	100
Accrued interest income	0	0
Total	**167**	**185**

NOTE 13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents mainly comprise of bank balances and minor short-term investments in foreign entities that are not included in the Group's central accounting system.

SEK M	2012	2011
Short-term investments	-	-
Cash and bank	198	557
Total cash and cash equivalents	**198**	**557**

NOTE 14 SHAREHOLDERS' EQUITY

Number of shares
On December 31, 2012, the number of common shares was 100,180,740, of which 3,266 were treasury shares, thus totaling 100,177,474 after the deduction of treasury shares. Similarly, the average number of common shares after deduction of treasury shares was 100,177,474 in 2012, since there were no changes in the number common shares during 2012. In June 2012, one million preference shares were issued. At December 31, 2012, the total number of shares including preference shares was 101,180,740. The carrying amount for treasury shares at December 31, 2012 was SEK 50 M (50).

Share capital
At December 31, 2012, the quotient value of both common shares and preference shares was SEK 25 per share. The proposed dividend is SEK 0 (0) per common share, totaling SEK 0 M (0). The proposed dividend is SEK 12 per preference share per quarter, totaling SEK 48 M.

	Number of shares (000s)		SEK M	
	Registered	of which, treasury	Registered	of which, treasury
At January 1, 2011	**100,181**	**4**	**2,504**	**0**
Share-saving program	-	-1	-	0
At December 31, 2011	**100,181**	**3**	**2,504**	**0**
At January 1, 2012	**100,181**	**3**	**2,504**	**0**
Issue of preference shares	1,000	-	25	0
At December 31, 2012	**101,181**	**3**	**2,529**	**0**

SEK M	2012	2011
New share issue, gross added amount	400	-
Share issue costs	-23	-
Tax, share issue costs (26.3 percent)	6	-
New share issue, net after issue costs adjusted for tax recognized in shareholders' equity	**383**	**-**
Non-cash settled tax, share issue costs	-6	-
Paid/unpaid issue proceeds	-	42
Paid/unpaid issue costs	-1	-52
New share issue, capital added, net	**376**	**-10**

NOTE 15 BORROWING

SEK M	2012	2011
Non-current bank borrowings	2,527	3,442
Current bank borrowings	439	658
Total borrowing	**2,966**	**4,100**
Interest-bearing loans have the following maturity structure:		
- during the coming year	439	658
- during the following five years	2,527	3,442
Total	**2,966**	**4,100**

At the end of 2012, capitalized borrowing costs amounted to SEK 36 M (65) in total bank loans.

Carrying amounts by currency for borrowing		
NOK	1,301	1,666
DKK	66	92
SEK	1,599	2,342
Total	**2,966**	**4,100**

Granted, unutilized credit facilities		
- due within one year	-	-
- due between one and five years	165	238
- due later than five years	-	-
Total granted credit facilities	**165**	**238**

Fair value of non-current borrowing	2,527	3,442

The carrying amount of short-term borrowing provides a reasonable approximation of the fair value of the loans, since the loans have variable interest rates.

The effective interest rates on the balance-sheet date were as follows:	**2012**	**2011**
NOK	5.70%	8.57%
DKK	4.09%	5.61%
SEK	5.13%	6.91%

The Group's borrowing exposure with respect to changes in interest rates and contractual dates for interest-rate renegotiation is shown below:

SEK M	6 months or less	6–12 months	12–36 months	36 months or longer	Total
At December 31, 2012					
Total borrowing	2,966	-	-	-	2,966
At December 31, 2011					
Total borrowing	4,100	-	-	-	4,100

Through August 2012, a portion of Eniro's loans was hedged using interest-rate swaps. After their discontinuation, all borrowing is raised at variable interest rates. A change in interest rates by 1 percentage point increases/decreases the interest cost by SEK 30 M per year.

NOTE 15 BORROWING – CONT'D

Financing

Current loan agreement
Toward the end of 2010, Eniro renegotiated its loan agreements with the existing bank consortium consisting of Danske Bank A/S, Denmark, Swedish branch, DnB NOR Bank ASA, Norway, Swedish branch, Svenska Handelsbanken AB (publ), Nordea Bank AB (publ), The Royal Bank of Scotland plc, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ). The renegotiated loan agreement came into effect on January 13, 2011. In conjunction with the redemption of a loan to a party in Eniro's bank consortium in June 2012, the original loan agreement was amended.

The original loan agreement is divided into five tranches; Tranche A of SEK 2,088 M; Tranche B amounting to the counter-value in NOK of SEK 1,550 M; Tranche C amounting to the counter-value in DKK of SEK 100 M; Tranche D totaling SEK 1,000 M (with the possibility for conversion to several currencies) and Tranche E amounting to approximately SEK 200 M. In addition to this loan, the loan agreement includes a revolving facility in several currencies totaling SEK 300 M. The duration for Tranche A, Tranche B, Tranche C and Tranche D and the revolving facility will be four years from the date of the new loan agreement. Tranche E was repaid in full on August 13, 2012.

The purpose of Tranche A, Tranche B, Tranche C and Tranche D was to refinance outstanding debt under the previous loan agreement, and to pay transaction costs attributable to the rights issue and the new financing. Tranche B could also be used to pay the tax liability in Norway. Tranche E was used to pay termination costs for existing hedging arrangements. The purpose of the revolving facility is that it be used for general corporate and working capital requirements in the Group. Borrowing costs are recognized in profit or loss as interest costs distributed over the loan period.

Tranche A, Tranche B and Tranche C are being repaid. Repayment is scheduled as follows: SEK 200 M in 2011, SEK 300 M in 2012 and SEK 435 M in 2013; in each case on a semi-annual basis, and SEK 268 M in June 2014, and the remaining amount upon termination of these tranches in November 2014. Eniro may cancel or repay the facilities in advance (in whole or in part) if it so desires.

During 2012, Eniro implemented an additional repayment of SEK 158 M and repaid in advance a loan at a discount. Eniro was offered an opportunity to redeem a loan in advance at a discount amounting to SEK 154 M, when one of the banks in Eniro's bank consortium asked for arepayment of an outstanding loan for internal reasons. The loan repayment was financed by the issue of a preference share.

The loan agreement contains provisions regarding mandatory prepayments in respect of proceeds from divestment, insurance and issuances in capital markets, as well as mezzanine financing. The loan agreement also contains covenants pertaining to mandatory prepayments upon ownership change in Eniro. The level for ownership changes will be set at more than 30 percent of the votes in Eniro being acquired by any person (other than those who guarantee the rights issue), alone or jointly with any other person(s) who are members of the same Group or affiliated or acting together with this person. In addition, 75 percent of the amount of the surplus cash flow is to be used for mandatory prepayment.

Interest rates
The loan agreement carries a margin above IBOR and follows an interest ladder based on the company's debt level (defined as the consolidated net debt in relation to EBITDA).

At December 28, 2012, three-month IBOR was 1.29 percent in Sweden, 1.83 percent in Norway and 0.28 percent in Denmark.

Margin above IBOR was as follows:

Above 4.0	5.50%
Up to and including 4.0 percent but above 3.0 percent	4.50%
Up to and including 3.0 percent but above 2.0 percent	3.75%
Less than 2.0 percent	3.00%

Guarantees and collateral
Shares in all Group companies directly owned by Eniro, all material Group companies (meaning each Group company that has EBITDA representing 5 percent or more of the consolidated EBITDA, or has gross assets or sales representing 5 percent or more of the consolidated gross assets or sales of the Group) and all Group companies that own or hold the rights to search engines, databases or any other rights or assets that are material to Group operations shall be provided as collateral for the new loan agreement. In addition, collateral shall be provided to cover all the material brands and other intellectual property rights, material intra-Group loans and all other material assets.

The following major companies serve as collateral for the loan agreements while guaranteeing the loans: Eniro AB (publ), Eniro Sverige AB, Eniro 118 118 AB, Eniro Treasury AB, Eniro Norway AB, Eniro Initiatives AB, Eniro Sentraali Oy, Eniro Polska Sp. Z o.o., Eniro Danmark A/S, Findexa Luxemburg Sarl, Eniro Holding AS, Eniro Norge AS and 1880 Nummerupplysning AS. Refer also to Note 27 "Commitments and contingent liabilities."

Covenants
The new agreement contains the normal restrictions and covenants, such as:

a) a requirement concerning a certain ratio between the consolidated cash flow, interest rate and amortization at Group level;
b) a requirement concerning a certain ratio between consolidated EBITDA and the net interest rate at Group level;
c) a requirement concerning a certain ratio between consolidated total net debt and EBITDA at Group level;
d) a requirement that investments do not exceed certain amounts for certain periods,

as well as restrictions and limitations pertaining to additional indebtedness, guarantee commitments and pledges, significant changes in the operation, as well as acquisitions and divestments.

The financial loan covenants listed under A-C above are to be measured quarterly on a rolling 12-month basis

Termination/grounds for termination
Eniro may voluntarily terminate the loan agreement. In other respects, the agreement contains the normal grounds for termination (falling under events of default).

NOTE 16 DERIVATIVE INSTRUMENTS

SEK M	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Interest-rate swaps – cash-flow hedges	-	-	-	27
Currency-rate swaps – cash-flow hedges	-	-	-	-
Currency swaps – cash-flow hedges	-	-	-	-
Total	**-**	**-**	**-**	**27**
of which, long-term portion	-	-	-	-
of which, short-term portion	-	-	-	27

Interest-rate swaps
Eniro's interest-rate swap contracts expired in August 2012. Consequently, Eniro has no outstanding interest-rate swap contracts. Interest-rate swap contracts entail the swapping of floating interest rates for fixed interest rates. At December 31, 2011, the nominal amount for interest-rate swaps was SEK 360 M carrying a fixed interest rate of 4.55 percent and NOK 1,350 M carrying a fixed interest rate of 5.48 percent, while the variable rate is based on three-month IBOR. There was no ineffective portion of interest-rate swaps in 2012 and 2011.

Currency interest-rate swaps
Eniro has no outstanding currency interest-rate swap agreements.

Currency swaps
Currency swaps are sometimes used to hedge the need for short-term loans or surplus liquidity in the Group. There were no outstanding currency swaps on December 31, 2012 or December 31, 2011.

NOTE 17 PENSION OBLIGATIONS

The amounts recognized in the balance sheets were calculated as follows:

SEK M	2012	2011
Present value of funded obligations	555	705
Fair value of plan assets	-434	-526
Total	**121**	**179**
Present value of unfunded obligations	394	285
Net debt in the balance sheet recognized as pension obligations	**515**	**464**

Changes in defined-benefit obligations during the year

SEK M	2012	2011
Opening balance	**990**	**1,020**
Costs of current-year service	17	23
Interest costs	28	33
Actuarial losses (+)/gains (-)	119	33
Remuneration paid	-34	-34
Reductions/settlements	-171	-80
Other	-2	-4
Translation difference for the year	2	-1
Closing balance	**949**	**990**

Changes in plan assets during the year

SEK M	2012	2011
Opening balance	**526**	**535**
Anticipated return on plan assets	21	25
Actuarial gains (+)/losses (-)	-4	-31
Employer contributions	0	-
Employee contributions	1	0
Remuneration paid	-2	-3
Reductions/settlements	-109	-
Translation difference for the year	1	0
Closing balance	**434**	**526**
Anticipated return on plan assets	21	25
Actuarial gains (+) / losses (-)	-4	-31
Anticipated return on plan assets	**17**	**-6**

Specification of costs for defined-benefit pension plans

SEK M	2012	2011
Costs of current-year service	-7	-22
Settlements/reductions	57	98
Interest cost	-8	-8
Other	4	6
Total costs for defined-benefit pension plans	**46**	**74**

Total pension costs

SEK M	2012	2011
Costs for defined-benefit plans	51	73
Costs for defined-contribution plans	-110	-175
Costs for special payroll tax and tax on returns	-12	-24
Interest cost	-8	-8
Cost recognized in profit or loss	**-79**	**-134**

Pension costs recognized in the following items in profit or loss

SEK M	2012	2011
Production costs	-32	-38
Sales cost	-22	-50
Marketing costs	0	-2
Administration costs	-14	-24
Product development costs	-3	-12
Total pension costs in profit or loss	**-71**	**-126**

Each year, the PRI Pensionsgaranti (PRI) performs a credit assessment to establish the terms and conditions for the renewal of the credit insurance. On November 24, 2010, the Board of PRI made a decision regarding the terms and conditions for the coming renewal of the credit insurance. The decision entailed PRI demanding that Eniro and the Swedish subsidiaries reduce their expensed pension obligation by taking out insurance in Alecta corresponding to a debt of approximately SEK 60 M.

NOTE 17 PENSION OBLIGATIONS – CONT'D

Distribution of plan assets at year-end

	2012				2011			
SEK M	Sweden	Norway	Finland	Total	Sweden	Norway	Finland	Total
Fixed-interest income including coupon interest	195	1	10	**206**	193	72	10	**275**
Shares	106	0	8	**114**	91	14	5	**110**
Alternative investments	98	0	1	**99**	96	28	2	**126**
Cash and cash equivalents	15	0	-	**15**	13	2	-	**15**
Total	**414**	**1**	**19**	**434**	**393**	**116**	**17**	**526**
Actual return, %	4.8	0	11.8	**n.a.**	-2	1	3.7	**n.a.**

Significant actuarial assumptions on balance-sheet date

	2012			2011		
	Sweden	Norway	Finland	Sweden	Norway	Finland
Discount interest rate, %	3.0	2.3	3.0	3.4	2.6	4.8
Salary increase, %	3.0	3.5	3.0	2.7	3.5	3.0
Inflation, %	2.0	0.2	2.0	1.7	0.1	2.0
Income base amount, %	3.0	3.3	-	2.7	3.3	-
Anticipated return from pension foundation, %		2.3	3.0	4.7	4.1	4.5

Internal forecasts were used for attrition rates, while the remaining employment time was calculated individually by the PRI pension service and mortality according to the Swedish Financial Supervisory Authority. In Sweden, a 65-year-old man is expected to live until the age of 86, while a 65-year-old woman is expected to live until 88. Correspondingly in Norway, a 67-year old man is expected to live until the age of 84 and a 67-year old woman is expected to live until the age of 86.

The defined-benefit plans have developed as follows over the past five-year period.

SEK M	2012	2011	2010	2009	2008
Present value of funded obligations	555	705	650	640	646
Fair value of plan assets	-434	-526	-535	-524	-443
Total	**121**	**179**	**115**	**116**	**203**
Present value of unfunded obligations	394	285	323	291	290
Unrecognized actuarial losses	-	-	-226	-207	-295
Net debt in the balance sheet recognized as pension obligations	**515**	**464**	**212**	**200**	**198**
Changes in unrecognized actuarial losses were distributed as follows:					
Effect of experience-based adjustments					
ITP plan	-	-	-2	-23	-6
Plan assets	-	-	8	10	-28
ERB plan	-	-	-4	7	-2
Total effect of experience-based adjustments	**-**	**-**	**2**	**-6**	**-36**
Effect of changed assumptions					
ITP plan	-	-	-21	93	-95
Plan assets	-	-	-	-	-
ERB plan	-	-	0	1	-2
Total effect of changed assumptions	**-**	**-**	**-21**	**94**	**-97**
Total unrecognized actuarial losses	**-**	**-**	**-19**	**88**	**-133**

The Group's pension payments are expected to total approximately SEK 30 M for 2013.

NOTE 18 OTHER PROVISIONS

Non-current provisions

SEK M	2012	2011
Opening provisions	**21**	**34**
New provisions	2	0
Utilized provisions during the year	-12	-6
Reversed unutilized provisions	0	-7
Effects of exchange-rate changes and other	0	0
Closing provisions	**11**	**21**

Current provisions

SEK M	2012	2011
Opening provisions	**26**	**64**
New provisions	40	29
Provisions utilized during the year	-33	-60
Reversed unutilized provisions	-3	-7
Effects of exchange-rate changes	0	0
Closing provisions	**30**	**26**

Provisions at year-end pertain to provisions for restructuring.

NOTE 19 ACCRUED COSTS AND PREPAID REVENUES

SEK M	2012	2011
Accrued personnel-related costs	227	237
Accrued interest costs	2	2
Other accrued costs	87	105
Prepaid revenues	852	1,030
Total	**1,168**	**1,374**

NOTE 20 FINANCIAL INSTRUMENTS BY CATEGORY

SEK M	Loan and accounts receivable
Assets in the balance sheet, December 31, 2012	
Interest-bearing receivables, restricted bank funds	61
Accounts receivable and other receivables	627
Cash and cash equivalents	198
Total	**886**
Assets in the balance sheet, December 31, 2011	
Accounts receivable and other receivables	768
Cash and cash equivalents	557
Total	**1,325**

SEK M	Derivative instruments used for hedging purposes	Other financial liabilities	Total
Liabilities in the balance sheet, December 31, 2012			
Borrowing	-	2,966	2,966
Accounts payable	-	189	189
Total	**-**	**3,155**	**3,155**
Liabilities in the balance sheet, December 31, 2011			
Borrowing	-	4,100	4,100
Derivative instruments	27	-	27
Accounts payable	-	186	186
Total	**27**	**4,286**	**4,313**

Eniro has no assets or liabilities measured at fair value in profit or loss or assets available for sale. The fair value of all instruments measured in the balance sheet is attributable to level 2 of IFRS 7, meaning that the value has been calculated based on official market listings.

NOTE 21 FINANCIAL RISK MANAGEMENT

Financial risks

Eniro is exposed to various financial risks through its operations in the form of currency risks, interest-rate risks, credit risks and liquidity risks. The focus of Eniro's risk management is to reduce or eliminate financial risks, while taking into account costs, liquidity and financial position. Eniro's Board of Directors adopted the Group-wide financial policy that provides the foundation for the management of financial operations, the division of responsibilities and financial risks. According to Eniro's financial policy, the Board of Directors makes decisions about the hedging of transaction risks. The subsidiary Eniro Treasury AB has centralized responsibility for handling financing and risk management.

CURRENCY RISKS

The Group is active internationally and exposed to currency risks arising from various currency exposures from Eniro's operations in Norway, Denmark, Finland and Poland. Currency risks arise through future business transactions, recognized assets and liabilities and net investments in foreign operations. Currency risks can be divided into transaction risk and translation risk.

Transaction risk pertains to the impact on net income and cash flow resulting from changes in the value of operating flows in foreign currencies due to exchange-rate fluctuations. Transaction risks in business transactions in each geographic area is restricted since relatively few contracts are denominated in a currency other than that of the particular country's reporting currency. Major purchasing contracts in foreign currency are hedged on a case-to-case basis. If the foreign exchange rates had been 10 percent higher/lower on average in relation to SEK, EBITDA for 2012 would have been SEK 46 M (42) higher/lower. Income after tax would have been SEK 10 M (18) higher/lower. The Group's exposure to changes in foreign currency in relation to SEK is monitored and analyzed regularly.

In terms of net investment in foreign currency, translation risk is the risk that the value of SEK will fluctuate due to changes in exchange rates. In respect of net investments in foreign currencies, the translation risk should be taken into account. Eniro has investments in NOK, EUR, PLN and DKK, with the largest exposure in NOK. As a feature of efforts to reduce the risk exposure of net investment in foreign currencies, parts of the borrowing were raised in NOK and DKK. In total, external loans in foreign currency at the end of 2012 amounted to NOK 1,114 M, and DKK 57 M. If the foreign-exchange rates had been 10 percent higher/lower at the end of 2012 in relation to SEK, shareholders' equity would have been affected by revaluation of the borrowing by SEK 107 M (130), of which SEK 101 M (123) pertains to revaluation of the NOK loan.

Translation exposure pertaining to investments in foreign subsidiaries, taking into account currency hedging, amounted to SEK 4,381 M (3,998) according to the distribution below:

Millions in each currency	2012	2011
NOK	2,653	2,292
DKK	624	633
PLZ	89	103
EUR	46	44

NOT 21 FINANCIAL RISK MANAGEMENT – CONT'D

INTEREST-RATE RISK

The Group's exposure to interest-rate risks arises from non-current borrowing. Borrowing based on variable interest rates exposes the Group to interest-rate risks in terms of cash flow, while borrowing based on fixed-interest rates exposes the Group to interest-rate risks in terms of fair value. At year-end, all of Eniro's borrowing was based on variable interest rates. According to Eniro's financial policy, the company's financial position must be taken into account when selecting interest-rate maturities. The relatively high indebtedness entails exposure to interest-rate risk since borrowing is at floating interest rates. At the beginning of the year, a portion of Eniro's interest payments was hedged using interest-rate swaps, whereby variable interest rates were converted to fixed interest rates. In August 2012, the interest-rate swaps were discontinued according to plan, subsequently leaving Eniro with borrowing based solely on variable interest rates. The interest-rate duration at December 31, 2012 was 0.3 years (0.3).

The Group continuously analyzes its exposure to interest-rate risk. Simulations of interest-rate changes are performed regularly. A change in the market interest rate of 100 points (1 percentage point), taking into account the current interest-rate swaps, would increase/decrease the Group's interest costs by SEK 30 M (22) based on current debt at December 31, 2012. Income after tax would have been positively/negatively impacted by SEK 23 M (17).

CREDIT RISK

Credit risk pertains to the risk that a counterparty will be unable to fulfill its commitments and thus result in a loss for the counterparty. Eniro's counterparties in derivative transactions are exclusively credit institutions with a high official credit rating. Surplus liquidity may only be invested in Swedish housing bonds, certificates with a rating of (AAA/P1) and with banks with a high official credit rating. At year-end, all surplus liquidity was invested in such banks. Eniro is exposed to the risk of not being paid by its customers. However, the risk of extensive bad debt losses is limited because Eniro's customer base is extremely large and well differentiated.

LIQUIDITY RISK

Liquidity risk is the risk that difficulties will arise in fulfilling financial obligations due to a lack of available funds. Financing risk pertains to the risk that external financing will not be available when needed and that the refinancing of maturing loans will be impeded or become costly. Eniro is continuously working to ensure that cash and cash equivalents and unutilized credit facilities are available. Eniro's goal is that 60 percent of available loan facilities will mature after more than one year and, at December 31, 2012, 86 percent will mature later than one year. Eniro also has a stated policy of developing relations with a number of credit institutions with a high rating. The Board of Directors regularly receives rolling forecasts concerning the Group's future cash flows that include estimates of cash and cash equivalents and unutilized credit facilities. The cash-flow forecasts are formulated by Eniro Treasury based on information from the Group's operating companies.

The table below shows Eniro's financial liabilities and the net of regulating derivative instruments that constitute financial liabilities divided by contractual maturity date. The amounts specified are non-discounted cash flows including borrowing costs of SEK 36 M. Amounts falling due within one year correspond to carrying amounts, since the discount effect is insignificant.

SEK M At December 31, 2012	Maturing within 1 year	Maturing within 1 and 5 years	Maturing later than 5 years	Total
Borrowings	439	2,563	-	**3,002**
Accounts payable and other liabilities	189	-	-	**189**
Total	**628**	**2,563**	**-**	**3,191**

SEK M At December 31, 2011	Maturing within 1 year	Maturing within 1 and 5 years	Maturing later than 5 years	Total
Borrowings	658	3,507	–	**4,165**
Derivative instruments	27	–	–	**27**
Accounts payable and other liabilities	186	–	–	**186**
Total	**871**	**3,507**	**–**	**4,378**

When calculating amounts in the table above, it has been assumed that exchange rates and market interest rates at the end of each year are unchanged for future periods.

Fair value calculation

Below is a description of the financial instruments measured at fair value based on their classification in the fair-value hierarchy. The various levels are defined as follows:

- Level 1 – listed prices in active markets for identical assets and liabilities
- Level 2 – observable data for assets or liabilities other than that included in Level 1, either directly (price listings) or indirectly (derived price listings)
- Level 3 – data for assets and liabilities based on observable market data (non-observable data)

At December 31, 2012, Eniro only had derivative instruments used for hedging purposes that were classified according to the above fair-value-measurement hierarchy. At December 31, 2011, Eniro had interest-rate swaps and the fair value of these interest-rate swaps is calculated as the present value of assessed future cash flows based on observable yield curves. These instruments are classified on Level 2 and the fair value at December 31, 2012 was SEK 27 M (liability); refer also to Note 16 Derivative Instruments.

Capital structure

Eniro's capital structure and dividend policy are decided by the Board of Directors. Eniro aims to achieve an efficient capital structure, taking into account operational and financial risks that will facilitate long-term development of the company while providing satisfactory returns to shareholders. To adjust the capital structure, the company can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or change its borrowing. In 2012, Eniro issued preference shares that were utilized for the advanced redemption of a loan, at a discount, from a bank in the company's bank consortium. In July, the Board of Directors decided that the target for the capital structure and interest-bearing net debt in relation to EBITDA should not exceed a multiple of 2.5. Interest-bearing net debt in relation to EBITDA is the key ratio that company management and external stakeholders primarily assess with respect to capital structure. At the end of 2012, interest-bearing net debt/EBITDA amounted to a multiple of 2.8 (3.4). The Board of Directors is proposing to the 2013 Annual General Meeting that no dividend be paid. The resolution is in line with the company's objective that net debt in relation to EBITDA should not exceed a multiple of 2.5. The Board of Directors will propose to the 2013 Annual General Meeting that a dividend of SEK 48 per share be paid on preference shares for 2013/14, meaning a total dividend cost of SEK 48 M. A dividend for preference shares will be paid in three-month intervals. For each three-month period, a dividend of SEK 12 will be paid per share.

NOTE 22 EMPLOYEES

	2012		2011	
Average number of full-time employees	Total	Percentage of women	Total	Percentage of women %
Sweden	1,184	49	1,256	53
Norway	623	45	721	46
Finland	353	62	412	67
Denmark	412	50	361	49
Poland	837	59	930	59
Total	**3,409**	**52**	**3,680**	**55**

The number of full-time employees at year-end was 3,187 (3,626). The proportion of women on the Board at year-end was 30 percent (33) and in Group Management, 40 percent (20).

NOTE 23 SALARIES AND OTHER REMUNERATION

	2012		2011	
SEK M	Salaries and other remuneration	Social-security costs	Salaries and other remuneration	Social-security costs
Group total	1,443	327	1,469	391
of which, pension costs		72		126

NOTE 24 REMUNERATION AND OTHER BENEFITS, BOARD OF DIRECTORS, PRESIDENT AND SENIOR EXECUTIVES

Principles

Members of the Board of Directors elected by the Annual General Meeting (AGM) receive remuneration in an amount determined by the AGM. Remuneration to employee representatives is proposed by the company and resolved by a General Meeting.

The guidelines below for remuneration of senior executives were resolved by the 2012 AGM and are in line with the guidelines for remuneration adopted by the 2011 AGM.

The aim of the guidelines for remuneration of senior executives is to allow Eniro to provide market-based remuneration to facilitate recruiting suitable individuals and retaining them in the Eniro Group. Remuneration of senior executives consists of several parts: (1) fixed salary, (2) variable salary, (3) a long-term incentive program and (4) pension provisions and other remuneration and benefits.

1. FIXED SALARY

The fixed salary is based on the individual executive's area of responsibility, expertise and experience. To create, as far as is possible, a transparent and fair remuneration system, Eniro employs a grading system in which all positions in company management are classified according to international standards. This also permits salary comparisons. The salaries for senior executives are locked for 2010, 2011 and 2012 (with the exception of change in position, promotion, etc.).

2. VARIABLE SALARY

The overall objective of the variable salary is to contribute to achieving the Group's commercial targets in the short and long-term and to create long-term value for shareholders Targets are to be determined by the Board for each fiscal year. The targets are to cover the Group's financial results and be measured against the Group's revenues and EBITDA. The variable salary is to be determined by the Board based on half-yearly evaluations of the individual executive's performance in relation to the targets. The variable salary is to be paid in two equal parts – one part cash and one part synthetic shares. The parts shall be of equal size and total a maximum of 70 or 80 percent (for the President, 100 per cent) of the fixed salary. The synthetic shares are to be linked to Eniro's share price and conversion of the synthetic shares into cash shall occur after three years. For remuneration to occur, the participant must be employed throughout the entire lock-in period. Eniro distributes the costs for the incentive program over the lock-in period. The maximum amount to be paid out for each synthetic share is to be limited to five times the share price at the time of conversion to synthetic shares. The Board of Directors is authorized to make necessary adjustments in order to ensure that the financial outcome of the synthetic shares is reflected in dividends paid or changes in share capital. The variable salary is to be determined by the Board based on an annual evaluation of the individual executive's performance in relation to the targets. Payment of part of the variable salary is to be conditional on achieving the underlying targets in a manner that is sustainable in the long term. The company shall be authorized to demand repayment of variable salary if payment later proves to have been based on information that was clearly incorrect.

3. LONG-TERM INCENTIVE PROGRAMS

At the AGM on April 5, 2005, with an adjustment at the AGM on April 5, 2006, it was decided to introduce a share-saving program for employees in the Eniro Group. This program also included senior executives within the Eniro Group. The program was discontinued in April 2011.

4. PENSION PROVISIONS AND OTHER REMUNERATION AND BENEFITS

Eniro's pension policy is based on either an Individual Pension Plan (ITP plan or equivalent national plan) or a defined-contribution pension plan. In the defined-contribution plan, the premium constitutes a maximum of 35 percent of fixed salary.

The period of notice and severance pay for senior executives follow standard practice. The President and CEO Johan Lindgren has a period of notice of six months, and 12 months if notice of employment termination is served by the company. If the company terminates his contract, he is entitled to additional severance pay of 12 months. Between the company and other members of Group Management, there is a mutual period of notice totaling a maximum of 12 months. Certain members of Group Management are entitled to additional severance pay of 6 to 12 months.

Other remuneration and benefits consist primarily of health insurance and the benefit of a company car. The benefit of a company car is based on Eniro's applicable car policy.

Board of Directors

SEK M	Board fees	Remuneration for committee work	Total
Lars-Johan Jarnheimer (Chairman)	1.10	0.15	1.25
Fredrik Arnander	0.42	-	0.42
Thomas Axén	0.42	0.08	0.50
Cecilia Daun Wennborg	0.42	0.15	0.57
Ketil Eriksen	0.42	0.08	0.50
Leif Aa Fredsted	0.42	-	0.42
Lina Alm [1]	0.01	-	0.01
Jennie Hallberg [1]	0.01	-	0.01
Susanne Olin-Jonsson [1]	0.02	-	0.02
Bengt Herkules [1]	0.01	-	0.01
Jonas Svensson [1]	0.02	-	0.02
Total	**3.25**	**0.45**	**3.70**

1) Employee representative

President and other senior executives

SEK M	Basic salary including vacation pay	Variable remuneration [2]	Other benefits [3]	Pension costs	Other remuneration [4]	Total	Holdings of synthetic shares
President and CEO Johan Lindgren[1]	5.0	0.9	0.1	1.8	0.0	7.8	140,265
Group Management – 13 individuals, of whom 6 full-year[5]	21.6	2.8	0.6	4.5	10.9	40.4	420,125
Total	**26.6**	**3.7**	**0.7**	**6.3**	**10.9**	**48.2**	**560,390**

1) In 2012, President Johan Lindgren had an annual basic salary of SEK 4.5 M. The amount above also includes vacation benefits.
2) Pertains to variable remuneration for the year and adjustment of accrued cost for synthetic shares allotted in 2010–2012.
3) Pertains to tax value of company cars.
4) Pertains to severance pay totaling SEK 10.8 M, as well as salary and pension costs during termination notice period.
5) For 2011, basic salary including vacation benefits totaled SEK 22.2 M, variable remuneration SEK 8.4 M, other benefits SEK 0.8 M, pension costs SEK 5.0 M and other remuneration SEK 4.8 M.

NOTE 24 REMUNERATION AND OTHER BENEFITS, BOARD OF DIRECTORS, PRESIDENT AND SENIOR EXECUTIVES – CONT'D

VARIABLE REMUNERATION

Variable remuneration payable to the President/CEO Johan Lindgren for 2012 amounted to SEK 1.3 M corresponding to 30 percent of basic salary and maximum bonus. In addition, an adjustment of prior-year provisions for synthetic shares resulted in a cost of SEK 0,9 M for variable remuneration to Johan Lindgren for 2012.

The recognized value of synthetic shares allocated to Group Management, including President/CEO, amounted to SEK 3 M (5) at year-end 2012. The cost for synthetic shares is accrued over the lock-in period.

SHARE-SAVING PROGRAM

There were no costs for the share-saving program during the year. The program was discontinued in April 2011, when no shares were allotted to the President and 169 shares were allotted to other senior executives

PENSION

The pension costs for the CEO and President Johan Lindgren amounted to SEK 1.8 M corresponding to 35 percent of basic salary. Group Management's pension costs amounted to SEK 4.5 M (5.0), corresponding to 21 percent of the basic salary. The President/CEO, Johan Lindgren, has a defined-contribution pension for which the fee amounts to 35 percent of basic salary. Members of Group Management have defined-contribution pensions with fees amounting to a maximum of 35 percent of basic salary or alternatively subject to the normal ITP plan. All pension benefits are vested, meaning that they are not dependent on future employment. The Parent Company and the Swedish subsidiaries follow the ITP plan. Swedish pension obligations are calculated by PRI, and credit insurance is obtained through PRI Pensionsgaranti.

RELATED-PARTY TRANSACTIONS

Remuneration to Group Management and other senior executives is presented above. In other respects, no transactions with related parties occurred during the year.

NOTE 25 AUDITING FEES

SEK M	2012	2011
PricewaterhouseCoopers, audit assignments	4	5
PricewaterhouseCoopers, audit activities in addition to audit	1	0
PricewaterhouseCoopers, tax consultancy	0	0
PricewaterhouseCoopers, other assignments	1	1
Total auditing fees	**6**	**6**

NOTE 26 LEASING

Contractual leasing fees for operational contracts that cannot be terminated

SEK M	2012	2011
– due within one year	114	121
– due between one and five years	155	256
– due later than five years	0	2

The year's operating expenses include fees for operational leasing contracts of SEK 133 M (136). Leasing contracts for premises include standard indexation clauses.

NOTE 27 ASSETS PLEDGED AS COLLATERAL

SEK M	2012	2011
Pledged collateral		
pertaining to pension obligations, restricted bank funds	61	-
pertaining to non-current borrowing, shares pledged to subsidiaries	8,016	7,894
Total pledged collateral	**8,077**	**7,894**

Eniro has a pension insurance policy with PRI Pensionsgaranti (PRI) and to cover future obligations, Eniro reserved bank funds of SEK 60 M in the first quarter of 2012 pertaining to an expanded pension guarantee to PRI. Funds pledged to PRI including the return are recognized as other non-current interest-bearing receivables.

In accordance with agreements on non-current borrowing, internal receivables and participations in subsidiaries have been pledged as collateral for Eniro Treasury's external loans. Alternatively, subsidiaries and the Parent company have also provided sureties for Eniro Treasury's liabilities. See also Note 15 Borrowing.

NOTE 28 ACQUIRED OPERATIONS

In December 2011, specific assets in De Gule Sider were acquired in Denmark and an adjustment was made to the preliminary acquisition calculation during 2012.

In 2012, a minor acquisition of Open Ad Exchange was implemented in Denmark at a purchase consideration of SEK 2 M. The assets that Eniro acquired comprised customer relations valued at approximately SEK 1 M and brands valued at approximately SEK 1 M. Open Ad Exchange provides a network offering to the Danish market for sponsored links.

SEK M	All acquisitions 2012	All acquisitions 2011
Purchase consideration	2	27
– Less amount not yet paid	-	-
– Less cash and cash equivalents at the time of acquisition	-	-
Total	**2**	**27**
Payment pertaining to prior-year acquisitions	-	-
Total net payment at the date of acquisition	**2**	**27**

Assets and liabilities, final acquisition-cost estimate for assets in De Gule Sider

Identifiable assets and liabilities	Acquired carrying amount, acquisition	Fair value, acquisition
Tangible assets	5	-
Intangible assets		
Other brands	-	15
Customer relations	1	16
Other intangible assets	20	4
Financial assets	-	7
Total fixed assets	**26**	**42**
Non-interest-bearing current assets	1	3
Total assets acquired operations	**27**	**45**
Current liabilities	-	38
Total liabilities in acquired operations	**-**	**38**
Acquired identifiable net assets		7
Goodwill at time of acquisition		20
Purchase consideration		**27**

Acquired goodwill is primarily attributable to planned synergies arising when the operation is integrated with the Eniro Group.

NOTE 29 EVENTS AFTER BALANCE-SHEET DATE

Eniro has an insurance policy with PRI Pensionsgaranti. During 2012, SEK 60 M was reserved as restricted bank funds as collateral for the same pension guarantee. In March 2013, Eniro placed an additional SEK 50 M as restricted bank funds for a continued guarantee. As a result, total restricted bank funds amount to about SEK 110 M plus the return.

On February 1, 2013, Eniro Norge AS signed an agreement with the principal owners of the Norwegian directory assistance service, 1888 Vaersågod! AS – Marell Invest AS and TV2 AS – concerning a merger. Following the merger, Eniro will control 60% of the joint operations, while the owners of 1888 will control the remaining 40%. In 2012, Eniro's revenues from the proprietary directory assistance service, 1880, totaled approximately SEK 75 M, while 1888's revenues for the corresponding period amounted to approximately SEK 65 M. The transaction as such did not give rise to a capital gain and will not impact cash flow because no purchase consideration will be paid.

The merger contributes to consolidating a market with declining volumes and creates the prerequisites for more attractive service. The agreement enables significant efficiency enhancements and cost synergies. The jointly owned company is to be consolidated in the Eniro Group during the first quarter of 2013. The transaction is expected to increase Eniro's revenues by SEK 50 M and raise EBITDA by approximately SEK 20 M on an annual basis.

See a preliminary acquisition calculation to the right.

Preliminary acquisition calculation
SEK M

Purchase consideration	-

Increase in Group assets and liabilities at date of merger

Identifiable assets and liabilities	**Fair value acquisition**
Tangible assets	1
Financial assets	6
Total fixed assets	**7**
Non-interest-bearing current assets	11
Cash and cash equivalents	1
Total assets in acquired operations	**19**
Current liabilities	10
Total liabilities in acquired operations	**10**
Identifiable net assets	9
Goodwill at time of merger	76
Total assets at date of merger	**85**

QUARTERLY SUMMARY

	2012					2011				
	Full year	Q 4	Q 3	Q 2	Q 1	Full year	Q 4	Q 3	Q 2	Q 1
OPERATING REVENUES (SEK M)										
Total	**3,999**	**1,091**	**948**	**1,001**	**959**	**4,323**	**1,194**	**1,012**	**1,151**	**966**
Directories	**3,230**	**890**	**761**	**803**	**776**	**3,424**	**971**	**782**	**910**	**761**
Online/Mobile	2,124	536	528	547	513	2,008	503	510	516	479
Print	740	267	142	159	172	1,051	370	187	305	189
Media products	234	68	52	60	54	188	52	45	44	47
Other products	132	19	39	37	37	177	46	40	45	46
Voice	**769**	**201**	**187**	**198**	**183**	**899**	**223**	**230**	**241**	**205**
EBITDA (SEK M)										
Total	976	308	261	251	156	**1,031**	**321**	**269**	**319**	**122**
Directories	777	246	187	218	126	770	235	193	258	84
Voice	279	83	73	66	57	344	101	102	88	53
Other (Head office and Group-wide projects)	-80	-21	1	-33	-27	-83	-15	-26	-27	-15
EBITDA MARGIN (%)										
Total	24	28	28	25	16	**24**	**27**	**27**	**28**	**13**
Directories	24	28	25	27	16	22	24	25	28	11
Voice	36	41	39	33	31	38	45	44	37	26

MULTI-YEAR SUMMARY

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)										
Operating revenues	3,999	4,323	5,326	6,581	6,645	6,443	6,372	4,827	4,745	4,808
Operating income before depreciation and amortization (EBITDA)	976	1,031	605	1,807	2,064	2,266	2,220	1,234	1,324	1,292
Operating income after depreciation and amortization (EBIT)	481	176	-4,176	692	410	1,855	1,813	1,073	1,232	569
Income before taxes	347	-188	-4,739	232	-276	1,401	1,276	1,017	1,131	483
Net income (attributable to shareholders of the Parent Company)	245	-184	-4,620	616	-315	1,305	1,054	917	764	198
CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)										
Assets										
Goodwill	6,124	6,119	6,494	12,088	11,374	12,508	12,267	12,879	4,822	4,726
Other non-current assets	1,739	2,063	2,350	3,147	3,236	3,759	3,882	4,241	707	521
Current assets	1,081	1,607	1,743	1,957	2,010	2,200	2,064	2,422	1,827	1,908
Total assets	**8,944**	**9,789**	**10,587**	**17,192**	**16,620**	**18,467**	**18,213**	**19,542**	**7,356**	**7,155**
Equity and liabilities										
Equity (Parent Company shareholders)	3,543	3,028	3,469	6,109	2,197	4,051	5,120	4,634	1,879	2,367
Non-controlling interests	-	-	-	3	17	13	-	-	-	-
Non-current liabilities	3,331	4,201	4,516	8,341	11,379	11,628	10,146	11,618	2,424	2,491
Current liabilities	2,070	2,560	2,602	2,739	3,027	2,775	2,947	3,290	3,053	2,297
Total shareholders' equity and liabilities	**8,944**	**9,789**	**10,587**	**17,192**	**16,620**	**18,467**	**18,213**	**19,542**	**7,356**	**7,155**
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK M)										
Cash flow from current operations	420	371	372	1,402	1,331	1,631	1,402	1,007	1,016	1,355
Cash flow from investing activities	-51	-141	-195	-299	-293	-540	-215	-5,141	-235	-983
Cash flow from financing activities	-730	-117	-44	-1,083	-1,329	-2,119	-1,486	4,468	-769	-366
Cash flow from discontinued operations	-	-	-	-	-	1,118	69	78	4	-
Cash flow for the year	**-361**	**113**	**133**	**20**	**-291**	**90**	**-230**	**412**	**16**	**6**

KEY DATA

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating margin – EBITDA, %	24	24	11	27	31	35	35	26	28	27
Operating margin – EBIT, %	12	4	-78	11	6	29	28	22	26	12
Average shareholders' equity, SEK M	3,308	3,201	4,275	4,735	3,321	5,222	4,804	2,195	2,154	2,839
Return on shareholders' equity, %	7	-6	-108	13	-9	25	22	42	35	7
Interest-bearing net debt, SEK M	2,704	3,535	3,951	6,645	9,948	10,264	9,044	10,564	2,832	2,462
Debt/equity ratio, multiple	0.76	1.17	1.14	1.09	4.49	2.53	1.73	2.28	1.51	1.04
Equity/assets ratio, %	40	31	33	36	13	22	28	24	26	33
Interest-bearing net debt/EBITDA, multiple	2.8	3.4	6.5	3.7	4.8	4.5	4.1	8.6	2.1	1.9
KEY DATA PER SHARE BEFORE DILUTION										
Net income, SEK (attributable to shareholders of the Parent Company)	2.13	-1.84	-248.43	59.05	-77.03	286.63	229.56	230.26	182.27	44.97
Cash earnings current operations*	4.19	3.70	20.00	134.40	325.48	358.23	305.35	252.86	242.39	307.77
Shareholders' equity, SEK (Parent Company shareholders)	35.02	30.23	35.21	1,893.02	2,723.51	5,023.72	5,654.24	5,117.56	2,399.28	2,827.99
Average number of shares after share buybacks, 000s *	100,177	100,177	18,597	10,432	4,089	4,553	4,591	3,982	4,192	4,403
Number of shares at Dec. 31, 2012 after share buybacks, 000s **	100,177	100,177	98,526	3,227	807	806	906	906	783	837
Number of preference shares at Dec. 31, 2012, 000s	1,000	-	-	-	-	-	-	-	-	-
OTHER KEY DATA										
Average number of full-time employees	3,409	3,680	4,437	5,096	4,861	4,697	4,801	4,754	4,752	4,595
Number of full-time employees at year end	3,187	3,626	3,926	4,994	4,961	4,650	4,821	5,429	4,953	4,695

* Adjusted for reverse splits in July 2009 (4:1) and January 2010 (50:1) and the bonus issue element (X 5.07) in the rights issue of December 2010.
** Adjusted for reverse split in July 2009 (4:1) and January 2010 (50:1).

2011 has been restated to match the comparative year of 2012, in accordance with amended accounting policies for pensions.

Major changes in Group composition

2010
- Divestment of Suomi24 Oy and Directories operations Finland.

2008
- Acquisition of Sentraali Oy, Finland, consolidation from Oct. 2008.

2007
- Sale of WLW in Germany (classified as discontinued operation 2006–2007).
- Acquisition of KRAK in Denmark, consolidation from June 2007

2006
- Acquisition of Din Pris AS, Norway, consolidation from February 2006.
- Acquisition of WebDir in Denmark, consolidation from February 2006.
- Acquisition of Kataloger i Norr AB, Consolidation from June 2006.

2005
- Acquisition of Findexa, Norway, Consolidation from December 2005.
- Operations in Estonia, Latvia, Lithuania, Russia and Belarus were classified as discontinuing operations as of the second quarter of 2005 and not included in operating revenue, EBITDA and EBIT for 2004–2006.

2004
- Acquisition of Gula Tidningen, Consolidation from April 2004.

2003
- Acquisition of directory assistance Respons (name changed to Eniro 118 118). Consolidation from May 2003.

PARENT COMPANY

Parent Company income statement

SEK M	Note	2012	2011
Operating revenues	2	**43**	**36**
Sales cost	3,18	0	-17
Administration costs	3,18,19	-140	-108
Product development costs	3,18	-	0
Other operating income		22	13
Other operating costs		-5	-5
Operating income		**-80**	**-81**
Gain/loss from sales of shares in Group Company		0	-
Gain/loss from sales of other shares		-	-10
Dividends from Group companies		87	220
Group contribution received		475	166
Impairment loss on shares in Group companies	8	-146	-359
Financial income	4	16	18
Financial cost	4	-185	-227
Income after financial items		**167**	**-273**
Appropriations		-	-
Income before tax		**167**	**-273**
Income tax	5	-88	10
Net income		**79**	**-263**
Proposed dividend per common share for the fiscal year		-	-

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK M		
Net income	**79**	**-263**
Other comprehensive income	-	-
Total comprehensive income	**79**	**-263**

Parent Company balance sheet

SEK M	Note	Dec 31, 2012	Dec 31, 2011
ASSETS			
Non-current assets			
Tangible assets	6	0	0
Intangible assets	7	1	2
Holdings in subsidiaries	8	8,398	8,546
Holdings in associated companies	9	-	-
Deferred tax assets		160	241
Other interest-bearing receivables	10	82	18
Total non-current assets		**8,641**	**8,807**
Current assets			
Receivables from Group companies		504	584
Prepaid costs and accrued revenues	11	1	1
Current income tax receivables		1	2
Other non-interest-bearing current assets	12	0	0
Other interest-bearing receivables	12	1	0
Cash and cash equivalents	13	1,112	1,152
Total current assets		**1,619**	**1,739**
TOTAL ASSETS		**10,260**	**10,546**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	14	2,529	2,504
Unrestricted shareholders' equity			
Share premium reserve		358	-
Retained earnings		2,462	2,761
Net income		79	-263
Total shareholders' equity		**5,428**	**5,002**
Provisions			
Pension obligations	15	53	48
Other provisions	16	9	20
Total provisions		**62**	**68**
Non-current liabilities			
Liabilities to Group companies		4,672	5,036
Total non-current liabilities		**4,672**	**5,036**
Current liabilities			
Accounts payable		8	6
Liabilities to Group companies		39	390
Accrued costs and prepaid revenues	17	25	25
Other non-interest-bearing liabilities		15	9
Other provisions	16	11	10
Total current liabilities		**98**	**440**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**10,260**	**10,546**

Changes in shareholders' equity, parent company

SEK M	Note	Share capital	Share premium reserve	Reserve to be used in accordance with General Meeting resolution	Retained earnings	Total shareholders' equity
Opening balance at January 1, 2011		**2,504**	**-4**	**242**	**2,523**	**5,265**
Comprehensive income during the year		-	-	-	-263	-263
Transfer to retained earnings		-	4	-242	238	-
Share savings program – value of employees' service		-	-	-	0	0
Closing balance at December 31, 2011	14	**2,504**	**-**	**-**	**2,498**	**5,002**
Opening balance at January 1, 2012		**2,504**	**-**	**-**	**2,498**	**5,002**
Comprehensive income during the year		-	-	-	79	79
New share issue*		25	358	-	-	383
Dividend from preference shares		-	-	-	-36	-36
Closing balance at December 31, 2012	14	**2,529**	**358**	**-**	**2,541**	**5,428**

*A new share issue was registered in July 2012 and is recognized net, after issue costs of SEK 17 M after tax.

The proposed dividend is SEK 0 (0) per common share.

Parent Company cash flow statement

SEK M	Note	2012	2011
Operating activities			
Operating income		-80	-81
Adjustment for non-cash items		-9	-3
Interest received from Group companies		15	18
Interest paid to Group companies		-179	-193
Interest received from others		1	0
Interest paid to others		0	0
Income tax paid		0	0
Cash flow from operating activities before changes in working capital		**-252**	**-259**
Cash flow from changes in working capital			
Decrease / increase in current receivables		13	36
Decrease / increase in current liabilities		-8	14
Cash flow from operating activities		**-247**	**-209**
Investing activities			
Divestment of subsidiaries		2	-
Divestment of other shareholdings		-	0
Acquisition of tangible assets		0	0
Cash flow from investing activities		**2**	**0**
Financing activities			
Net of intra-Group dividends and shareholder contributions		252	502
Net changes in financial receivables and liabilities from/to Group companies		-338	66
Net changes in external financial receivables and liabilities		0	-207
Non-current investments		-61	-
New share issue		376	-10
Dividend from preference shares	14	-24	-
Cash flow from financing activities		**205**	**351**
Cash flow for the year		**-40**	**142**
Cash and cash equivalents at the beginning of the year		**1,152**	**1,010**
Cash and cash equivalents at year-end	13	**1,112**	**1,152**

NOTE M1 THE PARENT COMPANY'S ACCOUNTING POLICIES

The Annual Report of the legal entity is prepared in accordance with the Annual Accounts Act (ÅRL) and recommendation RFR 2, Reporting of Legal Entities, as issued by the Swedish Financial Accounting Standards Council. In RFR 2, the Swedish Financial Accounting Standards Council has stated that legal entities whose securities are traded publicly shall, to the greatest extent possible, use the IFRSs/IASs and IFRIC/SIC interpretations that are applied in the consolidated financial statements within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation indicates the exceptions and supplements that are to be made compared with IFRS. Pursuant to RFR 2.2, the following deviations from IFRS/IAS are applied for Eniro AB, the Parent Company:

IAS 1 is not applied in respect of the presentation of the balance sheet and income statement, which are instead presented in accordance with ÅRL.

IAS 12 is not applied in respect of untaxed reserves, which are recognized gross in the balance sheet. Changes in untaxed reserves are recognized in profit or loss.

IAS 17 is not applied for financial leasing. At present, no financial leasing occurs in the Parent Company.

IAS 19 Employee Benefits is not applied in respect of the recognition of pension obligations and pension costs. These are instead recognized in accordance with FAR's recommendation 4 "Recognition of pension liability and pension cost." The Parent Company has pledged its defined-benefit pensions to employees. In this context, the Parent Company's obligations to pay pension in the future has been assigned a present value, determined for each employee on the basis of such factors as pension level, age and to what extent full pension has been vested. This present value has been calculated on an actuarial basis, using the pay and pension levels prevailing at the balance-sheet date as the starting point. Pension obligations are recognized as a provision in the balance sheet. The interest component of the pension cost for the year is recognized among financial costs. Other pension costs are charged against operating income.

IAS 39 is not applied in respect of financial guarantee agreements for the benefit of subsidiaries and associated companies.

The net of Group contributions and dividends has been recognized in profit or loss. Unless otherwise stated, amounts pertain to millions of Swedish kronor (SEK M).

Important estimates and assessments
See the information for the Group, Note 2 Important estimates and assessments.

NOTE M2 OPERATING REVENUES

The Parent Company's operating revenues amounted to SEK 43 (36) M and pertained in their entirety to remuneration for intra-Group services measured at market value.

NOTE M3 BREAKDOWN OF OPERATIONS COSTS

SEK M	2012	2011
Employee benefits, incl. social security costs	87	82
Agents, consultants and other non-employed personnel	39	28
Advertising	1	2
Depreciation/amortization and impairment losses	1	0
Other	12	13
Total operational costs	**140**	**125**

Operational costs are defined as sales costs and administration costs.

Depreciation/amortization by function

SEK M	2012	2011
Pertaining to tangible assets		
Administration costs	0	0
Pertaining to intangible assets		
Administration costs	1	0
Total depreciation/amortization	**1**	**0**

NOTE M4 FINANCIAL INCOME AND COSTS

SEK M	2012	2011
Financial income		
Exchange-rate gains on intra-Group receivables and liabilities	0	0
External financial-interest income	1	0
Internal financial-interest income	15	18
Total financial income	**16**	**18**
Financial costs		
Exchange-rate gains on external receivables and liabilities	0	-1
Exchange-rate losses on intra-Group receivables and liabilities	-	0
Other financial costs	-1	-
Interest cost for pension liability	-1	-1
External financial-interest costs	0	-36
Internal financial-interest costs	-183	-189
Total financial costs	**-185**	**-227**
Net financial items, total	**-169**	**-209**

NOTE M5 M5 TAX

Tax costs include the following components:

SEK M	2012	2011
Current tax on income for the year	0	0
Deferred tax cost relating to utilized loss carryforwards	-57	32
Deferred tax income due to changed tax rate	-31	-
Adjustment of deferred tax for prior years	0	-22
Recognized tax	**-88**	**10**
Current tax recognized directly against shareholders' equity	-	-
Total tax for the year	**-88**	**10**

Correlation between the tax cost for the year and the tax cost in accordance with the current Swedish tax rate:

SEK M	2012	2011
Recognized income before tax	**167**	**-273**
Tax according to Swedish tax rate of 26.3%	-44	72
Tax effect of		
- operating costs not deductible for tax purposes	-39	-97
- revenues that are not taxable	26	58
Adjustment of prior-year tax and changed tax rate	-31	-21
Recognized tax	**-88**	**11**

Deferred tax assets and liabilities are attributable to:

SEK M	2012 Deferred tax assets	2011 Deferred tax assets
Pension provisions	5	5
Other provisions	1	1
Tax-loss carryforwards	154	235
Deferred tax assets	**160**	**241**

NOTE M6 TANGIBLE ASSETS

	Equipment	
SEK M	2012	2011
Accumulated cost	1	1
Accumulated depreciation	-1	-1
Accumulated impairment losses	-	-
Carrying amount, closing balance	**0**	**0**
At the beginning of the year	**0**	**0**
Investments during the year	0	0
Divestments and disposals	0	0
Depreciation during the year	0	0
Carrying amount, closing balance	**0**	**0**

NOTE M7 INTANGIBLE ASSETS

	Other intangible assets	
SEK M	2012	2011
Accumulated cost	3	3
Accumulated amortization	-2	-1
Accumulated impairment losses	-	-
Carrying amount, closing balance	**1**	**2**
At the beginning of the year	**2**	**2**
Amortization during the year	-1	0
Carrying amount, closing balance	**1**	**2**

NOTE M8 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries owned directly and indirectly by the Parent Company

Name	Corporate registration number	Reg. head office	Number of shares	Proportion of share capital, %	Carrying amount Dec. 31, 2012 SEK M	Carrying amount Dec. 31, 2011 SEK M
TIM Varumärke AB	556580-8515	Stockholm	1,000	100	0	0
Eniro Danmark A/S	18 93 69 84	Copenhagen	24,000	100	793	939
Kraks Forlag A/S	10629241	Copenhagen	11,000	100		
Respons Group AB	556639-2196	Stockholm	1,000	100	0	752
Eniro International AB	556429-6670	Stockholm	1,000	100	0	0
Eniro Sverige AB	556445-1846	Stockholm	500,000	100	2,246	1,494
Eniro Sverige Försäljning AB	556580-1965	Stockholm	1,000	100		
Eniro 118 118 AB	556476-5294	Stockholm	75,000	100		
Din Del Försäljning AB	556572-1502	Stockholm	1,000	100		
Kataloger i Norr AB	556670-3707	Skellefteå	1,000	100		
Alltommotor Bilweb Eniro AB	556723-6541	Stockholm	100,000	100		
Proff AB	556764-1534	Stockholm	1,000	100		
Eniro Passagen AB	556750-0896	Stockholm	1,000	100		
Spray Passagen Internet AB	556751-3279	Stockholm	1,000	50		
Eniro Initiatives AB	556763-0966	Stockholm	1,000	100	18	18
Starcus AB	556535-8008	Stockholm	1,000	100		
Din Del AB (divested in 2012)	556053-2409	Stockholm	200,000	100	–	2
Scandinavia Online AB (divested in 2012)	556551-9989	Stockholm	100,000	100	–	0
Leta Information Eniro AB	556591-3596	Stockholm	1,000	100	48	48
Eniro Treasury AB	556688-5637	Stockholm	1,000	100	4,756	4,756
Findexa Luxembourg Sarl	B-100.546	Luxembourg	343,848	100		
Eniro Norway AB	556688-5652	Stockholm	1,000	100		
Eniro Holding AS	986 656 022	Oslo	1,100,000	100		
Eniro Norge AS	963 815 751	Oslo	55,206	100		
1880 Nummeropplysning AS	976 491 351	Kristiansand	1,020	100		
Findexa Förlag AB	556750-9673	Uddevalla	1,000	100		
Grenseguiden AS	988 437 549	Oslo	100	100		
Kvalex AS	980 253 341	Oslo	100	100		
Gule Sider 1880 AS	986 493 492	Oslo	100,000	100		
Telefonkatalog AS	988 437 565	Oslo	100	100		
1880 Telefonkatalogen AS	988 437 506	Kristiansand	100	100		
Telefonkatalogen 1880 AS	988 437 476	Oslo	100	100		
Rosa Sider AS	988 437 581	Oslo	100	100		
Hvite Sider AS	988 437 417	Oslo	100	100		
Din Bydel AS	888 437 452	Oslo	100	100		
Din Pris As	985 822 883	Oslo	100	100		
Gule Sider AS	968 306 782	Oslo	100	100		
Telefonkatalogens Gule Sider AS	968 306 405	Oslo	100	100		
Bedriftskatalogen AS	979 763 379	Oslo	100	100		
Lokalveiviseren Informasjonsforlaget AS	979 915 314	Oslo	100	100		
Gule Sider Internett AS	980 287 432	Oslo	100	100		
Proff AS	989 531 174	Oslo	100	100		
Telefonkatalogen AS	982 175 968	Oslo	100	100		
Ditt Distrikt AS	883 878 752	Oslo	100	100		
Oy Eniro Finland Ab	0100130-4	Esboo	60,000	100	417	417
Eniro Sentraali Oy	1718301-8	Kajaani	1,690	100		
Eniro Polska Sp.z.o.o	KRS 0000116894	Warsaw	1,035,209	100	120	120
Total					**8,398**	**8,546**

The following companies were divested for discontinuation, liquidated or merged with another Group company during 2012

	Corp. Reg. No.	Registered office
Din Del AB	556053-2409	Stockholm
Eniro Gula Sidorna AB	556445-6894	Stockholm
Guiden i Västerbotten AB	556714-3440	Skellefteå
Scandinavia Online AB	556551-9989	Stockholm
Respons Holding AB	556570-6115	Stockholm
Eniro Holding AB	556688-5645	Stockholm
Findexa Forlag AS	987 529 547	Oslo
Kartforlaget AS	984604513	Oslo

Change during the year (SEK M)

Participations in subsidiaries at Dec. 31, 2011	**8,546**
Divestment shares in Scandinavia Online AB	0
Divestment shares in Din Del AB	-2
Impairment loss shares in Eniro Danmark A/S	-146
Participations in subsidiaries at Dec. 31, 2012	**8,398**

NOTE M9 SHARES AND PARTICIPATIONS IN ASSOCIATED COMPANIES

SEK M	2012	2011
Opening cost	**-**	**10**
Decrease through divestment	-	-10
Dividend from associated companies	-	-
Closing cost	**-**	**-**

During 2011, Netclips AB, with the video community bubblare.se, was divested.

NOTE M10 OTHER INTEREST-BEARING RECEIVABLES

SEK M	2012	2011
Interest-bearing receivables, restricted bank funds	61	-
Interest-bearing receivables, pension obligations	20	17
Other interest-bearing receivables	1	1
Carrying amount, closing balance	**82**	**18**

NOTE M11 PREPAID COSTS AND ACCRUED REVENUES

SEK M	2012	2011
Other prepaid costs	1	1
Accrued revenues	0	0
Accrued interest income	-	-
Total	**1**	**1**

NOTE M12 OTHER CURRENT ASSETS

Other non-interest-bearing current assets

SEK M	2012	2011
–not due	0	0
–due less than one month	-	-
–due 1–3 months	-	-
–due more than 3 months	-	-
Total	**0**	**0**

Other interest-bearing receivables

SEK M	2012	2011
–not due	1	0
–due more than 3 months	-	-
Total	**1**	**0**

On the balance-sheet date, the maximum exposure to credit risk was the fair value of each category of receivables stated above. The Parent Company has not issued any pledges as collateral.

NOTE M13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents mainly comprise bank balances and investments in the Group's central account system.

SEK M	2012	2011
Cash and bank balances	1,112	1,152
Total cash and cash equivalents	**1,112**	**1,152**

NOTE M14 SHAREHOLDERS' EQUITY

Share capital and treasury shares
See corresponding section in the notes on the Group, Note 14 Shareholders' equity.

NOTE M15 PENSION OBLIGATIONS

The Parent Company's pension liability pertains to the capital value of pension obligations in accordance with Swedish regulations, FAR's Recommendation 4.

The amounts recognized in the balance sheets have been calculated in accordance with:

SEK M	2012	2011
Present value of unfunded obligations	53	48
Net debt in the balance sheet recognized as pension obligations	**53**	**48**

Change in defined-benefit obligations during the year

SEK M	2012	2011
Opening balance	**48**	**43**
Costs of current-year service	5	7
Interest costs	1	0
Remuneration paid	-1	-1
Other	0	-1
Closing balance	**53**	**48**

Specification of costs for defined-benefit pension plans

SEK M	2012	2011
Costs of current-year service	-2	-3
Interest costs	-1	0
Other	0	0
Total costs for defined-benefit pension plans	**-3**	**-3**

Total pension costs

SEK M	2012	2011
Costs for defined-benefit plans	-2	-3
Costs for defined-contribution plans	-10	-9
Costs for special payroll tax and yield tax	-2	-2
Interest cost	-1	0
Cost recognized in profit or loss	**-15**	**-14**

The costs are recognized in the following items in profit or loss

SEK M	2012	2011
Sales cost	0	-2
Administrative costs	-14	-12
Cost recognized in profit or loss	**-14**	**-14**

NOTE M16 OTHER PROVISIONS

Non-current provisions

SEK M	2012	2011
Opening provisions	20	23
New provisions	-	-
Reversed unutilized provisions	-10	-
Utilized provisions during the year	-1	-3
Closing provisions	9	20

Current provisions

SEK M	2012	2011
Opening provisions	10	15
New provisions	13	14
Provisions utilized during the year	-12	-15
Reversed unutilized provisions	-	-4
Closing provisions	11	10

Provisions at year-end pertain to provisions for restructuring.

NOTE M17 ACCRUED COSTS AND PREPAID REVENUES

SEK M	2012	2011
Accrued personnel-related costs	14	13
Accrued interest costs	4	1
Other accrued costs	7	11
Prepaid revenues	-	-
Total	25	25

NOTE M18 EMPLOYEES, SALARIES AND REMUNERATION

The average number of full-time employees in the Parent Company was 32 (28), including 20 women (13).

	2012		2011	
SEK M	Salaries and other remuneration	Social-security costs	Salaries and other remuneration	Social-security costs
Parent Company	55	30	49	29
of which, pension costs		14		14

NOTE M19 FEES TO AUDITORS

SEK M	2012	2011
PricewaterhouseCoopers, audit assignments	2	2
PricewaterhouseCoopers, audit activities in addition to audit	1	-
PricewaterhouseCoopers, tax consultancy	-	-
PricewaterhouseCoopers, other assignments	0	0
Total auditors' fees	3	2

Audit activities in addition to audit assignment include examinations required in connection with the new issue.

NOTE M20 ASSETS PLEDGED AS COLLATERAL AND CONTINGENT LIABILITIES

SEK M	2012	2011
Contingent liability		
Sureties and contingent liability pertaining to subsidiaries	17	26
PRI Pensionsgaranti	0	0
Guarantee for loan agreement	3,002	4,165
Total contingent liability	3,019	4,191
Assets pledged		
Pertaining to pension obligations, restricted bank funds	61	-
Pertaining to non-current borrowing, shares pledged to subsidiaries	8,398	8,546
Total pledged assets	8,469	8,546
Total	11,478	12,737

Internal receivables and participations in subsidiaries have been pledged as collateral for Eniro Treasury's external loans. Subsidiaries and the Parent Company have also guaranteed Eniro Treasury's obligations, which will amount to SEK 3,002 M at maturity. Refer also to the notes on the Group, Note 15 "Borrowing."

Eniro has a pension insurance policy with PRI Pensionsgaranti (PRI) and in the first quarter of 2012, Eniro reserved bank funds of SEK 60 M to cover continued obligations pertaining to expanded pension guarantees to PRI. Funds pledged to PRI, including the return, are recognized as other non-current interest-bearing receivables.

CERTIFICATION BY THE BOARD OF DIRECTORS AND THE PRESIDENT

The Board of Directors and the President certify that the annual accounts have been prepared in accordance with generally accepted accounting policies in Sweden and provide a fair view of the company's financial position and the result of its operations and that the Board of Directors' Report provides a fair review of the development and performance of the business, the position and the result of the company together with a description of the principal risks and uncertainties faced by the company. Furthermore, it is declared that the consolidated annual accounts have been prepared in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and provide a fair view of the Group's financial position and the results of its operations, together with a description of the principal risks and uncertainties faced by the Group.

Stockholm, March 21, 2013
Eniro AB (Publ)

Lars-Johan Jarnheimer
Chairman of the Board

Fredrik Arnander
Member of the Board

Thomas Axén
Member of the Board

Cecilia Daun Wennborg
Member of the Board

Ketil Eriksen
Member of the Board

Leif AA. Fredsted
Member of the Board

Susanne Olin Jönsson
Employee representative

Jonas Svensson
Employee representative

Jennie Hallberg
Employee representative

Johan Lindgren
President and Chief Executive Officer

Our audit report was issued on March 21, 2013

Bo Hjalmarsson
Authorized Public Accountant
and Auditor-in-Charge

Eva Medbrant
Authorized Public Accountant

AUDITORS' REPORT

To the annual meeting of the shareholders of Eniro AB, Corporate Registration Number 556588-0936

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annual accounts and the consolidated financial statements of Eniro AB for the year 2012. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 41–94.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated financial statements

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for the internal control deemed necessary by the Board of Directors and the President for the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether such misstatement is due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The auditor chooses such procedures based on such assessments as the risk of material misstatement in the annual accounts and consolidated financial statements, whether such misstatement is due to fraud or error. In making these risk assessments, the auditor considers internal control measures relevant to the company's preparation and fair presentation of the annual accounts and consolidated financial statements in order to design audit procedures that are appropriate taking the circumstances into account, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2012 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2012 and its financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance report has been prepared. The statutory administration report and corporate governance report are consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated financial statements, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Eniro AB for the year 2012.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal complies with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated financial statements, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the fiscal year.

Stockholm, March 21, 2013
Pricewaterhousecoopers AB

Bo Hjalmarsson	**Eva Medbrant**
Authorized Public Accountant	Authorized Public Accountant
Auditor-in-Charge	

ANNUAL GENERAL MEETING AND CALENDAR

Annual General Meeting 2013

The Annual General Meeting (AGM) of Eniro AB (publ) will be held on Thursday April 25, 2013 at 3:00 p.m. (CET) at the company's premises on Gustav III:s Boulevard 40 in Frösunda, Solna, Sweden. Official notification will occur by means of an advertisement in daily newspapers and through a press release. The official notification and other information prior to the AGM will be available at www.eniro.com.

Participation and registration

Shareholders who wish to participate in the 2013 AGM must be registered in the share register maintained by Euroclear Sweden AB no later than Friday April 19, 2013. They must also notify the company of their intention to attend well in advance of Friday April 19, 2013 via www.eniro.com or by telephoning during office hours or mailing the company in the following manner.

Telephone: +46 8 402 90 44
Mail: Eniro's Annual General Meeting
Box 7832
SE-103 98 Stockholm, Sweden

Trustee-registered shares

In order to participate in the AGM, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names with Euroclear Sweden AB. Shareholders wishing such re-registration must inform their trustee of their intention prior to Friday April 19, 2013.

Representatives and proxy form

A shareholder not attending the AGM in person may exercise his or her voting rights through a representative authorized with a written and dated proxy, signed by the shareholder. Proxy forms can be obtained at Eniro's website, www.eniro.com. The original proxy should be submitted to Eniro well in advance of the AGM at the address: Eniro AB, Corporate Legal Affairs, SE-169 87 Stockholm. If the proxy is issued by a legal entity, a certified copy of the certificate of registration or equivalent authorization document must also be submitted.

Calendar 2013

Date	Event
April 25, 2013	Interim report January-March 2013
April 25, 2013	Annual General Meeting 2013
July 16, 2013	Interim report January-June 2013
October 23, 2013	Interim report January-September 2013

The reports and other information from the company will be published continuously on the company's website www.eniro.com. It is also possible to register for subscription of financial reports and other news in an electronic format. Financial reports and press releases directed at the capital market will be published in Swedish and English.

Contact, investor questions

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DEFINITIONS AND GLOSSARY

Adjusted EBITDA
EBITDA excluding restructuring costs and other items affecting comparability.

Average equity
Based on average shareholders' equity at the beginning and end of each quarter.

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

Debt/equity ratio
Interest-bearing net debt divided by shareholders' equity.

Earnings for the period per common share
Earnings for the period less the predetermined dividend to preference shares for the period divided by the average number of common shares.

EBITDA
Operating income before depreciation, amortization and impairment.

EBITDA margin (%)
EBITDA divided by operating revenues multiplied by 100.

Equity/assets ratio (%)
Shareholders' equity divided by the balance sheet total multiplied by 100.

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

Interest-bearing net debt
Interest-bearing liabilities plus interest-bearing provisions less interest-bearing assets, excluding the market value of interest-rate 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 and divestments.

Operating income
Operating income after depreciation and amortization.

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

Return on equity (%)
Net income divided by average shareholders' equity multiplied by 100.

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

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