# Q2 | 13

INTERIM REPORT APRIL–JUNE

eniro
Discover local. Search local.

**Online revenues continue to grow, and cash flow is improving. EBITDA is developing according to plan towards the full year target.**

## Second quarter: April–June 2013

- Online revenues grew organically by 3 percent (1). Of total product and company searches, the mobile channel accounts for 29 percent.
- The digital media proportion of total revenues is growing and amounts to 80 percent (73).
- The organic declined was 4 percent. Total operating revenues amounted to SEK 893 M (1 001), a decrease of 11 percent (decrease: 13). Currency effects, divested businesses and earlier publication of catalogs compared with the year-earlier period had a negative effect of approximately 7 percent.
- EBITDA amounted to SEK 234 M (251), corresponding to an EBITDA margin of 26.2 percent (25.1). Adjusted EBITDA was SEK 247 M (260).
- Net profit amounted to SEK 80 M (156, of which SEK 113 M in capital gain).
- Earnings per common share for the period were SEK 0.66 (1.48, 0.35 excl. capital gain).
- Operating cash flow increased to SEK 103 M (100).

## Half year: January–June 2013

- Online revenues increased by 3 percent during the period (1).
- Total operating revenues amounted to SEK 1,779 M (1,960), a decrease of 9 percent (-7).
- EBITDA totaled SEK 404 M (407), corresponding to an EBITDA margin of 22.7 percent (20.8).
- Earnings per common share for the period increased to SEK 1.41 (1.09).
- Operating cash flow amounted to SEK 191 M (113), an increase of SEK 78 M.

## Events during the second quarter

- Eniro signed a commitment letter for new, long-term financing for the company. All six banks in the company's banking consortium are included in the agreement. The loan amounts to SEK 3 billion and has been contracted with interest rate terms that are in line with the previous agreement. In connection with the renegotiation of the financing, the company's loan debt has decreased by approximately SEK 200 M.
- Eniro acquired a majority interest in Bloggerfy, one of the Nordic region's largest blog networks. As a result of the acquisition, Eniro has established a strong position in the social advertising channel in Sweden and Norway. The purchase consideration was SEK 0.5 M.

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# COMMENTS FROM THE CEO

Online/Mobile continues to increase its rate of growth. The total organic revenue decline was 4 percent. Cash flow continues to improve and EBITDA is developing according to plan towards the full-year target.

Eniro's work on raising the quality of the company's services and thereby strengthening user benefit is yielding results. Clear proof that our services are appreciated and that the relevance of search results is improving can be found in the continued growth in the number of searches for products, categories and companies. Higher traffic to our services is a prerequisite for our ability to provide a return to our paying customers. Eniro today is a digital media company that offers searchability in the growing media segments. Eighty percent of the company's advertising revenues are now digital. The organic decline at 4 percent, the best level in a long time.

Eniro's development remains on track. The company's largest revenue stream, Online/Mobile, continues to grow and outpaced the corresponding period a year ago. Sweden/Finland, Denmark and Poland have shown stronger performance and online revenues are up 7 percent compared with a year ago. Although the poorer performance in Norway has affected the level of improvement for the quarter, as a whole we are moving in the right direction. Work on strengthening the Norwegian operations is under way, and actions have been taken. A new president will be appointed after the summer. We believe that Norway will continue to show weak performance in the third quarter, before the result of the measures that have been taken have effect. Our expectation is thus that the Online/Mobile revenue stream will show a lower rate of growth in the third quarter, and thereafter show improved performance in the fourth quarter.

For Voice the profitability is rising. Revenues for printed directories were negatively affected compared with a year ago by the fact that a number of catalogs were published and recognized in income earlier. Revenues for the Media product area were weak during the first half of the year and were level with the corresponding period a year ago. The increase of sponsored links is according to plan, while display sales in Norway are lagging behind.

Eniro's business model, with a large share of advance payments combined with continued strict cost control, is benefiting cash flow, which continues to improve.

Cash flow for the period was affected by a reduction in loan debt by approximately SEK 200 M in connection with the renegotiation of the company's financing. The company's new, long-term financing was renegotiated well in advance of the previous loan's expiration. The relation between net debt and EBITDA is level with the outcome for the first quarter and amounted to a ratio of 2.5 (2.8).

Earnings in the second quarter continued to grow in line with our projections and in pace with the full-year EBITDA target to match the level for 2012. Earnings for the quarter were affected by continued restructuring. The changes that we have made, which pertain mainly to central staff functions, will contribute to a lower cost base already in the current year. We continue to have good cost control in the company. The cost savings amounted to SEK 80 M during the quarter (SEK 165 M for the first half of the year). The lower cost base, interest cost and depreciation are contributing to a strengthening of net profit. Excluding the preceding year's capital gain of SEK 113 M net after tax, net profit for the quarter rose SEK 37 M.

Eniro is striving for total growth. The work on changing the company's culture and shifting focus to the users of the company's services is on track. Product development is based on putting the mobile channel and mobile searches first. Mobile revenues continue to rise, and today 29 percent of total product, category and company searches are made through the mobile channel, and this share continues to rise. Our ambition to bring revenue growth on a par with market growth remains firm. Our goal for 2013 is to continue growing online/mobile revenues and to continue to level out the decline in organic revenues. We are standing by our target of delivering EBITDA that matches the level for 2012. Stable EBITDA will secure our cash flow, which will be used to repay debt and, over time, create scope for a dividend to the shareholders.

***SOLNA, JULY 16, 2013***

***JOHAN LINDGREN, CEO***

**Eniro is the local search engine.** A clever shortcut to what you need, at home or away. Both consumers and companies can use Eniro's services to easily locate where to buy services and products – regardless of whether the channel is the Internet, catalog or mobile. Advertisers can actively market themselves to interested consumers, find new customers and increase sales. ***Discover local. Search local.***

# FINANCIAL HIGHLIGHTS

**APRIL–JUNE 2013**

- **April 2013 – Eniro reaches agreement with banks on its loans and secures long-term financing**
  Eniro has reached an agreement on long-term financing with all six banks in the company's bank consortium. The bank loan amounts to SEK 3 billion. The preliminary loan agreement entails a more flexible repayment rate, higher operating flexibility and a continued future possibility to pay dividends on the company's common shares.
- **April 2013 – Eniro acquires majority interest in the blog network Bloggerfy**
  The acquisition establishes Eniro's position in social searches in the Nordic region and strengthens the company's network for sponsored links.
- **April 2013 – Eniro continues to streamline operations and sells Start Network AS**
  Eniro's partially owned Norwegian company SOL is selling its 50 percent share in Start.no to the other owner, DB Medialab AS (Dagbladet). The sale has a marginal impact on revenues and earnings.
- **June 2013 – Eniro reduces loan debt by approximately SEK 200 M**
  In connection with the renegotiation of the company's financing to the new loan agreement, Eniro's net debt decreased by approximately SEK 200 M.

# PRODUCT DEVELOPMENT

**APRIL–JUNE 2013**

- **April 2013 – Eniro launches new product and offers its customers a Facebook page**
  To strengthen the overall customer offering, increase add-on sales and assist small- and medium-sized businesses in establishing and maintaining a Facebook page, Eniro launched a Facebook service during the month. The service is also available as an app for all mobile phones.
- **June 2013 – Proff's business search service launched on SvD Näringsliv**
  Svenska Dagbladet (SvD) Näringsliv has chosen Proff as the search service for its readers. Using Proff, visitors to SvD can perform quick searches for information on some 1.3 million Swedish companies and also find information about company executives.
- **June 2013 – Launch of improved database content in Norway**
  The result of an extensive program for improving the quality of generated hits in Norway was launched. This work has led to improved quality of both business and personal searches while increasing the speed of future content updates.
- **June 2013 – New, more detailed maps of Sweden and parts of Norway and Denmark**
  New, updated and more detailed maps were launched for all of Eniro's maps in Sweden. Maps for parts of Norway and Denmark were also updated.

**FOLLOWING PERIOD-END**

- **July 2013 – Eniro signs strategic cooperation agreement with Microsoft's Bing**
  The agreement, which makes Eniro an authorized retailer of Bing's advertising solutions in Sweden, Norway and Denmark, strengthens Eniro's offering and position in the market for search word advertising.

# SECOND QUARTER 2013

EBITDA continued to develop in line with the full-year target, while revenues continued to rise for Online/Mobile. Cash flow is growing. Continued improvement in Eniro's revenue growth, despite weak performance in Norway.

## REVENUES

Total operating revenues amounted to SEK 893 M (1,001), a decrease of 11 percent. Earlier publication of catalogs compared with the same period a year ago impacted revenues negatively by approximately SEK 35 M compared with last year. Currency translation effects impacted revenues negatively by 2 percent. Operating revenues for the second quarter of 2012 included SEK 10 M in revenues from discontinued operations. Adjusted for moved catalog publication, divested operations and currency effects, the revenue decline was 4 percent.

Revenues decreased organically by 4 percent during the quarter (-9). Organic growth for Online/Mobile was 3 percent (1). Eniro Norway posted weaker performance than the rest of the Group. Excluding Eniro Norway, Online/Mobile grew organically by 7 percent. The increase for Media Products was 1 percent. Print decreased by 26 percent and Voice by 11 percent.

The proportion of digital advertising revenues continues to increase and reached 80 percent (73) of the Group's total revenues, excluding Voice, as of June 30, 2013.

## RESULTS

EBITDA amounted to SEK 234 M (251). The margin increased to 26.2 percent (25.1) during the quarter. Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, was SEK 247 M (260). Items affecting comparability totaled SEK 13 M and consisted of costs for continued efficiency improvements and centralization of staff functions, plus a one-time cost for the change of the company president in Norway that was communicated during the first quarter. Operations in Poland reported a loss of SEK 8 M (-12) during the quarter. Net profit for the quarter was SEK 37 M better than the underlying profit for the corresponding period a year ago (excluding net capital gain of SEK 113 M that arose in Q2 2012).

## COST SAVINGS

Eniro continued to improve efficiency and lower the company's cost burden. The implemented organizational changes will contribute to a lower cost base already during the current year. Total operating costs were SEK 94 M lower than the corresponding quarter a year ago. Cost savings for the quarter adjusted for divested operations, currency effects and third-party costs amounted to SEK 80 M. The savings have primarily been achieved through lower costs for consultants, paper, and distribution and marketing.

### Revenue and result

| SEK M | 2013 Apr-Jun | 2012* Apr-Jun | % | 2012/13 * Jul-Jul | 2012* Jan-Dec |
|---|---|---|---|---|---|
| **Operating revenues** | **893** | **1 001** | **-11** | **3 818** | **3 999** |
| EBITDA | 234 | 251 | -7 | 973 | 976 |
| Net income | 80 | 156 | -49 | 293 | 241 |
| Operating cash flow | 103 | 100 | 3 | 377 | 299 |
| Total operating cost | 661 | 755 | -12 | 2 913 | 3 092 |
| **Interest-bearing net debt** | **2 453** | **2 887** | **-15** | **2 453** | **2 704** |

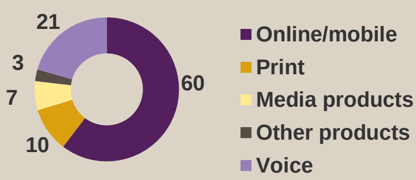
**REVENUES, Q2 2013**

**SEK 893 M**

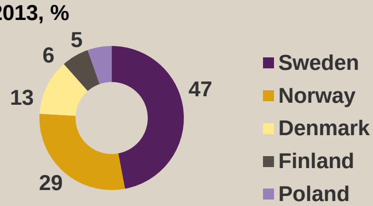
**EBITDA, Q2 2013**

**SEK 234 M**

**GROUP REVENUES BY CATEGORY, Q2 2013, %**




**GROUP REVENUES BY COUNTRY, Q2 2013, %**



# FIRST HALF 2013

Continued rise in the rate of growth for Online/Mobile. EBITDA level with the preceding year. Improvement in net profit as well as cash flow compared with the same period a year ago.

## REVENUES

Total operating revenues amounted to SEK 1,779 M (1,960), a decrease of 9 percent. Currency translation effects adversely impacted revenues by 2 percent. Operating revenues for the first half of 2012 included SEK 20 M in revenues from divested businesses and SEK 47 M from printed directory activities that have been discontinued in Norway. Adjusted for currency effects, divested operations and changed publication dates for directories, the revenue decrease was 4 percent.

Revenues decreased organically by 5 percent (-9) during the first six months. Excluding the Norwegian operations, which are showing weaker performance, the organic decline was 2 percent.  Organic growth for Online/Mobile was 3 percent (1), and 6 percent excluding Norway. Media revenues grew 4 percent organically, while print declined by 36 percent and Voice by 8 percent.

## RESULTS

EBITDA totaled SEK 404 M (407). The margin rose to 22.7 percent (20.8). Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, amounted to SEK 430 M (420). Items affecting comparability totaled SEK 26 M and include costs for restructuring of central staff functions and for the change of company president in Norway. Operations in Poland reported EBITDA of SEK -8 M (-27).

## COST SAVINGS

Total operating costs were SEK 179 M lower than the same period a year ago. Cost savings adjusted for divested operations, currency effects and third-party costs due to the strategic shift in the revenue mix toward increased revenues from third-party partnerships amounted to SEK 165 M (SEK 85 M Q1 and SEK 80 M Q2). The cost savings resulted from lower personnel expenses, lower costs for consultants, directory paper and distribution as well as lower costs for marketing.

### Revenue and result

| SEK M | 2013 Jan-Jun | 2012 * Jan-Jun | % | 2012/13 * Jul-Jul | 2012* Jan-Dec |
|---|---|---|---|---|---|
| **Operating revenues** | **1 779** | **1 960** | **-9** | **3 818** | **3 999** |
| EBITDA | 404 | 407 | -1 | 973 | 976 |
| Net income | 169 | 117 | - | 293 | 241 |
| Operating cash flow | 191 | 113 | 69 | 377 | 299 |
| Total operating cost | 1 379 | 1 558 | -11 | 2 913 | 3 092 |
| **Interest-bearing net debt** | **2 453** | **2 887** | **-15** | **2 453** | **2 704** |

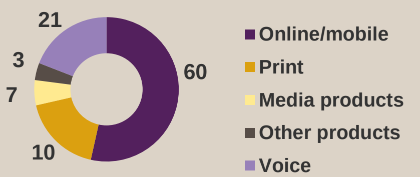
**REVENUES, 6M 2013**

**SEK 1,779 M**

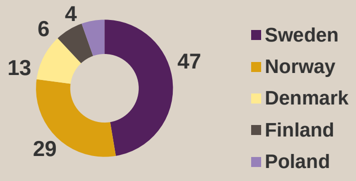
**EBITDA, 6M 2013**

**SEK 404 M**

**GROUP REVENUES BY CATEGORY, 6M 2013, %**




**GROUP REVENUES BY COUNTRY, 6M 2013, %**



## Revenue and result

| SEK M | 2013 Apr-Jun | 2012* Apr-Jun | % | 2013 Jan-Jun | 2012 * Jan-Jun | % | 2012/13 * Jul-Jul | 2012* Jan-Dec |
|---|---|---|---|---|---|---|---|---|
| **Operating revenues** | **893** | **1 001** | **-11** | **1 779** | **1 960** | **-9** | **3 818** | **3 999** |
| EBITDA | 234 | 251 | -7 | 404 | 407 | -1 | 973 | 976 |
| Net income | 80 | 156 | -49 | 169 | 117 | 44 | 293 | 241 |
| Operating cash flow | 103 | 100 | 3 | 191 | 113 | 69 | 377 | 299 |
| Total operating cost | 661 | 755 | -12 | 1 379 | 1 558 | -11 | 2 913 | 3 092 |
| **Interest-bearing net debt** | **2 453** | **2 887** | **-15** | **2 453** | **2 887** | **-15** | **2 453** | **2 704** |

## Revenues by category

| SEK M | 2013 Apr-Jun | 2012* Apr-Jun | % | 2013 Jan-Jun | 2012 * Jan-Jun | % | 2012/13 * Jul-Jul | 2012* Jan-Dec |
|---|---|---|---|---|---|---|---|---|
| **Total revenues** | **893** | **1 001** | **-11** | **1 779** | **1 960** | **-9** | **3 818** | **3 999** |
| **Directories** | **709** | **803** | **-12** | **1 414** | **1 579** | **-10** | **3 065** | **3 230** |
| Online/mobile | 549 | 547 | 0 | 1 073 | 1 060 | 1 | 2 137 | 2 124 |
| Print | 80 | 159 | -50 | 178 | 331 | -46 | 587 | 740 |
| Media products | 59 | 60 | -2 | 116 | 114 | 2 | 236 | 234 |
| Other products | 21 | 37 | -43 | 47 | 74 | -36 | 105 | 132 |
| **Voice** | **184** | **198** | **-7** | **365** | **381** | **-4** | **753** | **769** |

## Revenue by category, organic %

| | 2012 Apr-Jun | 2012* Apr-Jun | 2013 Jan-Jun | 2012 * Jan-Jun | 2012/13 * Jul-Jul | 2012 Jan-Dec |
|---|---|---|---|---|---|---|
| **Total organic development** | **-4** | **-9** | **-5** | **-9** | **n.a.** | **-10** |
| **Directories** | **-2** | **-7** | **-5** | **-7** | **n.a.** | **-9** |
| Online/mobile | 3 | 1 | 3 | 1 | n.a. | 1 |
| Print | -26 | -31 | -36 | -30 | n.a. | -33 |
| Media products | 1 | 36 | 4 | 25 | n.a. | 26 |
| Other products | -11 | -15 | -7 | -8 | n.a. | -14 |
| **Voice** | **-11** | **-18** | **-8** | **-14** | **n.a.** | **-13** |

## Revenues by country

| SEK M | 2012 Apr-Jun | 2012* Apr-Jun | % | 2013 Jan-Jun | 2012 * Jan-Jun | % | 2012/13 * Jul-Jul | 2012 Jan-Dec |
|---|---|---|---|---|---|---|---|---|
| **Total revenues** | **893** | **1 001** | **-11** | **1 779** | **1 960** | **-9** | **3 818** | **3 999** |
| Sweden | 427 | 473 | -10 | 837 | 923 | -9 | 1 793 | 1 879 |
| Norway | 249 | 294 | -15 | 514 | 604 | -15 | 1 056 | 1 146 |
| Denmark | 114 | 130 | -12 | 223 | 234 | -5 | 514 | 525 |
| Finland | 56 | 65 | -14 | 109 | 123 | -11 | 235 | 249 |
| Poland | 47 | 39 | 21 | 96 | 76 | 26 | 220 | 200 |

## EBITDA by revenue area

| SEK M | 2012 Apr-Jun | 2012* Apr-Jun | % | 2013 Jan-Jun | 2012 * Jan-Jun | % | 2012/13 * Jul-Jul | 2012 Jan-Dec |
|---|---|---|---|---|---|---|---|---|
| **Total EBITDA** | **234** | **251** | **-7** | **404** | **407** | **-1** | **973** | **976** |
| Directories | 181 | 218 | -17 | 307 | 344 | -11 | 740 | 777 |
| Voice | 73 | 66 | 11 | 130 | 123 | 6 | 286 | 279 |
| Other | -20 | -33 | | -33 | -60 | | -53 | -80 |
| ***Items affecting comparability*** | | | | | | | | |
| Restructuring costs | 13 | 13 | | 26 | 17 | | 57 | 48 |
| Other items affecting comparability | - | -4 | | - | -4 | | -44 | -48 |
| **Total adjusted EBITDA** | **247** | **260** | **-5** | **430** | **420** | **2** | **986** | **976** |

* Restated comparison year in accordance with new accounting principle regarding pensions

# DIRECTORIES

The Directories revenue stream encompasses Eniro's search services in the channels **Online/Mobile** and printed products within **Print**.

# ONLINE/MOBILE

The principal revenue sources for Online/Mobile are the main sites and mobile apps eniro.se in Sweden, gulesider.no in Norway, krak.dk in Denmark and panoramafirm.pl in Poland. Online/Mobile accounts for 56 percent of the Group's total operating revenues.

## REVENUES – SECOND QUARTER

Operating revenues for Online/Mobile in the second quarter amounted to SEK 549 M (547), an organic increase of 3 percent (1). Revenue performance for Eniro Norway was lower than in other countries. Organic growth excluding Norway was 7 percent.

In relation to Eniro's total revenues, the proportion of digital advertising revenues continued to increase, to 80 percent (73).

## REVENUES – FIRST HALF 2013

Operating revenues for Online/Mobile during the period amounted to SEK 1,073 M (1,060), an increase of 1 percent. Organically, revenues rose 3 percent during the first half year.

## DEVELOPMENTS/ACTIVITIES

Eniro's local search service is very well suited for mobile and tablet devices. The number of searches made via the mobile channel continues to increase and accounted for 29 percent of total product and company searches as per June 30.

Eniro Norway had weaker revenue performance than other markets during the past half-year. This trend is expected to continue into the third quarter, while Online/Mobile is expected to show a slower rate of growth during the third quarter and an improvement during the fourth quarter.

Eniro continues to develop its services in an effort to provide greater user value. Among new features launched during the quarter can be mentioned updated map services for all of Sweden as well as parts of Denmark and Norway, as well as the results of an extensive content upgrade of the database in Norway. Proff's business search service was chosen as a supplier by Svenska Dagbladet, Sweden's largest daily newspaper. Since early April, Eniro offers its customers assistance in establishing a Facebook page.

REVENUES Q2 2013

SEK **549** M

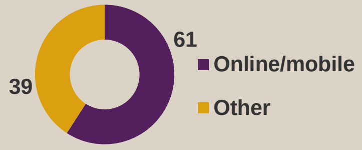
REVENUE TREND

**0**%

ONLINE/MOBILE

| SEK M | 2013 Apr-Jun | 2012 Apr-Jun |
|---|---|---|
| Operating revenues | 549 | 547 |
| Revenue trend (%) | 0 | 6 |
| Organic trend (%) | 3 | 1 |

SHARE OF GROUP REVENUES Q2 2013, %



# PRINT

Eniro's printed products, directories and guides continue to account for a significant share of Group revenues despite a decline in the share. Print accounts for a total of 15 percent of the Group's operating revenues.


## REVENUES – SECOND QUARTER

Operating revenues for Print in the second quarter amounted to SEK 80 M (159), a decrease of 50 percent. Changed publication dates compared with the corresponding quarter a year ago had a negative impact on revenues for the quarter, by approximately SEK 35 M.

Revenues declined organically by 26 percent. The rate of decline for printed directories, especially local directories, is increasingly subsiding. Of total print revenues, local directories accounted for approximately 75 percent (56).

## REVENUES – FIRST HALF 2013

Operating revenues for Print during the period amounted to SEK 178 M (331), a decrease of 46 percent. Revenues decreased organically by 36 percent. Changed publication dates compared with the corresponding period a year ago and the decision to make the Norwegian Gule Sider brand entirely digital impacted the revenue comparison between the half-year periods negatively by approximately SEK 35 M.

## DEVELOPMENTS/ACTIVITIES

Revenues from the sale of local directories continued to perform better than those of regional directories.

In all markets, work continued on the implementation of more user-friendly and cost-efficient formats.

Standardization, efficiency enhancement and consolidation are continuously under way to adapt the cost base to declining volumes. Through high cost efficiency, the company ensures continued strong contribution to the Group's cash flow.

**REVENUES Q2 2013**

**SEK 80 M**

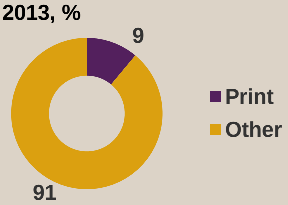
**REVENUE TREND**

**-50%**

**PRINT**

| SEK M | 2013 Apr-Jun | 2012 Apr-Jun |
|---|---|---|
| Operating revenues | 80 | 159 |
| Revenue trend (%) | -50 | -48 |
| Organic trend (%) | -26 | -31 |

**SHARE OF GROUP REVENUES Q2 2013, %**



# MEDIA PRODUCTS

The products and services within Media Products are marketed under the Kvasir Media brand in Sweden and Norway, and Krak Media in Denmark. The Media Products revenue category accounts for 6 percent of the Group's total revenue.

Kvasir Media and Krak Media Group help you to increase your competitiveness in digital media. We provide search advertising, search optimization, mobile marketing, display advertising, homepages and video production.

## REVENUES – SECOND QUARTER

Operating revenues for Media Products in the second quarter amounted to SEK 59 M (60), a decrease of 2 percent. Sales of sponsored links continued to grow, while sales of display solutions remained weak in the Norwegian market. Revenues increased organically by 1 percent during the quarter.

## REVENUES – FIRST HALF 2013

Operating revenues for Media Products during the period totaled SEK 116 M (114), an increase of 2 percent. Organically, revenues increased by 4 percent year-on-year.

## DEVELOPMENTS/ACTIVITIES

Eniro has acquired a majority holding in Bloggerfy, one of the Nordic region's largest blog networks. Through the acquisition, Eniro has strengthened its customer offering in sponsored links and established a position in social advertising channels.

Following the end of the reporting period, Eniro signed a strategic cooperation agreement with Microsoft's Bing. The agreement makes Eniro an authorized retailer of Bing's advertising solutions in Sweden, Norway and Denmark, and strengthens Eniro's offering and position in the growing market for search word advertising.

Increasing the speed of the delivery of sold search words, and thereby revenues, offers continued improvement potential. Efforts are being made to improve efficiency and thus profitability potential.

Eniro is continuing its work to focus on strengthening its own content for sponsored links. Parallel with the strengthening of the content, Eniro is working to bring about new third-party cooperation agreements that will contribute to greater marketing opportunities for sold sponsored links.

Revenues for Media Products continue to rise, although the rate of growth during the quarter was lower than expected. Expanded cooperation agreements like the one with Bing and the reseller agreement with Google mean that the growth rate is assessed to be able to continue to increase. In the growth phase that Media Products is in, margins are low. Higher margins are expected once the business reaches critical mass.

**REVENUES Q2 2013**

SEK **59** M

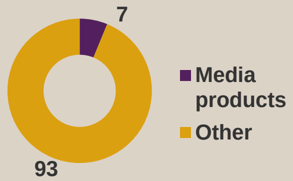
**ORGANIC REVENUE TREND**

**-2** %

**MEDIA PRODUCTS**

| SEK M | 2013 | 2012 |
|---|---|---|
| | Apr-Jun | Apr-Jun |
| Operating revenues | 59 | 60 |
| Revenue trend (%) | -2 | 36 |
| Organic trend (%) | 1 | 36 |

**SHARE OF GROUP REVENUES Q2 2013, %**



# VOICE

Eniro provides information services by phone and SMS in Sweden, Norway and Finland, and premium services such as route descriptions and restaurant reservation services. A contact center is also in operation in Finland. Voice accounts for 20 percent of the Group's total revenues.

Vi hjälper dig

## REVENUES/EARNINGS – SECOND QUARTER

Operating revenues for Voice amounted to SEK 184 M (198) during the second quarter, a decrease of 7 percent. The organic revenue decrease was 11 percent. The merger with the Norwegian low-price player 1888 that was carried out during the first quarter 2013 contributed approximately SEK 10 M in revenues and has enabled cost synergies.

The general trend of declining volumes for voice and SMS traffic is continuing. The price increases carried out in the Swedish market for voice and SMS traffic in the fourth quarter of 2012 helped moderate the revenue decline.

EBITDA amounted to SEK 73 M (66), an increase of SEK 7 M. The margin increased to 39.7 percent (33.3) during the quarter. To maintain profitability in a weakening market, Eniro is continuously working to adjust production costs and enhance the efficiency of staffing while increasing the number of third-party collaborations.

## REVENUES/EARNINGS – FIRST HALF 2013

Operating revenues for Voice during the period amounted to SEK 365 M (381), a decrease of 4 percent. The merger with the Norwegian low-price player 1888 contributed approximately SEK 20 M in revenues. Organically, revenues declined 8 percent year-on-year.

EBITDA increased to SEK 130 M (123), corresponding to an EBITDA margin of 35.6 percent (32.3).

## DEVELOPMENTS/ACTIVITIES

Eniro continues to work strategically to develop its directory-information services and grow revenues from services in which the company serves as a supplier to a third party. One example of such a collaboration is Eniro's agreement in the Swedish market with the competitor 118 100. The merger with the Norwegian low-price player 1888 is another initiative that is contributing to consolidation in a contracting market.

The cooperation with 1888 is expected to increase revenues in 2013 by approximately SEK 50 M and EBITDA by approximately SEK 20 M.

Third-party collaborations are a way to maintain volumes and profitability in a contracting market. However, the revenue volumes from partner cooperation offer lower profitability than proprietary call traffic.

**REVENUES Q2 2013**

**SEK 184 M**

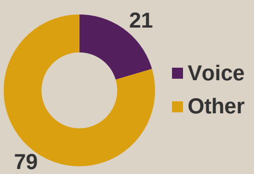
**REVENUE TREND**

**-7 %**

**VOICE**

| SEK M | 2013 Apr-Jun | 2012 Apr-Jun |
|---|---|---|
| Operating revenues | 184 | 198 |
| Revenue trend (%) | -7 | -18 |
| Organic trend (%) | -11 | -18 |
| EBITDA | 73 | 66 |

**SHARE OF GROUP REVENUES Q2 2013, %**



# EARNINGS, CASH FLOW AND FINANCIAL POSITION

## EARNINGS

Operating income for the first six months totaled SEK 323 M (157).

Net financial items amounted to SEK -69 M (-20: SEK 154 M from capital gain) and were positively affected by lower interest rates and lower indebtedness. Exchange-rate differences had a positive impact on net financial items of SEK 20 M (-3). Net debt continued to decline during the period, which had a positive impact on interest costs.

Income before tax for the first six months was SEK 254 M (137).

Earnings per common share were SEK 1.41 (1.09 including capital gain, -0.04 excluding capital gain). Earnings a year a ago were positively affected by a capital gain of SEK 113 M, net, or SEK 1.13 per share.

## TAXES

The recognized tax cost for the first six months was SEK -85 M (-20). The underlying tax rate for the last twelve months periodwas 22 percent (18). In June the decision was made on a gradual, yearly decrease in the corporate tax rate in Denmark from 25% today to 22% in 2016. As a result of the decision, deferred tax assets in Denmark have been restated, entailing a tax charge of approximately SEK 11 M for the quarter.

Eniro's taxes are primarily paid in the first half of the year. Accordingly, paid taxes are low during the second half of the year. As a result of considerable tax-loss carryforwards in Sweden, Denmark and Finland, Eniro is expected to have low tax payments in coming years.

## INVESTMENTS

During the period, Eniro's net investments in business operations, including online investments, amounted to SEK 79 M (65).

## CASH FLOW

Operating cash flow increased by SEK 78 M during the period, to SEK 191 M (113). Cash flow was positively affected by lower interest-rate and tax payment costs and negatively affected by a higher level of working capital.

## FINANCIAL POSITION

Eniro renegotiated the company's loans during the first quarter of 2013. All six banks in the company's bank consortium (Danske Bank, DNB, Handelsbanken, Nordea, SEB and Swedbank) are included in the agreement, which is valid for three years with an extension to four years if SEK 800 M of the bank loan is replaced by a corporate bond. The new long-term financing creates greater stability, more flexible repayment terms, and increased operational flexibility.

The loan amounts to SEK 3 billion and has been provided at interest-rate terms in line with the previous agreement. Loan repayment and the effects of adjusted loan agreements are expected to decrease the company's loan debt by approximately SEK 375 M in 2013. For 2014 through 2016, scheduled repayments will amount to approximately SEK 375 M annually (to be paid semi-annually).

As per June 30, consolidated interest-bearing net debt amounted to SEK 2,453 M (2,887), compared with SEK 2,539 M as per March 31, 2013.

At the end of the quarter, outstanding debt under existing credit facilities amounted to NOK 500 M, DKK 100 M and SEK 2,065 M.

On June 30, 2013, Eniro had an unutilized credit facility of SEK 206 M. Cash and cash equivalents and unutilized credit facilities amounted to SEK 324 M. In connection with the renegotiation of the loan to the new loan agreement, the company's loan debt decreased by approximately SEK 200 M. The reduction of loan debt has affected the cash position.

The Group's indebtedness, expressed as the ratio of interest-bearing net debt to adjusted EBITDA, was 2.5 (2.9) at the close of the second quarter, compared with 2.5 on March 31, 2013.

Eniro has a pension insurance policy with PRI Pensionsgaranti for future obligations. In the first quarter of 2012, Eniro had reserved bank funds of SEK 60 M pertaining to expanded pension guarantees to PRI. In the second quarter of 2013, Eniro pledged an additional SEK 50 M in bank funds. The pledged funds thus amounted to SEK 110 M in the second quarter of 2013. Starting in the fourth quarter 2012, funds pledged to PRI are recognized as other non-current interest-bearing receivables.

## SHARES AND HOLDINGS OF TREASURY SHARES

Eniro has two types of shares: common shares and preference shares. The total number of shares is 101,180,740, of which 100,180,740 are common shares and 1,000,000 are preference shares. The total number of votes amounts to 100,280,740, of which common shares correspond to 100,180,740 votes and preference shares to 100,000 votes. Eniro held 3,266 treasury shares on June 30. The average holding of treasury shares during the period was 3,266.

In accordance with the Board's motion, the Annual General Meeting resolved to pay a dividend of SEK 48 per preference share for 2013/14, for a total dividend of SEK 48 M. The dividend will be paid in three-month intervals. The Annual General Meeting also resolved in accordance with the Board's motion to reduce the share capital by SEK 2 225,976,284.50. Registration with the Swedish Companies Registration Office is expected to take place at the end of July.

# OTHER INFORMATION

## FORECAST FOR 2013

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 as a result of 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.

**EBITDA**
The objective is to maintain EBITDA in 2013 at the same level as in 2012, assuming a changed revenue mix and continued cost savings.

**Capital structure**
The objective is that net debt in relation to EBITDA should not exceed a ratio of 2.5.

**Dividend**
Priority will be assigned to reducing net indebtedness rather than paying dividends, in accordance with the aim of reducing net debt in relation to EBITDA.

## AMORTIZATION

Depreciable intangible assets that were incurred in conjunction with the acquisition of Findexa in 2005 were fully amortized by December 2012. Accordingly, the amortization will not impact operating income in 2013. Amortization amounted to SEK 283 M for the full year 2012. In the income statement, the lower level of amortization is reported in its entirety under marketing costs. Underlying marketing costs for the period were approximately SEK 23 M lower than the same period a year ago.

## EMPLOYEES

On June 30, 2013, the number of full-time employees was 3,073, compared with 3,509 on June 30, 2012. The number of employees per country is presented in the table below.

### Full-time employees at the end of the quarter

| | 2013 | 2012 |
|---|---|---|
| | June 30 | June 30 |
| Sweden, including Other | 767 | 946 |
| Norway | 512 | 565 |
| Denmark | 434 | 412 |
| Poland | 829 | 863 |
| **Directories, including Other** | **2,542** | **2,786** |
| Sweden | 210 | 291 |
| Norway | 86 | 50 |
| Finland | 235 | 382 |
| **Voice** | **531** | **723** |
| **Group total** | **3,073** | **3,509** |

## ACCOUNTING POLICIES AS FROM 2013

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). A detailed description of the accounting policies applied by Eniro can be found in the 2012 Annual Report, with the exception of new and revised standards and interpretations adopted by the EU that came into effect in January 2013. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

A description of the Group's accounting policies is provided on pages 64-67, Note 1, in the 2012 Annual Report. IAS 32 Financial Instruments classifies the preference shares as equity and dividend as dividend to preferred stockholders. The classification is based on Eniro's terms and conditions for the preference shares and on the premise that there is no fixed date for redemption and that the holders of preference shares have no right to require redemption.

New and amended IFRSs and IFRIC interpretations that took effect on January 1, 2013, and that have been applied by the Group pertain to the following:

IAS 1 Presentation of Financial Statements, which has been amended with regard to other comprehensive income. The most significant change arising from the amended IAS 1 is the requirement that items recognized in other comprehensive income be presented with a division 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.

For Eniro, the amendment to IAS19 Employee Benefits, which took 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. Comparison years have been restated in this interim report, resulting in an increased interest expense for pensions by approximately SEK 5 M and a corresponding decrease in comprehensive income. Eniro's preliminary assessment is that interest expenses for pensions in 2013 will be on a par with 2012, i.e., approximately SEK 13 M for the full year.

IFRS 13 Fair Value Measurement took effect on January 1, 2013. The standard provides guidance on how fair value is to be measured, while the issue of when fair value must or may be recognized is specified by individual IASs and IFRSs. IFRS 13 also includes fair value disclosure requirements, in which the disclosure requirements regarding the fair value of financial instruments also become applicable to interim reports.

Eniro has no assets or liabilities measured at fair value in profit or loss or any assets that are available for sale. The fair value of all instruments that have been valued in the balance sheet is attributable to level 2, meaning that the value has been calculated based on official market listings.

No other IFRS or IFRIC interpretations are expected to have any significant impact on the Group.

## PUBLICATION DATES

Since revenues from the sale of printed directories are recognized when the various directories are published, changes in planned publication dates can affect comparisons. See the table below for the planned distribution between quarters and markets in 2013. The net impact on operating revenues in 2013 compared with 2012 is expected to be negative by SEK 18 M. Recognized revenue for these directories will be lower in 2013 as a result of the structural decline in the market for printed products.

### Transferred publications in 2013 compared with 2012

| SEK M | Q1 | Q2 | Q3 | Q4 | 2012 |
|---|---|---|---|---|---|
| Sweden | -6 | -34 | -7 | 20 | -27 |
| Norway | 4 | -10 | -2 | 17 | 9 |
| Denmark | 0 | -4 | 3 | -3 | 0 |
| Poland | 0 | -1 | -4 | 5 | 0 |
| **Total effect** | **-2** | **-49** | **-10** | **39** | **-18** |

## RISKS AND UNCERTAINTIES

Eniro has an annual process for the implementation of risk analysis, Enterprise Risk Management, which covers every part of the business. Eniro strives for effective identification, evaluation and management of risks in the dimensions of industry and market risks, commercial risks, operational risks, financial risks, compliance risks associated with laws and regulations and financial reporting risks.

A detailed description of factors that could affect Eniro's business operations, financial position and performance is provided on pages 47-49 in the 2012 Annual Report. The principal risks and uncertainties that could impact the Group's performance in 2013 involve mobile and online traffic trends, product development that attracts users and thus customer yield, sales efficiency and employee turnover, and the impact of the general economy on demand.

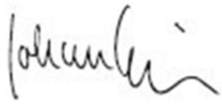
## OTHER INFORMATION

This report has not been reviewed by the company's auditors.

The information in this interim report is such that Eniro AB (publ) is obligated to disclose pursuant to the Securities Market Act.

This information was submitted for publication on July 16, 2013, at 8:00 a.m. CET.

***SOLNA, JULY 16, 2013***



***JOHAN LINDGREN***
*CEO*

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**Cecilia Lannebo**, Head of IR
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**PRESS AND ANALYST CONFERENCE**

Conference call / webcast
Thursday July 16, 2013
10:00 a.m.
Sweden: +46 (0) 8 519 993 68
UK: +44 (0) 207 660 20 81

**WEBCAST**
Follow the presentation by webcast at
www.enirogroup.com

**FINANCIAL CALENDAR 2013/14**

| | |
|---|---|
| **Interim report** Jan-Sep 2013 | Oct 23, 2013 |
| **Full-year report** Jan-Dec 2013 | Feb 7, 2014 |
| **Interim report** Jan-Mar 2014 | Apr 24, 2014 |
| **Interim report** Jan-Jun 2014 | Jul 16, 2014 |
| **Interim report** Jan-Sep 2014 | Oct 24, 2014 |

## CERTIFICATION BY THE BOARD OF DIRECTORS AND THE PRESIDENT

The Board of Directors and the President certify that the six-month report provides an accurate overview of the Parent Company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

**Stockholm, July 16, 2013**

**Lars-Johan Jarnheimer**
*Chairman*

**Fredrik Arnander**
*Board member*

**Thomas Axén**
*Board member*

**Cecilia Daun Wennborg**
*Board member*

**Ketil Eriksen**
*Board member*

**Leif Aa. Fredsted**
*Board member*

**Jennie Hallberg**
*Employee representative*

**Jonas Svensson**
*Employee representative*

**Susanne Olin Jönsson**
*Employee representative*

**Johan Lindgren**
*President and CEO*

## Consolidated Income Statement

| | ----- 3 months ------ | | ------ 6 months ------ | | ------- 12months ------- | |
|---|---|---|---|---|---|---|
| | **2013** | **2012*** | **2013** | **2012 *** | **2012/13 *** | **2012*** |
| **SEK M** | **Apr-Jun** | **Apr-Jun** | **Jan-Jun** | **Jan-Jun** | **Jul-Jul** | **Jan-Dec** |
| Operating revenues: | | | | | | |
| Gross operating revenues | 895 | 1 004 | 1 783 | 1 968 | 3 828 | 4 013 |
| Advertising tax | -2 | -3 | -4 | -8 | -10 | -14 |
| **Operating revenues** | **893** | **1 001** | **1 779** | **1 960** | **3 818** | **3 999** |
| Production costs | -197 | -239 | -412 | -476 | -895 | -959 |
| Sales costs | -257 | -331 | -562 | -668 | -1 182 | -1 288 |
| Marketing costs | -53 | -153 | -100 | -280 | -390 | -570 |
| Administration costs | -125 | -71 | -246 | -205 | -472 | -431 |
| Product development costs | -66 | -87 | -135 | -178 | -284 | -327 |
| Other operating income/costs | 2 | 5 | 4 | 5 | 68 | 69 |
| Impairment of assets | -5 | -1 | -5 | -1 | -16 | -12 |
| **Operating income**** | **192** | **124** | **323** | **157** | **647** | **481** |
| Financial items, net | -56 | 70 | -69 | -20 | -189 | -140 |
| **Income before tax** | **136** | **194** | **254** | **137** | **458** | **341** |
| Income tax | -56 | -38 | -85 | -20 | -165 | -100 |
| **Net income** | **80** | **156** | **169** | **117** | **293** | **241** |
| **Attributable to:** | | | | | | |
| Equity holders of the parent company | 78 | 156 | 165 | 117 | 289 | 241 |
| Non controlling interest | 2 | - | 4 | - | 4 | - |
| **Net Income** | **80** | **156** | **169** | **117** | **293** | **241** |

* Restated comparison year in accordance with new accounting principle regarding pensions

| | | | | | | |
|---|---|---|---|---|---|---|
| Net Income per ordinary share, SEK | 0,66 | 1,48 | 1,41 | 1,09 | 2,41 | 2,09 |
| Average number of ordinary shares, thousand | 100 177 | 100 177 | 100 177 | 100 177 | 100 177 | 100 177 |
| Preference shares on closing date, thousands | 1 000 | 1000 | 1 000 | 1 000 | 1 000 | 1 000 |
| ** Depreciations are included with | -7 | -10 | -14 | -20 | -31 | -37 |
| ** Amortizations are included with | -30 | -116 | -62 | -229 | -279 | -446 |
| ** Impairment are included with | -5 | -1 | -5 | -1 | -16 | -12 |
| Total | -42 | -127 | -81 | -250 | -326 | -495 |
| Operating cost | -661 | -755 | -1 379 | -1 558 | -2 913 | -3 092 |
| **EBITDA** | **234** | **251** | **404** | **407** | **973** | **976** |
| Preference dividends on cumulative preference shares declared in the period | -12 | -8 | -24 | -8 | -48 | -32 |
| **Net Income Equity holders of the parent company when calculating net income per ordinary share** | **66** | **148** | **141** | **109** | **241** | **209** |

## Report of net income and other comprehensive income

| | ---- 3 months -------- | | ------ 6 months ------ | | ------- 12months ------- | |
|---|---|---|---|---|---|---|
| | 2013 | 2012* | 2013 | 2012 * | 2012/13 * | 2012* |
| SEK M | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun | Jul-Jul | Jan-Dec |
| **Net income** | **80** | **156** | **169** | **117** | **293** | **241** |
| **Other comprehensive income** | | | | | | |
| **Items not possible to classify in net income of the period** | | | | | | |
| Revaluation pension obligations | 7 | -12 | 16 | -1 | -106 | -123 |
| Tax attributable to revaluation pension obligations | -1 | 3 | -3 | 0 | 18 | 21 |
| **Total** | **6** | **-9** | **13** | **-1** | **-88** | **-102** |
| **Items classified or possible to classify in net income for the period** | | | | | | |
| Foreign currency translation differences | 50 | -7 | -183 | 19 | -184 | 18 |
| Hedging of cash flow | - | 12 | - | 17 | 10 | 27 |
| Hedging of net investments | -2 | -3 | 60 | -16 | 56 | -20 |
| Tax attributable to other components | 1 | -2 | -13 | 0 | -9 | 4 |
| **Total** | **49** | **0** | **-136** | **20** | **-127** | **29** |
| ***Other comprehensive income, net of income tax*** | ***55*** | ***-9*** | ***-123*** | ***19*** | ***-215*** | ***-73*** |
| **Total comprehensive income** | **135** | **147** | **46** | **136** | **78** | **168** |
| **Attributable to:** | | | | | | |
| Equity holders of the parent company | 133 | 147 | 42 | 136 | 74 | 168 |
| Non controlling interest | 2 | - | 4 | - | 4 | - |
| **Total comprehensive income** | **135** | **147** | **46** | **136** | **78** | **168** |

## Consolidated balance sheet

| SEK M | 2013 Jun. 30 | 2012 * Jun. 30 | 2012 * Dec. 31 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Tangible assets | 39 | 54 | 42 |
| Intangible assets | 7 227 | 7 523 | 7 330 |
| Deferred income tax assets | 369 | 446 | 393 |
| Financial assets | 149 | 31 | 98 |
| **Total non-current assets** | **7 784** | **8 054** | **7 863** |
| **Current assets** | | | |
| Accounts receivable | 452 | 497 | 560 |
| Current income tax receivables | 0 | 4 | 14 |
| Other non-interest bearing receivables | 292 | 292 | 306 |
| Other interest bearing receivables | 1 | 10 | 3 |
| Cash and cash equivalents | 117 | 399 | 198 |
| **Total current assets** | **862** | **1 202** | **1 081** |
| **TOTAL ASSETS** | **8 646** | **9 256** | **8 944** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 2 529 | 2 529 | 2 529 |
| Additional paid in capital | 5 125 | 5 125 | 5 125 |
| Reserves | -243 | -116 | -107 |
| Retained earnings | -3 830 | -4 027 | -4 004 |
| **Total equity share holders of the Parent company** | **3 581** | **3 511** | **3 543** |
| Non controlling interest | **39** | **-** | **-** |
| **Total equity** | **3 620** | **3 511** | **3 543** |
| **Non-current liabilities** | | | |
| Borrowings | 2 309 | 2 733 | 2 527 |
| Deferred income tax liabilities | 278 | 241 | 278 |
| Pension obligations | 496 | 405 | 515 |
| Provisions | 7 | 24 | 11 |
| Other non-interest bearing liabilities | 7 | - | - |
| **Total non-current liabilities** | **3 097** | **3 403** | **3 331** |
| **Current liabilities** | | | |
| Accounts payable | 171 | 130 | 189 |
| Current income tax liabilities | 32 | 69 | 62 |
| Other non-interest bearing liabilities | 1 332 | 1 554 | 1 350 |
| Provisions | 21 | 17 | 30 |
| Borrowings | 373 | 572 | 439 |
| **Total current liabilities** | **1 929** | **2 342** | **2 070** |
| **TOTAL EQUITY AND LIABILITIES** | **8 646** | **9 256** | **8 944** |

* Restated comparison year in accordance with new accounting principle regarding pensions

## Interest-bearing net debt

| SEK M | 2013 Jun. 30 | 2012 * Jun. 30 | 2012 * Dec. 31 |
|---|---|---|---|
| Borrowings excluding derivatives | -2 682 | -3 296 | -2 966 |
| Derivative financial instruments ** | - | -9 | 0 |
| Other current interest bearing receivables | 1 | 10 | 3 |
| Other non current interest bearing receivables*** | 111 | - | 61 |
| Cash and cash equivalents | 117 | 399 | 198 |
| **Interest-bearing net debt incl. interest rate swaps** | **-2 453** | **-2 896** | **-2 704** |
| Less: market value interest swaps | - | 9 | - |
| **Interest bearing net debt** | **-2 453** | **-2 887** | **-2 704** |

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

*** included in financial assets

## Consolidated statement of changes in equity

| SEK M | Share Capital | Additional paid in capital | Reserves | Retained earnings | Total equity, equity holders of the Parent company | Non controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| **Opening balance as per January 1, 2012** | **2 504** | **4 767** | **-136** | **-4 107** | **3 028** | **-** | **3 028** |
| Share issue* | 25 | 358 | - | - | **383** | - | **383** |
| Dividend on preference shares | - | - | - | -36 | **-36** | - | **-36** |
| Total comprehensive income | - | - | 20 | 116 | **136** | - | **136** |
| **Closing balance as per June 30, 2012** | **2 529** | **5 125** | **-116** | **-4 027** | **3 511** | **-** | **3 511** |
| **Opening balance as per January 1, 2013** | **2 529** | **5 125** | **-107** | **-4 004** | **3 543** | **-** | **3 543** |
| Acquisition of non controlling interest | - | - | - | 44 | **44** | 35 | **79** |
| Dividend on preference shares | - | - | - | -48 | **-48** | - | **-48** |
| Total comprehensive income | - | - | -136 | 178 | 42 | 4 | **46** |
| **Closing balance as per June 30, 2013** | **2 529** | **5 125** | **-243** | **-3 830** | **3 581** | **39** | **3 620** |

* The share issue w as registered in July 2012 and is reported net after cost for the share issue of SEK 17 M after tax

## Key ratios

| | 2013 Jun. 30 | 2012 * Jun. 30 | 2012 * Dec. 31 |
|---|---|---|---|
| Equity, average 12 months, SEK M | 3 510 | 3 145 | 3 308 |
| Return on equity, 12 months, % | 8 | -3 | 7 |
| Interest-bearing net debt, SEK M | -2 453 | -2 887 | -2 704 |
| Debt/equity ratio, times | 0,68 | 0,82 | 0,76 |
| Equity/assets ratio, % | 42 | 38 | 40 |
| Interest-bearing net debt/EBITDA , times | 2,5 | 2,9 | 2,8 |
| Net debt /adjusted EBITDA, times | 2,5 | 2,8 | 2,8 |
| Average number full-time employees YTD | 3 130 | 3 474 | 3 409 |
| Number of full-time employees on the closing date | 3 073 | 3 509 | 3 187 |
| Number of ordinary shares on the closing date after deduction of treasury shares, 000s | 100 177 | 100 177 | 100 177 |
| Number of preference shares on the closing date, thousands | 1 000 | 1 000 | 1 000 |

## Key ratios per share

| | 2013 Jun. 30 | 2012 * Jun. 30 | 2012 * Dec. 31 |
|---|---|---|---|
| Equity per share, SEK | 35,39 | 34,70 | 35,02 |
| Share price ordinary share, end of period, SEK | 18,45 | 8,35 | 11,05 |

* Restated comparison year in accordance w ith new accounting principle regarding pensions

## Consolidated statement of Cash flow

| SEK M | ------- 3 months -------- 2 013 Apr-Jun | 2012* Apr-Jun | ------ 6 months ------ 2013 Jan-Jun | 2012 * Jan-Jun | ------- 12months ------- 2012/13 * Jul-Jul | 2012* Jan-Dec |
|---|---|---|---|---|---|---|
| **Operating income before interest and taxes** | **192** | **124** | **323** | **157** | **647** | **481** |
| Depreciations, amortizations and impairment | 42 | 127 | 81 | 250 | 326 | 495 |
| Other non-cash items | -26 | -57 | -32 | -93 | -111 | -172 |
| Financial items, net | -40 | -64 | -79 | -145 | -190 | -256 |
| Income taxes paid | -25 | -24 | -56 | -62 | -56 | -62 |
| **Cash flow from current operations before changes in working capital** | **143** | **106** | **237** | **107** | **616** | **486** |
| Changes in net w orking capital | 1 | 25 | 33 | 71 | -104 | -66 |
| **Cash flow from current operations** | **144** | **131** | **270** | **178** | **512** | **420** |
| Acquisitions /divestments of group companies and other assets | 0 | 0 | 41 | 26 | 85 | 70 |
| Purchases and sales of non-current assets, net | -41 | -31 | -79 | -65 | -135 | -121 |
| **Cash flow from investing activities** | **-41** | **-31** | **-38** | **-39** | **-50** | **-51** |
| Proceeds from borrow ings | 2 738 | - | 2 738 | - | 2 788 | 50 |
| Repayments of borrow ings | -2 972 | -519 | -2 972 | -677 | -3 366 | -1 071 |
| Non current investments | -50 | - | -50 | - | -111 | -61 |
| Dividend on preference shares | -12 | - | -24 | - | -48 | -24 |
| Share issue | - | 379 | - | 378 | -2 | 376 |
| **Cash flow from financing activities** | **-296** | **-140** | **-308** | **-299** | **-739** | **-730** |
| **Cash flow** | **-193** | **-40** | **-76** | **-160** | **-277** | **-361** |
| **Total cash and cash equivalents at beginning of period** | **308** | **441** | **198** | **557** | **399** | **557** |
| Cash flow | -193 | -40 | -76 | -160 | -277 | -361 |
| Exchange difference in cash and cash equivalents | 2 | -2 | -5 | 2 | -5 | 2 |
| **Total cash and cash equivalents at end of period** | **117** | **399** | **117** | **399** | **117** | **198** |

* Restated comparison year in accordance w ith new accounting principle regarding pensions

## Analysis of interest bearing net debt

| SEK M | ------- 3 months -------- 2 013 Apr-Jun | 2012* Apr-Jun | ------ 6 months ------ 2013 Jan-Jun | 2012 * Jan-Jun | ------- 12months ------- 2012/13 * Jul-Jul | 2012* Jan-Dec |
|---|---|---|---|---|---|---|
| **Opening balance** | **-2 539** | **-3 515** | **-2 704** | **-3 535** | **-2 887** | **-3 535** |
| Operating cash flow | 103 | 100 | 191 | 113 | 377 | 299 |
| Acquisitions and divestments | 0 | 0 | 41 | 26 | 85 | 70 |
| Share issue | - | 379 | - | 378 | -2 | 376 |
| Translation difference and other changes | -17 | 149 | 19 | 131 | -26 | 86 |
| **Closing balance** | **-2 453** | **-2 887** | **-2 453** | **-2 887** | **-2 453** | **-2 704** |
| **Net debt /adjusted EBITDA, times** | **2,5** | **2,8** | **2,5** | **2,8** | **2,5** | **2,8** |

## Financial instrument by category as per June 30, 2012

### Assets in the balance sheet

| SEK M | Låne och kundfordringar |
|---|---|
| Interest bearing assets and blocked bank funds | - |
| Accounts receivable and other receivables | 560 |
| Cash and cash equivalents | 399 |
| **Total** | **959** |

| Liabilities in the balance sheet, SEK M | Derivative for hedging purposes | Other financial liabilties | TOTAL |
|---|---|---|---|
| Borrowing | - | 3 296 | 3 296 |
| Derivative instruments | 9 | - | 9 |
| Accounts payable | - | 130 | 130 |
| **TOTAL** | **9** | **3 426** | **3 435** |

## Financial instrument by category as per June 30, 2013

### Assets in the balance sheet

| SEK M | Låne och kundfordringar |
|---|---|
| Interest bearing assets and blocked bank funds | 111 |
| Accounts receivable and other receivables | 471 |
| Cash and cash equivalents | 117 |
| **Total** | **699** |

| Liabilities in the balance sheet, SEK M | Derivative for hedging purposes | Other financial liabilties | TOTAL |
|---|---|---|---|
| Borrowing | - | 2 682 | 2 682 |
| Derivative instruments | - | - | - |
| Accounts payable | - | 171 | 171 |
| **TOTAL** | **-** | **2 853** | **2 853** |

## Parent company

| Income statement<br>SEK M | 2013<br>Jan-Jun | 2012<br>Jan-Jun | 2012<br>Jan-Dec |
|---|---|---|---|
| Revenues | 15 | 20 | 43 |
| Earnings before tax | -102 | -57 | 166 |
| Net Income | -79 | -19 | 80 |

| Balance sheet<br>SEK M | 2013<br>Jun. 30 | 2012 *<br>Jun. 30 | 2012 *<br>Dec. 31 |
|---|---|---|---|
| Non-current assets | 8 715 | 8 857 | 8 641 |
| Current assets | 1 431 | 1 302 | 1 619 |
| **TOTAL ASSETS** | **10 146** | **10 159** | **10 260** |
| Equity | 5 302 | 5 328 | 5 428 |
| Provisions | 63 | 71 | 62 |
| Non-current liabilities | 4 672 | 4 672 | 4 672 |
| Current liabilities | 109 | 88 | 98 |
| **TOTAL EQUITY AND LIABILITIES** | **10 146** | **10 159** | **10 260** |

# FINANCIAL DEFINITIONS

**Return on equity (%)**
Net income divided by average shareholders' equity attributable to parent company shareholders, multiplied by 100.

**EBITDA**
Operating income before depreciation, amortization and impairment losses.

**EBITDA-margin (%)**
EBITDA divided by operating revenues, multiplied by 100.

**Equity per share**
Equity attributable to parent company shareholders, divided by the number of shares at year-end after redemptions, repurchases and share issues.

**Average number of shares for the period**
Calculated as an average number of shares outstanding on a daily basis after redemptions and repurchases.

**Average equity**
Based on average shareholders' equity attributable to parent company shareholders at the beginning and end of each quarter.

**Adjusted EBITDA**
EBITDA excluding restructuring costs and other items affecting comparability.

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

**Organic growth**
The change in operating revenues for the year adjusted for currency effects, changed publication dates, acquisitions and divestments.

**Earnings for the period per ordinary share**
Earnings attributable to parent company shareholders for the period less the predetermined dividend on preference shares for the period, divided by the average number of ordinary shares.

**Interest-bearing net debt**
Borrowings excluding interest-rate derivatives less cash and cash equivalents and interest-bearing receivables.

**Interest -bearing net debt/EBITDA**
Interest-bearing net debt divided by EBITDA.

**Operating income**
Operating income after depreciation, amortization and impairment losses.

**Debt/equity ratio**
Interest-bearing net debt divided by shareholders' equity including holdings of controlling interests.

**Equity/assets ratio (%)**
Shareholders' equity including non-controlling interests divided by the balance sheet total, multiplied by 100.

**Total operating cost**
Production, sales, marketing, administration, product and development costs excluding depreciation, amortization and impairment losses.