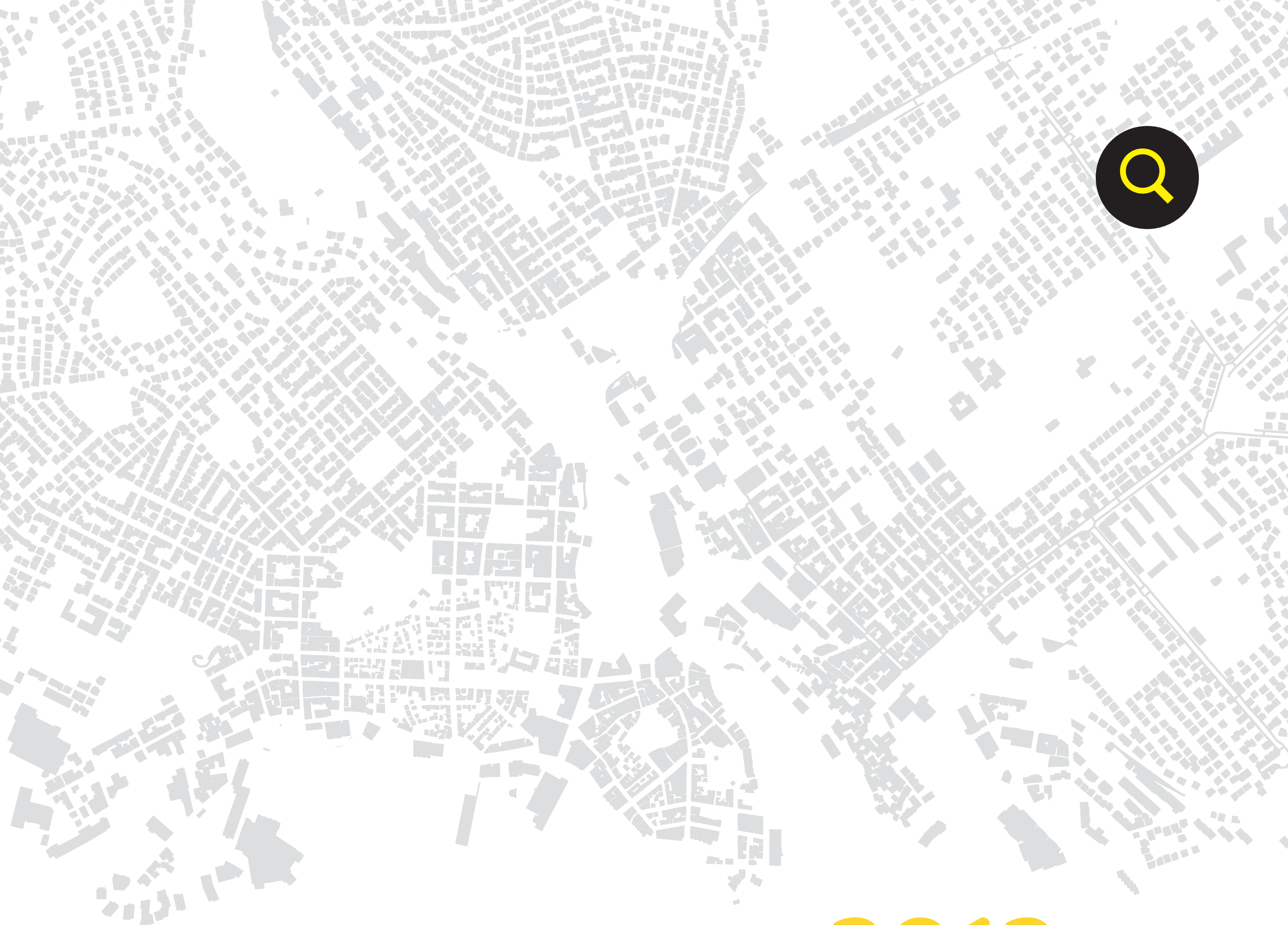


Annual Report 2013



eniro

Discover local. Search local.

Contents

The Board of Directors' report covers pages 46–65 and page 98.

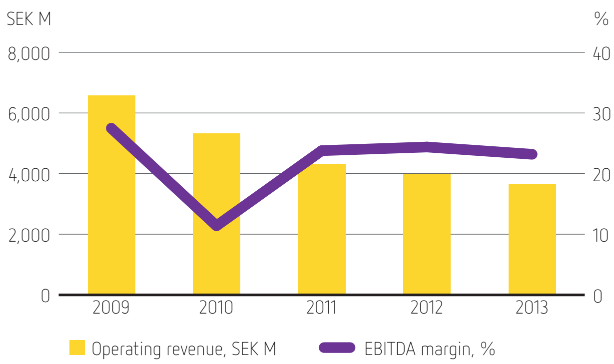
Operating revenue

3 660 SEK M

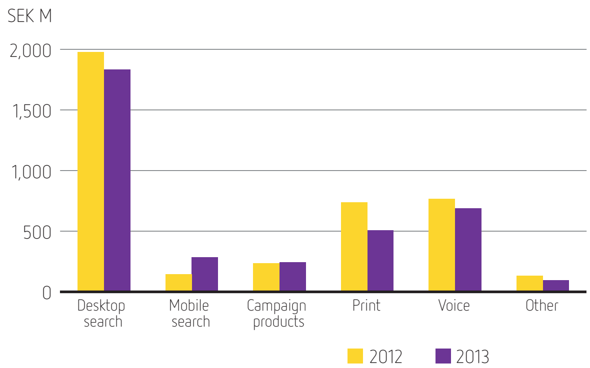
EBITDA
(Earnings before interest, taxes, depreciation and amortization)

849 SEK M

Operating revenue and EBITDA margin



Operating revenue per revenue categories



Key ratios, SEK M

	2013	2012
Operating revenue	3,660	3,999
EBITDA	849	976
Adjusted EBITDA	956	976
EBITDA margin, %	23.2	24.4
Profit for the year	234	241
Earnings per share, SEK	1.84	2.09
Operating cash flow	329	299
Interest-bearing net debt	2,340	2,704
Interest-bearing net debt/adjusted EBITDA	2.4	2.8

Eniro in brief

Eniro is a leading Swedish search company with operations in Scandinavia and Poland. The company aggregates, filters, organizes and presents local information. Eniro's stock is listed on Nasdaq OMX Stockholm, and the company's headquarters are located in Solna, outside Stockholm. Eniro's operating revenue in 2013 amounted to SEK 3,660 M, with 2,816 employees.

Eniro's growth is driven by users' increasing mobility and multiscreen behavior, where the company is at the forefront of modern technical solutions. For more than 100 years Eniro has helped people find local information and companies find customers. The ways in which searches for local information take place have changed, and today 80% of advertising revenue comes from multiscreen channels, i.e., people today are using smartphones, tablets and desktop computers to search for information. Mobile advertising is the fastest growing part of Eniro's business. Eniro is the local search engine. A smart shortcut to what you need, no matter where you are or where you are going.

80% of advertising revenue is digital

Norway

- Revenue amounted to SEK 998 M, a decrease of 13% compared with 2012.
- The number of employees was 562 (-4%).

27 percent

Finland

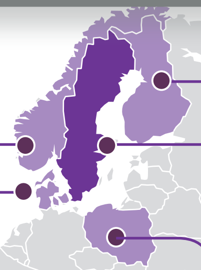
- Revenue amounted to SEK 207 M, a decrease of 17% compared with 2012.
- The number of employees was 175 (-45%).

6 percent

Sweden

- Revenue amounted to SEK 1,719 M, a decrease of 9% compared with 2012.
- The number of employees was 880 (-17%)

47 percent



Denmark

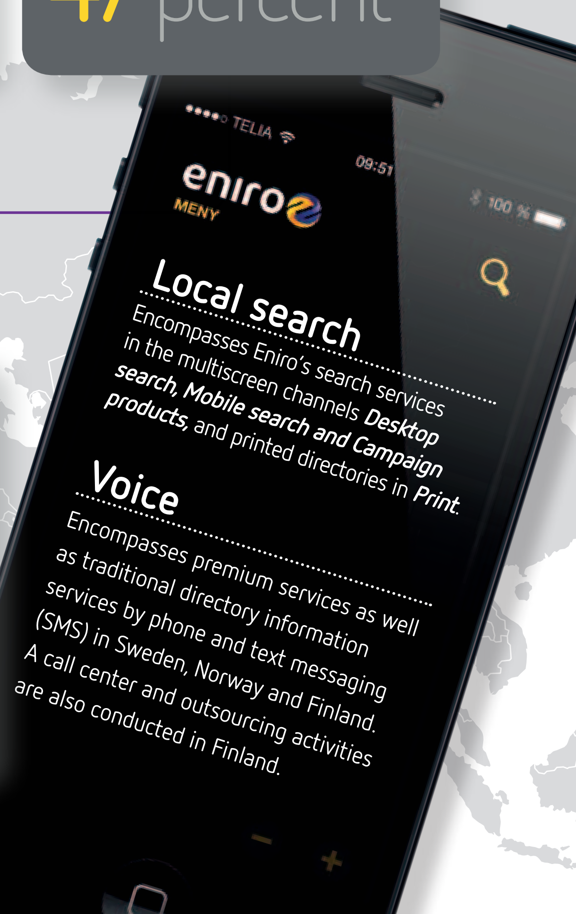
- Revenue amounted to SEK 515 M, a decrease of 2% compared with 2012.
- The number of employees was 400 (-1%).

14 percent

Poland

- Revenue amounted to SEK 221 M, an increase of 11% compared with 2012.
- The number of employees was 799 (-2%).

6 percent



Events during the year

2013 can be summarized as the year in which Eniro made great strides in its work on achieving its vision to be "the symbol of local search." Parallel with efforts to strengthen its position in local search, several steps were taken to further develop Eniro's mobile search service and the company's customer offering. User benefit continues to be the focal point of service development. During the year, Eniro renegotiated its long-term financing and continued to lower its debt.

Transformation completed

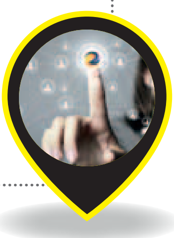
The transformation from printed directories to multiscreen channels is now fully completed, and all of Eniro's main brands are now fully digital. Revenue from digital channels as a share of total advertising revenue reached 80% by year-end. Eniro has shifted its position and is today a company that aggregates, filters, organizes and presents local information for users who conduct their searches using smartphones, tablets and desktop computers.

Long-term financing secured

During the year Eniro renegotiated is long-term financing and continued to lower its debt. The company's net debt has decreased during the last five years from approximately SEK 10 billion to the current level of approximately SEK 2.3 billion. Through the new loan agreement and a stronger balance sheet, focus in 2014 will be on achieving growth.

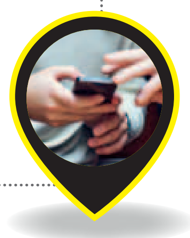
Q1

The first quarter of 2013 started out with efforts to overhaul Eniro's brand structure. To further refine and consolidate in declining segments, such as traditional directory information services, a number of divestments and business combinations were carried out. The year entailed a clear focus on the sharply growing volume of searches performed using mobile devices, an improved desktop service, and adaptations of declining operations, such as Voice and Print.



Q2

In 2013 the focus was on working out and negotiating a financing solution for Eniro. Through the agreement that was concluded, Eniro has secured a long-term solution, greater flexibility and lower annual rate of debt repayment. As a result of the strengthened financial position and lower debt, Eniro has been able to shift its focus to its business activities, product development, and to achieving growth.



February

Eniro consolidated parts of the Norwegian directory information market and joined forces with the low-price challenging brand 1888. The acquisition contributed:

40
SEK M in revenue in 2013

April

A Facebook page was launched as a new, marketable product for Eniro's customers. By gaining a presence on Facebook, advertising customers can increase their searchability in social media.

30 564
Facebook service established

April

The company acquired a majority stake in the blog network Bloggerfly. Through the acquisition, Eniro increased its exposure in social advertising channels.

+1
million visitors a week

April

With slightly more than a year remaining to maturity of the existing loan agreement, Eniro renegotiated the company's long-term financing. All six banks signed on to the agreement, which is for three years. The agreement entails a more flexible rate of debt repayment and greater operating flexibility.

The company's bank loan decreased by SEK 388 M in 2013

July

Eniro signed a strategic cooperation agreement with Bing. Through the agreement, Eniro became an authorized retailer of Bing's advertising solutions in Sweden, Norway and Denmark. The agreement has strengthened Eniro's position in keyword advertising.

September

Eniro communicated its goal to reach SEK 900 M in mobile search revenue by 2015. Mobile revenues in 2013 amounted to SEK 287 M. The growth rate for mobile revenues between 2012 and 2015 is expected to be approximately 90%.

Mobile revenues **+95%** 2013

October

Eniro's core brands became entirely digital. Eniro phased out publication of the regional Gula Sidorna directories and concentrated its publication in Sweden to the local Din Del printed directories. .

Core brands made entirely digital.

October

Eniro announced extensive restructuring. This gave rise to approximately SEK 60 M in restructuring costs, which were charged against fourth quarter earnings. Future effects of lower costs, amounting to more than SEK 100 M, were communicated.

The company announced additional savings in excess of **SEK 100 M.**

October

Eniro communicated new financial targets, including its estimation that adjusted EBITDA for the full-year 2013 would be at least level with the preceding year. The target for net debt in relation to EBITDA was reduced to less than 2 (previously 2.5).

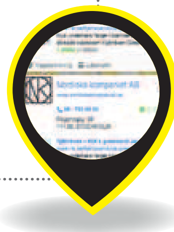
Net debt/EBITDA to be **lower than 2** over the long term.

Q3

The quarter entailed considerable work on laying the foundation for a more efficient organization, particularly in product and service development. Eniro decided on a number of organizational changes, including appointment of a new President for Eniro Sweden/Finland and a new head of product development. The company communicated structural measures that will lead to faster processes and shorter lead times in service development. The changes, which will lead to further savings in 2014, gave rise to restructuring costs in the near term.

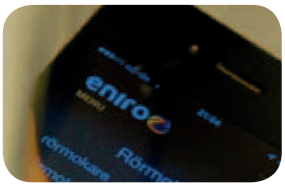
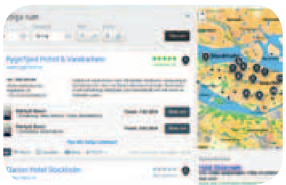
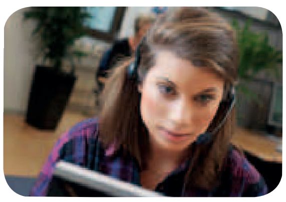
Q4

Intensive work was conducted in the company's product and service development unit. New mobile customer offerings were developed, and Eniro accelerated the pace in the sales organization towards the goal of SEK 900 M in mobile revenues in 2015. The search service that users of desktop computers encounter in all markets was reconstructed entirely, and in the first quarter of 2014 users will encounter an entirely new user interface with improved search logic. The goal of the new search service is to facilitate searches for users, improve the appearance and structure, and increase the commercial content of pages.

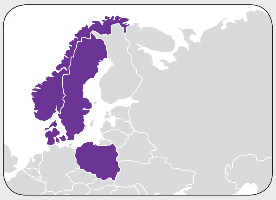
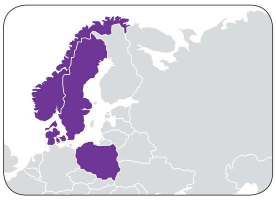
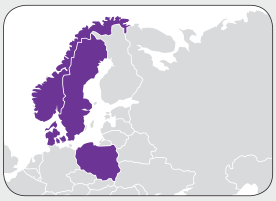
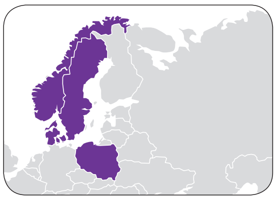
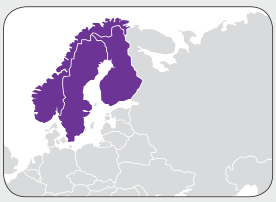


Business areas

Eniro is a search company that aggregates, filters, organizes and presents local information. Every day Eniro's well known brands and services create user benefit for people in their searches for local information about companies, products, services and private persons. Through advertising in Eniro's search channels, the company's customers ensure searchability 24 hours a day, 365 days a year. Eniro is the local search engine that helps users find information and businesses find customers. Eniro's business is broken down into the following revenue categories:

Revenue categories		Offering	Share of Group revenues
DESKTOP SEARCH		Every week Eniro's main sites are visited by millions of users in search of local information. By buying advertising with Eniro, businesses are guaranteed greater exposure, more attractive profiling and a higher ranking on hit lists generated by users in searches via the desktop channel.	50 %
MOBILE SEARCH		Searches for local information performed using smartphones are growing sharply. Mobile search is Eniro's growth segment. By buying a mobile advertising package, businesses are guaranteed greater exposure, more attractive profiling and a higher ranking on hit lists generated by users in searches via the mobile channel. Eniro's offering works well on the limited screens offered by smartphones. Searches performed from a smartphone are often made in close conjunction with a purchase decision, and the conversion rate is thus high.	8 %
CAMPAIGN PRODUCTS		The Campaign products revenue category covers complementary media advertising in growth channels, such as sponsored links, keyword optimization services, banners, video advertising and establishment of websites. The largest revenue streams in the category consist of keyword and banner advertising. By offering customers an opportunity to advertise in Eniro's own networks and with external partners such as Google and Bing, the offering is more comprehensive.	7 %
PRINT		Users' search behaviors are changing. The share of users who search for local information in digital channels is growing, and as a result, advertising in printed directories is declining. Eniro offers directory advertising in local, municipal publications, but has stopped publishing regional directories.	14 %
VOICE		Eniro offers premium and traditional directory information services by phone and text messaging (SMS). The market for directory information services has contracted as a result of users' changed search behaviors. Greater smartphone penetration has had a negative impact on volumes. Owing to more sophisticated services, higher efficiency, higher customer satisfaction and the fact that there are situations where surfing is not possible, the service continues to be relevant for many users.	19 %

** Other accounts for 2% of revenue.*

Geographic presence	Brands	Read more on page
	eniro, GULE SIDER, PROFF, krak, DE GULE SIDER, PanoramaFirm pf	24
	eniro, GULE SIDER, PROFF, krak, DE GULE SIDER, PanoramaFirm pf	25
	KVASIR MEDIA, media group	26
	DinDel, ostrup, ditt distrikt, Den Røde Lokalbog, PanoramaFirm pf	27
	sentraali, 1880 GULE SIDER, 118 118, 0100100	28

CEO's comments

During the year, Eniro focused on its digital business. Considerable efforts were dedicated to making the search service more uniform in design, more easily navigated and to improve its greater commercial content. The number of visitors who use Eniro's services rose 10% during the year. The strongest-growing channel is mobile. Both user traffic and revenue from mobile advertising rose sharply during the year. Mobile advertising will account for a substantial share of Eniro's revenue in the near future.

A digital, local search company

Enіro aggregates, organizes and presents local information and makes it accessible in a relevant and effective manner for the 8 million unique visitors who use Eniro's search services every week. Today we are a media company that provides the best digital advertising solutions for companies that want to be searchable in their local markets.

Changed user behaviors are having an impact on Eniro and the industry in general. During the last five years Eniro has increased the share of digital revenue in relation to total advertising revenue from 43% to 80%, and as much as 34% of total product searches are performed using mobile devices. Our adaptation to the transparent, rapid and emerging digital world puts great demands on the technical platform, the content of the database, and quality. The fact that traffic and use is entirely transparent has facilitated the work on identifying Eniro's target groups. For the first time in more than 100 years, we know with certainty who uses our services, how they search, and what is important for them when performing searches. Knowing our target groups and our position in the market is a prerequisite for our ability to develop the right future services with precision and maintain our position in local search. One challenge, but of course also an opportunity, is the rapid pace of change in the digital playing field. Eniro needs to be more quick-footed, and the process from idea to marketable product must be shortened at the same time that products are packaged in an attractive manner for customers. The company needs to identify important trends that affect local searches and that are considered to be relevant for users at an early stage and add these as commercial products under the existing brands. By doing so we will strengthen our offering for users, resulting in greater traffic to our services, which in the end benefits our paying customers and enhances our attractiveness as an advertising channel.

Market development

Eniro provides primarily advertising solutions for small and midsize companies that want to be searchable 24 hours a day, 365 days a year in a manner that is relevant and consistent for them. Even though Eniro has a large number of customers in the markets that the company is active in – more than 250,000 – the market potential continues to be great. Eniro has approximately 15%–20% of the total number of relevant companies in the respective markets as its customers. The Group's average revenue per customer is approximately SEK 9–10,000 in Sweden and Norway, SEK 5,000 in Denmark, and slightly lower than this in Poland. This means that the investment per paying customer is rather modest, which makes Eniro a company that is not particularly sensitive to economic swings. The total advertising market has had rather unchanged growth in recent years, while the advertising segments that are relevant for Eniro, i.e., the segments that the company works in, have had and are projected to have favorable growth in the years ahead. The segments that are believed to have the strongest growth in 2014 are keyword advertising and mobile advertising. Eniro has a strong position in mobile advertising, where the company's market share is approximately 20%–25%, which is considerably higher than Eniro's total market share. The conclusion is thus that there is a large number of companies that are not customers of Eniro and we are positioned for the growing segments, at the same time that the market conditions in the media segment are considered to be favorable. In short, we have a positive view of the future.

Growth

Eniro has set achieving revenue growth as a top priority. The transformation of the search industry has resulted in a number of years of declining revenue. Eniro has now completed its transformation and has a product that is adapted to today's search patterns and users' behaviors. We are nearing the point in time when growing revenues from new channels will compensate for the decline in revenue from Print and Voice. Revenues from multiscreen channels (desktop computers, mobile devices and campaign products) today account for 80% of the company's advertising revenue, and the goal is for these to continue growing. Revenues for Print and Voice, which account for an increasingly smaller share of business, will continue to decline as a consequence of changed user behaviors. Despite declining revenues for Print and Voice, these revenue streams continue to be important for the company's earnings and cash flow. Cash flow from the business is used to finance development that drives growth. In order to strengthen opportunities to resume revenue growth, all development in the company is being concentrated in the multiscreen segment, i.e., primarily the mobile and desktop channels. Eniro should mainly be viewed as an organic business, that is, revenues should grow by further strengthening and refining its existing brands. In order to be timely in its product development, going forward Eniro will work together with external partners and suppliers to a greater extent than previously. By assimilating existing expertise in areas of interest for Eniro's business, we are shortening lead times and lowering costs.

Profitability

Eniro has good profitability. Although the company's revenue has decreased in recent years, the drop in revenue has largely been compensated by cost-cutting. From 2010 through 2013 Eniro achieved more than SEK 1.4 billion in cost savings. Cash flow has been used to continue lowering the company's debt and drive digital product development.

Eniro's business model, with an absence of distribution costs, contributes to good profitability. Eniro has a high gross margin on its mobile and desktop advertising solutions. Over time, declining revenues from printed directories will give way to higher profitability potential. Profitability in the Campaign products segment is lower than for our other revenue categories since the margin is shared with our third-party vendors. The opportunity to continue compensating contracting market volumes in the Voice segment with price increases is judged to be small, which means that profitability of the directory information service will decrease. Eniro's goal is that cost-cutting in 2014 will amount to at least SEK 200 M, and that adjusted EBITDA will remain level with 2013.

Performance in 2013

2013 was the year in which we laid the foundation for tomorrow's Eniro. Hard work was dedicated to product development in an effort to achieve a uniform service offering with a modern search functionality, technical platform and design. Parallel with this, we have carried out major reorganizations – both in staff functions and in the declinling Print and Voice businesses.

These changes weighed down earnings for the year as a result of relatively high restructuring costs. The new structure will result in a lower cost base already in the coming fiscal year. Developments in all markets, except for Norway, have followed our set plans. Norway had poorer performance during the summer and fall as a result of a weak organizational structure and leadership. Measures were taken during the spring, and Norway showed improved performance towards the end of the year. Important decisions that led to greater focus on the digital channels will benefit both the sales and product development organization. Despite lower revenues, through continued strong cost control we succeeded in maintaining adjusted EBITDA at the same level as the preceding year.

Product development and activities in 2013

During the year Eniro concentrated a large share of its development resources to improving the design, search functionality, quality and user benefit of its search services. The launch of the newly developed services took place during the first quarter of 2014. The appearance of the various search channels – desktop, smartphones and tablets – is more uniform. The search function has been simplified, while the layout of the result list is clearer, with more images, video and product information. With this enhanced service Eniro is taking its first steps into e-commerce. Eniro does not maintain an inventory of products or handle any distribution, but acts as an intermediary that conveys contacts between buyers and sellers. By offering our customers a new service in which they can gain exposure for their products in a product gallery, Eniro is more closely positioning itself in the transactions that take place between buyers and sellers. For Eniro's users who are searching for products, the range of choices increases, as they can either buy the product directly online from Eniro's paying customers, or visit the nearest brick-and-mortal store. At the start of 2014 Eniro added a navigation service that makes use of the company's high definition maps.

The partnerships with Bing and Google are strategic alliances aimed at strengthening Eniro's position in the growing market for keyword advertising. Eniro believes that revenues from sales of keywords will double in 2014. Another important milestone during the year was the decision to phase out the last of the remaining regional directories, Gula Sidorna. The decision entails that the company's future focus will be on multiscreen channels and continued publication of local directories, which still have some relevance for customers. While the phase-out will contribute to cost savings, it will have negative impact on revenues in 2014.

Future opportunities and challenges

Eniro has six key strengths/competitive advantages that are at the core of the company's business and which give Eniro continued great future growth potential:

- 8 million users who use Eniro's services every week
- A database of more than 5 million actively searchable companies, more than 20,000 online stores, and more than 1.3 million web addresses
- Strong brands that are highly recognizable in their respective markets
- A high level of innovativeness that is developing the market for local search
- More than 250,000 customers who advertise in Eniro's channels
- Some 1,500 sales representatives who daily contact and visit existing and potential customers

Eniro today has a strong position in the growing digital segment and a scalable business model that will provide leverage the day we achieve growth. Moreover, Eniro has better insight into who the company's users and customers are, which will contribute to more precise and effective product development.

Our focus now is on:

- Maintaining and improving the quality of services to ensure that Eniro delivers the best local search service
- Creating a company culture and expertise that is increasingly driven by digital developments and trends
- Achieving higher sales effectiveness and goal achievement

I look forward to 2014 with confidence. We have an organization with competent people, and to these I want to offer my warm thanks. I am convinced that we can continue to create shareholder value through continued focus on growth and good profitability.
Stockholm, March 2014

JOHAN LINDGREN
President and CEO

Financial targets and outcome

During the year, Eniro continued to gear the company towards achieving revenue growth. Continued refinement has contributed to higher revenues in the strongly growing mobile search business. The strategy of concentrating operations in local search to the growing multiscreen channels is beginning to generate results. Although revenues continued to decline during the year as a result of the ongoing decline in Print and Voice, the pace of decline has slowed. As a result of restructuring costs that were charged against earnings towards the end of the fiscal year, EBITDA was lower than a year ago. Adjusted EBITDA amounted to SEK 956 M.

Eniro's financial targets that were communicated ahead of the 2013 fiscal year covered four areas: total revenue, costs, EBITDA and capital structure. A summation of the year shows that Eniro achieved three of the four communicated targets.

REVENUES: The goal to continue refining the business and to increase revenues from digital media, which accounted for approximately two-thirds of total business, was achieved. Eniro's forecast that revenues from the contracting Print and Voice market segments would continue to decline was also confirmed.

COSTS: In accordance with previously communicated targets, Eniro continued to streamline and cut costs in the company. During the year, costs were reduced by an additional SEK 253 M. Total savings during the last three years have now reached SEK 1.4 billion. The goal to continue optimizing costs in an effort to achieve EBITDA on par with 2012 was achieved, adjusted for additional costs associated with decided restructuring measures.

EARNINGS: The target of achieving reported EBITDA for 2013 on par with the preceding year, i.e., SEK 976 M, was not achieved as a result of higher restructuring costs. Decisions made in the latter part of 2013 to carry out extensive restructuring and organizational changes gave rise to SEK 106 M in restructuring costs. Due to a sharp rise in Eniro's share price, a negative effect of SEK 40 M was incurred from the company's synthetic share program. Reported EBITDA for 2013 amounted to SEK 849 M, and adjusted EBITDA was SEK 956 M.

CAPITAL STRUCTURE: The goal for 2013 to continue reducing net debt in relation to EBITDA was achieved. Eniro also achieved the company's long-term target that net debt in relation to EBITDA should not exceed 2.5.

Targets and outcome

	Target 2013	Outcome 2013
Revenues	Eniro will further refine is business in 2013. Revenues from digital media, which today account for approximately two-thirds of sales, are expected to rise. Revenues from Print and Voice, which account for the remaining one-third, will continue to decline as a result of changed user behaviors.	Revenues from the growing digital channels grew, while revenues from the contracting Print and Voice segments continued to decline, in accordance with forecasts.
Costs	Continued optimization of costs to ensure EBITDA on par with 2012.	Total costs were cut by SEK 264 M in 2013. Owing to higher costs for decided restructuring measures, EBITDA was lower than in 2013.
Earnings	The goal was to maintain EBITDA in 2013 at the same level as in 2012, assuming a changed revenue mix and continued cost-cutting.	EBITDA amounted to SEK 849 M, compared with SEK 976 M in 2012. Adjusted EBITDA was SEK 956 M.
Capital structure	Continue reducing net debt in relation to EBITDA.	Net debt decreased during the year by SEK 364 M. Net debt in relation to adjusted EBITDA decreased from 2.8 to 2.4.

Investment story

Eniro aggregates, filters and organizes information about companies, products and services in the local search market. The company's primary customer categories are small and midsize companies. Focus is on continued development in growth-driven digital channels – information via smartphones, tablets and desktop computers.

In the markets in which Eniro is active – Scandinavia, Finland and Poland – the total local market in the company's business areas is estimated to be worth approximately SEK 22 billion. Eniro develops products and distribution channels aimed at providing users with relevant, high-quality information with a high level of user-friendliness. As a local search company, Eniro encounters competition from global giants like Google as well as from local players, many of which have a niche focus in specific sectors or businesses. The local search market is evolving rapidly. For example, 10% of people in Sweden search for local information every day, and as many any 43% do so at least once a week. Eniro's strategy for competing is to offer the best local search service and:

- to offer the highest possible quality in the information we provide. It must be relevant and current, and provide answers to the questions that users ask for in the geographic area the user is interested in, regardless of whether it is in their neighborhood, city or region;
- to offer the highest possible level of user-friendliness in the platforms users prefer – smartphone, tablet or desktop computer. The user interface is being simplified, precision of searches is being strengthened, and new services are being developed. Greater user-friendliness increases traffic and motivates more users to use the services, which in turn creates a larger number of paying customers.

Distribution channels

Today digital channels account for approximately 80% of Eniro's advertising revenue, and this share is expected to rise.

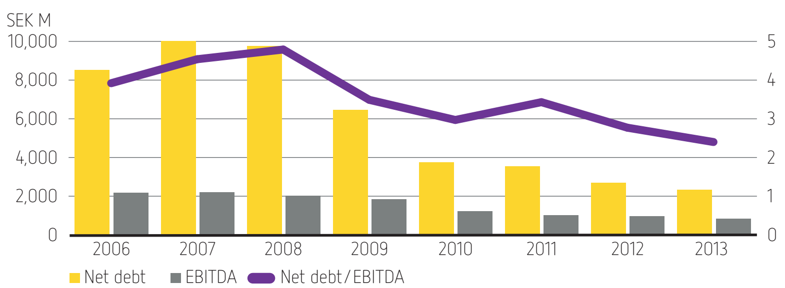
Advertising in the Desktop search channel accounts for 50% of revenue, and Mobile search for 8%. Campaign products, i.e., services such as search engine optimization, sponsored links, video and banners, account for approximately 7% of total revenue. Printed directories account for 14% of revenue, while directory information and other services provided by phone and text messaging (SMS) account for approximately 19%.

The revenue trend is clear: multiscreen – i.e., digital channels – is growing in significance. This growth is being driven by more users, more paying advertisers, and higher revenue per advertiser. The goal is to increase advertising revenues from the Mobile search channel to SEK 900 M by 2015.

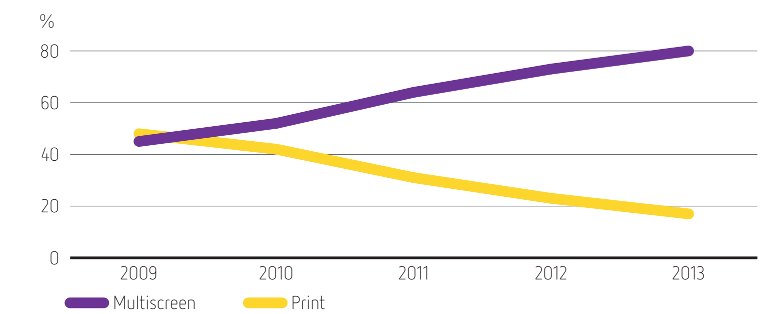
The Print and Voice revenue categories are declining. Both the print channel and the channel represented by directory information services are to be seen as a complement to the digital multiscreen channels. In the future, the Print and Voice revenue streams may change in pace with growth in the development and use of digital search channels. The printed Gula Sidorna directories have been discontinued, while publication of the local Din Del editions will continue.

Moving into 2014, Eniro's continued focus will be on growing in mobile search in all geographic markets. Print will be phased out during the year, while development and growth in digital, user-friendly services are expected to continue rising. By further refining its services according to users' preferences, Eniro aspires to be the leading local search service in Scandinavia, Finland and Poland.

Net debt in relation to adjusted EBITDA



Share of total advertising revenue broken down by Multiscreen and Print



Strategy

Strategy

Eniro aggregates, filters, organizes and presents local information. By creating high quality search services that are appreciated by users, Eniro provides high visibility and improved business opportunities for its paying customers.

User benefit in focus

For Eniro, focus is on the user. It is through high use of the company's services that value is created for Eniro's paying advertisers. A loyal user is proof that we have a reliable, high quality service.

Vision

Eniro's vision is to be the symbol of local search. Eniro has an established position to continue developing the best quality and technology for meeting users' future needs for local search. The company's main strengths are its database of unique, local information, the region's largest sales force, and well known brands in all of its operating regions. Eniro has a vision to be the leading supplier in Scandinavia, Finland and Poland in mobile local search.

Business concept

Eniro's business concept is to provide local information that facilitates the interface between buyers and sellers. In the digital value chain, Eniro's strategy is to filter, sort and organize local search information. Traffic to Eniro's services is driven by enhanced user benefit and new, attractive services that create value-added for Eniro's customers and contribute to profitable business. Greater multiscreen use combined with expanded mobile search services is making mobile search the fastest growing part of Eniro's business.

Values

Eniro has three values that permeate the entire organization: devoted, perceptive and reliable. Devoted means that Eniro's employees always strive to give customers and users greater value-added and thus a superior experience. Working in a dynamic environment, like Eniro does, is an opportunity, and the goal is always to build long-term relationships. For Eniro, being perceptive entails that employees foster an understanding for the whole picture and local search through an open dialog and active listening. By constantly striving to improve quality and the delivery of our service, we demonstrate our resolve at the same time that we create reliability in what we do.

Goal

Eniro's goal is to contribute to successful business through enhanced user benefit, profitable customer growth and continuous development of growth channels.
It is through enhanced user benefit that we can create value and profitability.
From the users' perspective, it is also important for Eniro to have a high quality database of relevant and reliable data, and to offer superior solutions for local search. The customers are the source of Eniro's sales, and it is they who define Eniro's right to exist.

Customer growth is essential for Eniro's business and a contributing factor for achieving profitable growth. In a market characterized by rapid change and fierce competition, it is important that Eniro works to continuously develop and improve its services so that users will experience that they are getting the best results from their local searches. Semantic search is an important factor for Eniro in its work towards the goal of enhancing user benefit and delivering the best possible search results. Having a strong mobile offering is of utmost importance in adapting to the technology shift.

As a result of the digital transformation, Eniro's strategy today is to deliver the best service for searching for information from a mobile device. Today multiscreen revenues account for 80% of total advertising revenue, and this share is expected to increase. The goal is that mobile search revenues will reach SEK 900 M by 2015.


eniro
Uppsala
art

Eniro's strategy

Eniro has undergone a technology shift from print to digital channels. Searches today are dominated by smartphones, tablets and desktop computers. Digital multiscreen revenue accounts of 80% of the company's total advertising revenue. For Eniro, the strategy is clear: the company must stay at the forefront and develop services for the channels and media that users prefer.

Eniro's ambition is to offer attractive search services in the channels that users choose to search for their information. The company aims to consolidate its position by remaining perceptive of users' evolving search behaviors and strengthening the company's presence in growing market segments. Users must be able to find answers to the questions they ask about the local offering of products, services and companies in the manner that suits them – using a smartphone, tablet or computer, or in other ways that we can only imagine today. We work according to a multiscreen model that does not limit searches to a specific channel, but makes information available in a number of channels.

Mobile search is the channel that has grown the strongest in recent years. The number of searches performed from a smartphone has risen by 400% since 2010, and nearly nine out of ten mobile phone users say that they use their smartphones today to search for local information. Four out of ten say that they perform a search at least once a week using their smartphones. As a result, Eniro's revenue from the mobile search channel doubled from 2012 to 2013, and is expected to triple by 2015.

When developing products and services, it is crucial to work from the perspective of user benefit rather than a specific channel, in other words, to enable users to quickly and conveniently find current, accurate and relevant information from Eniro's unique database regardless of which channel they choose. This leads to greater traffic and customer benefit for paying customers. User benefit and customer benefit are developed in parallel: more users means more advertisers.

The foundation for Eniro's products and services consists of the database, which currently contains information and contact information for more than 5 million active companies, more than 20,000 online stores, and more than 1.3 web addresses. This makes Eniro's database one of the largest of its kind in the Nordic region.

Eniro's ambition is also to remain a step ahead and to lead developments related to local search, and to develop tools and services for digital media: smartphones, tablets and computers – channels which are currently undergoing rapid growth.

It's a matter of the following, among other things:

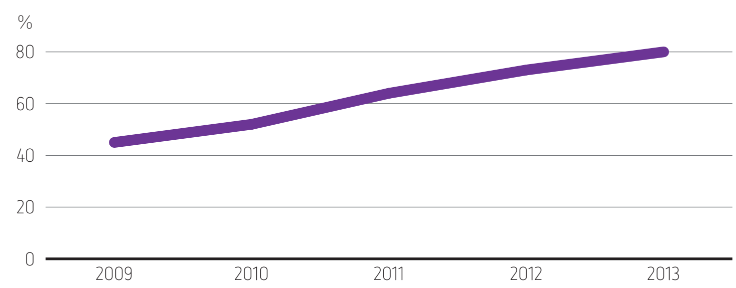
- increased integration of social networks in local searches, through more user-generated content, such as ratings, comments and opportunities to add information to the database
- increased user friendliness and simpler user interfaces, which will be attained through, among other things, uniform search functionality and design (responsive design), regardless of the choice of channel
- acting as a go-between in providing opportunities for users to buy products and services from Eniro's paying customers, i.e., offering an e-commerce function to accommodate the growing trade online via mobile phones.

The shift in focus to development of digital search channels does not mean that the traditional channels of print and directory information by phone have become obsolete. They will continue to be offered and developed as a complement to the digital channels as long as they remain in demand by customers and have satisfactory profitability.

Printed directories account for a declining, yet still significant, share of Eniro's revenue – approximately 14%. Operations are being adapted to the market trend, and costs and distribution are being reviewed. The regional Gula Sidorna directory is being phased out in 2014, while the local printed directories – Din Del, Ditt Distrikt, Mostrup and Rød Lokalbog – will continue to be published.

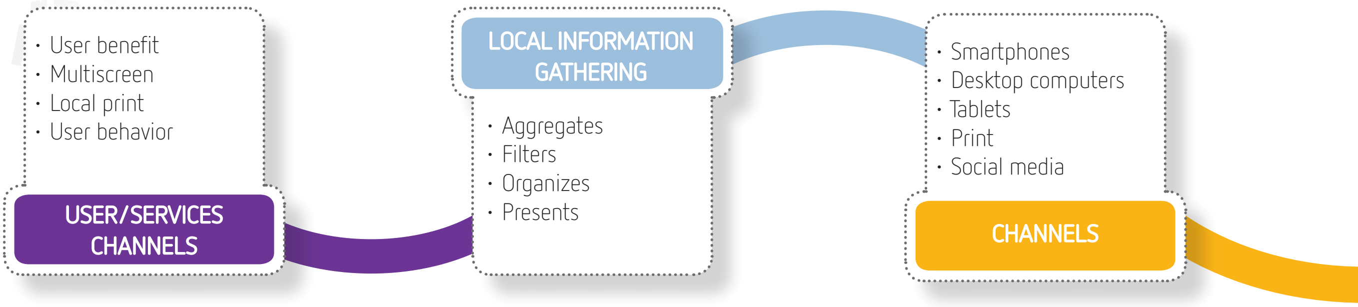
The phone-based directory information service, which provides route descriptions and contact information about companies and private persons, is also decreasing in scope, but still provides a significant contribution to revenues. Volumes are expected to continue decreasing in the future, and to achieve as high profitability as possible, continuous efficiency improvement measures are being taken. A further consolidation of the market for personal directory information services is likely.

Multiscreen revenue per year as % (digital share of total advertising revenue)



Business model

Eniro's vision is to be the symbol of local search. We offer our users relevant and current information about services, products, companies and persons of interest in a specific geographic area, regardless of whether it's around the block, in the user's municipality, or in an entire region. We help buyers and sellers meet. We convey information via the channels that users prioritize. Today the desktop and mobile channels are dominant, and development of advanced products and qualified services is advancing rapidly.



At its core, Eniro's business concept is simple and – despite the technological shift – the same as when Eniro began operating 130 years ago: to provide the best local information.

Eniro ***compiles*** information

We collect and process information from e.g., telecom operators, websites, information registers, sales forces, users and numerous other sources.

Eniro ***organizes*** information

We filter, sort and organize information in our database, which is the company's most important asset. Eniro's database includes information about more than 5 million active, searchable companies, more than 1.3 million web addresses, and more than 20,000 registered online retail outlets.

Eniro ***distributes*** information

We provide the requested information to users via a multitude of channels. Digital channels are now dominant, and the company's mobile search services are growing especially fast. Users search for information using their smartphones, tablets and computers. Information via printed directories and personal directory information services is decreasing in significance.

Users, customers and channels

Eniro's business model is based on the interaction between users, customers and channels. These are all mutually dependent on each other – through high user benefit we attract paying customers; by providing current and relevant information about customers, we attract users; and by being far advanced in the development of distribution channels and products, we attract both users and customers.

Users

People in search of local information are the focus of the business. The higher the number of people who use Eniro's products, the higher the traffic to the company's sites, which enhances the customer benefit for the company's paying customers. In Scandinavia, Finland and Poland, more than 7.1 million searches are performed every week via Eniro's main services. Eniro's users attach a premium to high quality, relevance and the reliability of the services. The share of searches that result in a direct contact with suppliers is high – between 37% and 55% – depending on the channel.

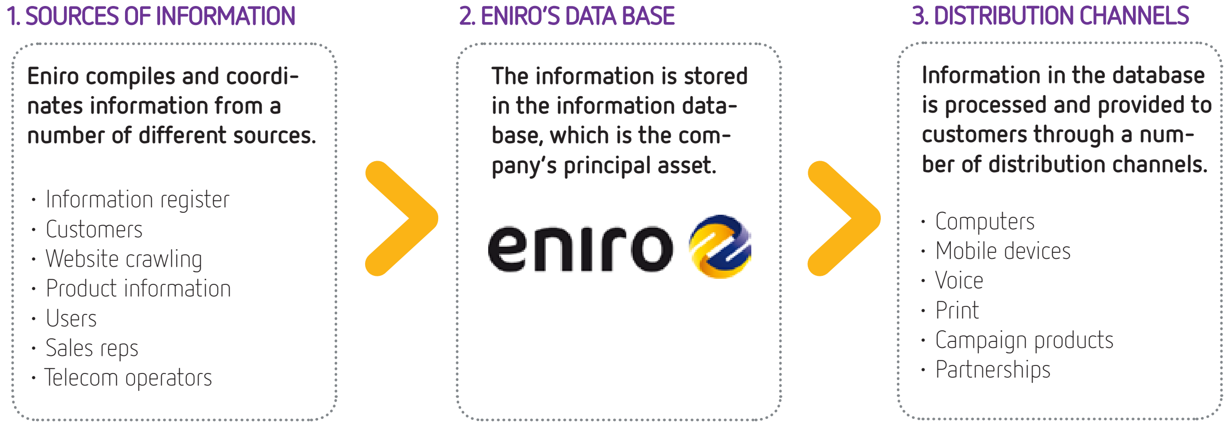
Users' needs, behaviors and preferences steer Eniro's development, and as a result the company is shifting its services to new channels – smartphones, tablets and computers (referred to collectively as multiscreen). What is critical for users is that Eniro's information is up-to-date, high quality, and gives them what they are looking for, namely, the most relevant and best local search results.

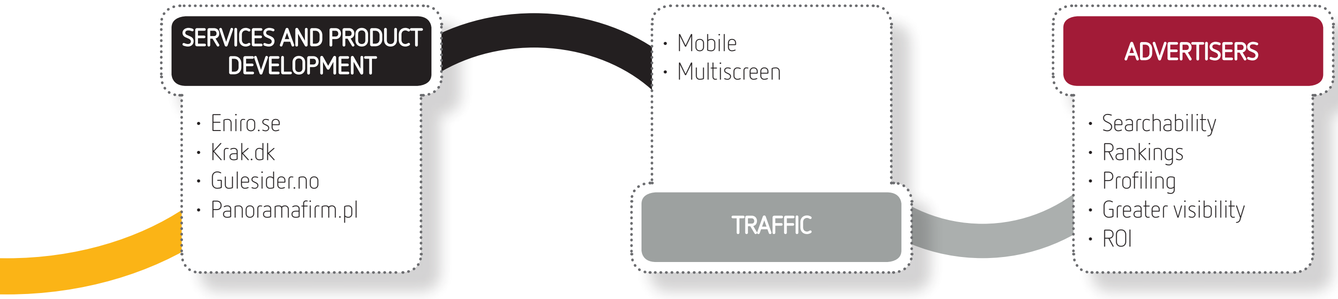
Customers

Enіro sells visibility and effective marketing to hundreds of thousands of paying customers. Most of these are small and midsize companies – mainly active in a local market – and their brands are not etched in users' memories. This means it is important for customers to be searchable in a simple and effective manner.

Through a media package, Eniro offers a wide-ranging presence in the local search market – a total solution that gives small and midsize businesses complete searchability 24 hours a day. The package features a combination of a presence, listing and ranking with sponsored links on partners' sites, creation of a company website, videos, banners and search engine optimization (SEO).

Through services offered via the Campaign products revenue area,





Eniro's offering is expanded to also include a presence in external channels with partners such as Google and Bing. Such external partnerships strengthen Eniro's total offering for its customers.

Sales Existing and prospective customers are contacted every year by any of Eniro's some 1,500 sales representatives – one of the largest sales forces in the Nordic countries. The efforts of the field sales force are concentrated on large customers with more advanced needs, while most existing customers are contacted by phone or letter when their contract is nearing the renewal date. The customer service department also offers sales to customers who call in themselves. Sales of more complex products in the Campaign products area are handled by an independent sales force.

Pricing model Pricing differs among the various products and channels.

- Searches via digital channels – desktop and the mobile channel – are paid for when the service is contracted, i.e., when the yearly subscription is contracted. For accounting purposes, the revenue is then allocated over the useful life of the contract. For Campaign products, various forms of payment are offered which include a combination of fixed and variable components. However, most customers pay on an ongoing basis as users click on a displayed, sponsored link or when a banner advertisement is displayed for the visitor.
- For information in printed directories – Print – the customer pays in advance when the information is booked. This revenue is recognized when the directory is published.
- For information provided by phone via the directory information services – Voice – the end user pays when the service is provided.

Channels

Eniro distributes information via a number of channels. Development is moving rapidly. In recent years we have witnessed a shift away from printed directories to digital search channels. Today revenue from the digital channels accounts for 80% of total advertising revenue. Mobile search services, in particular, are experiencing sharp growth, and searches from mobile devices have increased by 400% since 2010. One contributing factor for this is that 90% of all mobile phones sold today are smartphones.

Eniro's focus is on maintaining and strengthening its position with respect to the digital service offering. Eniro aims to stay at the forefront of digital development and cater to users' choices of channel and customers' preferences to be seen where users search for information. While particular focus in the mobile channel is on the search function, we are not limiting ourselves to a single platform. Rather, we are developing opportunities for information searches in a multiscreen solution – users must be able to search for information in the channels that suits them best, regardless of whether they are using a smartphone, tablet or computer.

The significance of the traditional channels (printed directories) is decreasing. In 2014 the regional directories are being phased out, while the local directories will continue to serve as a complement to the digital search options. Eniro's printed products are being made more cost effective through a continuous overview of the production process and more efficient distribution.

Volumes are also decreasing for name and number information (Voice) along with more qualified services such as route descriptions, business hours, etc. by phone. These services are being further developed and streamlined in order to maintain high profitability in a contracting market. This channel will remain as long as users continue to use the service.

The local search market

The total Nordic and Polish market for digital search continued to grow in 2013 and into 2014. Mobile advertising and search marketing are the main growth channels. Every month unique visitors use Eniro's search services to find local information.

Market for online advertising continues to grow

Externally available forecasts for the media market point to continued growth for online advertising. The transformation from print to online is now tangible throughout the market and for all media channels. The total media market for the countries in which Eniro is established (Sweden, Norway, Denmark and Poland) decreased slightly in 2013. However, digital advertising channels such as the Internet and mobile showed continued favorable growth. According to the IRM (Institutet för Reklam och Mediestatistik) Institute for Advertising and Media Statistics, already by 2012, one-fourth of all advertising spending in Sweden and Norway was on online advertising. In Denmark this level was as high as one-third. According to IRM keyword marketing was the single largest advertising channel in Denmark in 2013 – greater than both TV and newsprint advertising.

Search market 2013

The search market can be defined as various types of channels that enable buyers and sellers to find each other. The search market is part of the total media market. Businesses buy advertising space in order to be searchable in various advertising channels in which their potential customers, i.e., users, search for information about companies, products and services. As a search company, Eniro serves as a hub and offers structured search services that help users when they want to find specific information. For advertising businesses, search companies offer advertising solutions that present their information to end users in a clear and predetermined way.

The rapid penetration and growing use of smartphones has radically changed the way in which users search for information.

Accessibility of search services is ris-

Market value per country according to IRM, relevant media market segments[1) 2)]

Market category	Sweden				Norway				Denmark			
	2013 (forecast)		2014 (forecast)		2013 (forecast)		2014 (forecast)		2013 (forecast)		2014 (forecast)	
	SEK M	%	SEK M	%	NOK M	%	NOK M	%	DKK M	%	DKK M	%
Display	2,347	1.4	2,416	1.9	1,761	6.3	1,832	4.0	1,591	10	1,704	7.1
WebbTV	390	33.4	522	30	198	Na	259	30.7	Na	Na	Na	Na
Online directories[3)]	2,214	-1.1	2,242	1.2	3,734	6.7	3,866	3.8	976	-3.9	996	2.0
Keywords	3,441	19.5	3,966	17.0	1,373	22.6	1,609	17.2	2,088	16.4	2,345	12.3
Internet total	**8,395**	**8.6**	**9,149**	**9.2**	**5,304**	**12.7**	**5,734**	**8.1**	**4,655**	**8.8**	**5,045**	**8.1**
Mobile	881	112.6	1,517	73.7	350	Na	623	77.6	Na	Na	Na	Na
Relevant total market	**9,276**	**15**	**10,666**	**15.1**	**5,654**	**20.2**	**6,357**	**12.4**	**4,655**	**9.3**	**5,045**	**8.4**

1) Excluding the printed directories that Eniro is phasing out in 2014.
2) External market data is lacking in Poland. In Finland Eniro conducts only directory information services and a call center operation.
3) In Norway these are reported as "merkvevare" (brands), captions and online directories. Source: IRM 2013.

ing, and it is becoming easier for users to find the information they are searching for regardless of situation and place. This growth in accessibility, combined with the greater transparency offered by digital advertising channels, puts demands on search companies to deliver high-quality services that meet the needs of users and advertisers alike. Search companies' services need to be adapted and displayed on smaller screens at the same time that growing multiscreen use is creating new advertising needs. This evolving media landscape is having an impact on global search engines as well as on specialized verticals and local search services. The trend is that users are becoming more and more mobile and are using their smartphones to make everyday life easier in a growing number of situations. The share of people who use their smartphone or tablet to buy products and services continues to grow. Using a smartphone to find what you are looking for nearby is now a given, and users expect to find the same, structured information that they are used to when searching from their computers. According to a report entitled Digital Sweden by Boston Consulting Group, the share of Sweden's economy that is driven by the Internet is growing by more than 10% per year. In 2012 it amounted to SEK 275 billion, or 7.7% of the total Swedish economy. This is just as large as sales for the country's entire tourism industry. Of the total Internet market, desktop computers accounted for the largest share, or SEK 160 billion, in 2012. This growth has received a boost from new mobile devices, like smartphones and tablets. More than 70% of people in Sweden have shopped online, and 20% have made purchases from a mobile device.

Competition and actors

Regardless of channel, the search market is characterized by fierce competition, rapid change and a high pace of technological innovation. Eniro's services encounter both direct and indirect competition from companies that offer searchability and a relevant presence, 24 hours a day, 365 days a year. Direct competition is defined as other local players who work in the same markets and meet a similar need, i.e., the need to find local information. Eniro also encounters indirect competition from alternative channels that compete for customers' total media investment, such as daily newspapers, radio, TV and outdoor advertising as well as direct marketing. The competitors are large, global players as well as small local companies, niche players, media groups and traditional directory companies.

Industry colleagues

Related companies	Main markets	Business	Market listing	Revenues 2013[1)]
European Yellow Pages				
Solocal Group	France, Spain, Luxembourg and Austria	Brand platform for local information	Euronext Paris	SEK 8,950 M
Seat Pagine Gialle	Italy, UK and Germany	Local search company	Borsa Italiana Telematica	SEK 3,476 M[2)]
Nordic media				
MTG	Scandinavia	Media company with focus on TV production	Nasdaq OMX	SEK 14,129 M
Alma Media	Finland and Baltic countries	Printed newspapers and digital news services		SEK 2,690 M
Schibsted	Scandinavia and Europe	Media house with expansion in digital advertising platforms	Oslo Børs	SEK 16,228 M
International peers				
Google	Worldwide	Global search service	New York Stock Exchange	SEK 391,315 M
Facebook	Worldwide	Social networking platform	New York Stock Exchange	SEK 51,491 M
Yelp	Primary market in USA and large parts of Europe	Provides user-generated views and ratings	New York Stock Exchange	SEK 1,524 M
Right Move	UK	UK's largest real estate portal	London Stock Exchange	SEK 1,499 M

1) Exchange rates as per December 31, 2013.
2) Pertains to the first nine months of 2013.

Mobile search market

Eniro is at the forefront of mobile search development. By understanding at an early stage the importance of creating an attractive and user-friendly local search service adapted for mobile devices, Eniro has established a strong market position in mobile advertising. Eniro today has a considerably higher market share in the mobile channel than in the traditional desktop channel.

With the help of mobile search services, users can search for addresses, locations and products at any time of the day – wherever they are and no matter where they are going. In the digital value chain, Eniro is a search company that compiles, filters and organizes local information. In the strongly growing, innovative search market, Eniro is exposed to fierce competition – both from other local companies that offer more specialized web services and from global players. Ensuring that customers quickly and conveniently get relevant hits from their searches is a decisive competitive factor.

Many players in the mobile search market

Today's media landscape is dotted by companies that represent various parts of the new value chain in digital media – those that produce content, those that gather information, and those that distribute it. Today we are flooded by information, and we are increasingly dependent on someone who can filter the volume of information and make it relevant. This type of aggregation service is provided by Internet-based local search engines like Eniro that filter information in order to improve searchability and in such way help users find what they are looking for.

Eniro gathers and sorts the digital information flow and makes it comprehensible. The same goes for traditional search engines like Google, social networking sites like Facebook, and specialized websites like TripAdvisor. They are all part of the search landscape. Both the conventional "yellow pages" companies and hardware players have migrated to the Internet. The ordinary telecom operators, in turn, have developed content to meet the demand for local search.

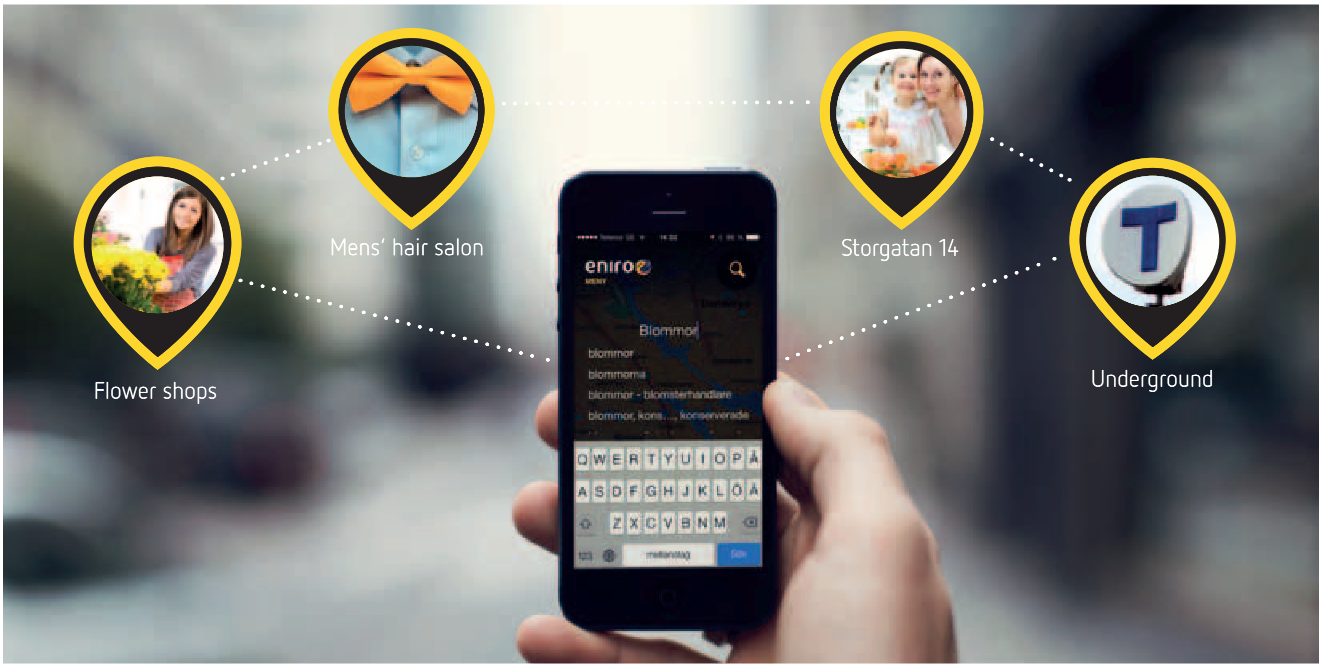
One of the fastest growing areas in the search market is mobile search. According to a survey conducted in spring 2013 by the information software company Cint, roughly 50% of people who search for information online in Sweden today do so from a smartphone. The mobile search market is crowded, and what usually distinguishes a good search engine from a bad one is quality, i.e., the local search information that is provided must be exact and relevant, otherwise the user will switch to another service. Technological development has given rise to new user behaviors. Eniro takes these into consideration in its product development, and a key concept in creating new mobile services is the focus on user benefit. Eniro's mobile services are based on the user's geographic position, allowing users to search for products, services, companies and private persons.

Initially the online search market was global and dominated by companies like Google. But over time, local search has grown steadily, and a main reason for this is the growing share of mobile searches. Development of mobile search has also given smaller, local companies like Eniro an opportunity to develop their business, since mobile users search more locally than other users. Apart from the fact the people search more locally when using their smartphones, they also perform more specific searches. According to Google, approximately 50% of smartphone users in the Nordic countries perform searches from their phones every day. In Sweden, according to Google as well, most people perform searches for products, but as many an 40% perform searches for places. Financial services, restaurants and beauty salons/spas are the most popular search categories. In the Swedish market, approximately 10% of users in Sweden search for local information every day, and 43% every week. More than 60% of mobile phone subscribers in the EU today have smartphones, while more than 40 million people own tablets. This obvious technology shift is having an influence on Eniro's mobile strategy. Internet traffic is increasingly being generated from mobile devices, while traffic from computers is decreasing. Today traffic from smartphones accounts for approximately 15% of all Internet traffic, and if the trend continues, it will grow by 1.5 times a year in the years ahead.

> *"A step from being an information service to a partner for our customers and users. Eniro is responding to the growing digital trend by offering:*
>
> - *the social aspect, such as log-ins, social networks and reviews*
> - *the local aspect, such as offerings nearby, maps*
> - *the mobile aspect – we are where our users are, where they search for information and do errands from their phones*
> - *commerce – our eBusiness initiative, with expanded functionality for product searches*

Changed search behavior

Our online habits are changing: in a study

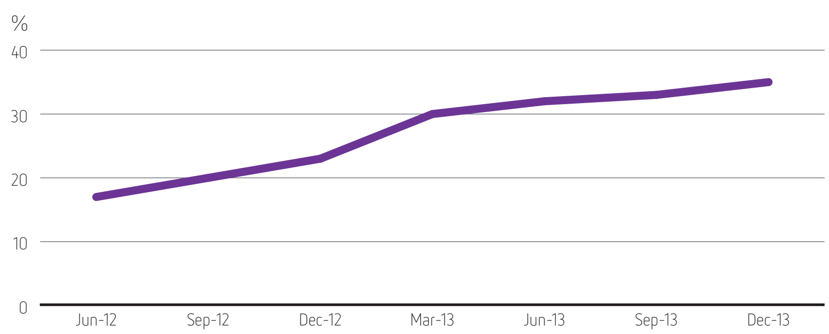


conducted by TNS Sifo in December 2013, 63% of smartphone users indicated that they use their phones to search for products and services. Of the respondents, 61% said that they use their smartphones to search for addresses and specific route descriptions. This means that the predominant competitive advantage, other than high-quality local content, will be user-friendliness.

Users consume information in different ways, depending on the type of screen they are using, and this also changes the conditions for keyword optimization. Mobile search requires better search precision, since smartphone screens are a limiting factor. This, in turn, requires a high ranking. For customers, the ranking plays a central role in driving users to physical stores, websites or service locations. Mobile users are often on their way somewhere, they are searching not only for physical places, but also products, and the search situation often requires fast and relevant search results. Since the users are often moving about, they use shorter search phrases and often also want shorter search results than when they search from a stationary computer. Moreover, mobile searches are often event-steered, which means that the mobile user acts on the mobile search result – sometimes from his or her phone, and sometimes from another screen, which means that mobile search is also driving the multi-screen trend.

To stay at the forefront, during the first quarter of 2014 Eniro is launching an improved search service. Eniro's services are being given an extensive facelift of the user interface and a more uniform expression of the company's services. Functionality is being improved and will be more user-friendly. With responsive design, web pages will automatically be adapted to the size of the screen of the device being used. With this launch, Eniro is further improving the experience and user benefit for people searching from a mobile device.

Mobile searches as share of total company/service and category searches, per week on average (Eniro Group excl. Poland)



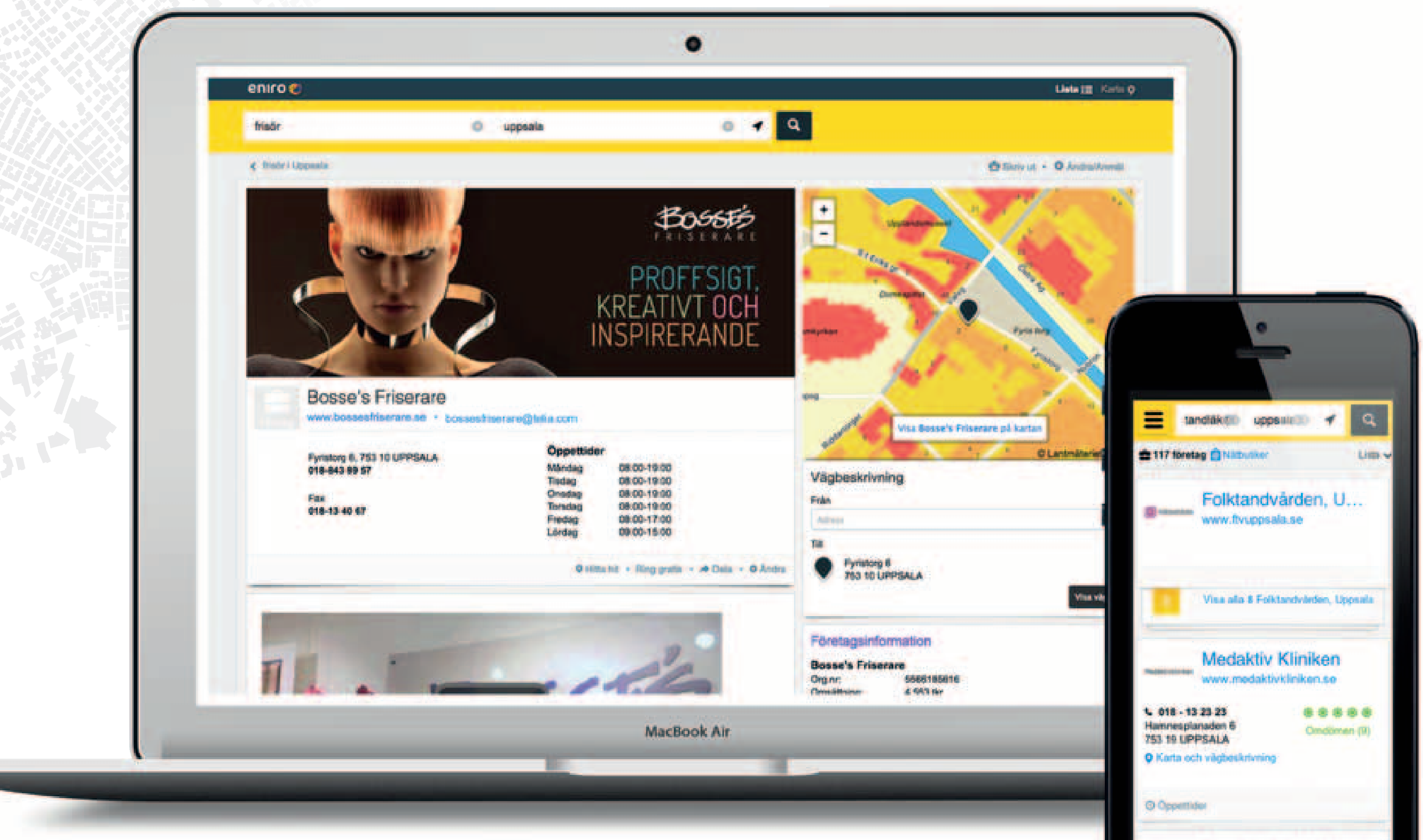
Mobile search in figures:

- At year-end 2013, 34% of total product and company searches were performed from a mobile device
- 8 million unique visitors use Eniro's services every week, of whom 1.8 million do so in the mobile channel
- Eniro's database has more than 5 million searchable companies
- Eniro's database has more than 20,000 registered online stores.
- Through Eniro's service, users can find more than 1.3 million web addresses

Eniro figures for 2013:

- Mobile revenue doubled in 2013 to SEK 287 M (147).
- The goal is for mobile advertising revenue to reach SEK 900 M by 2015
- Eniro's market share for mobile advertising in Sweden and Norway is approximately 20%–25%.

Product development 2013



Eniro's updated design, which presents the company's paying customers in a manner that is effective and easy for users to gain a general understanding of. Information about the company – contact information, business hours, photos and product information – is combined with the map as a centrally recurring feature.

Intensive year in product development

2013 was the year in which Eniro focused on taking the next step in the development of digital products and services. Activities were mainly concentrated on developing a cohesive design and new search functionality with a modern feel that has a high recognition factor among users, regardless of whether they are using a smartphone or desktop computer. Eniro has worked from a platform of the user experience in its efforts to create a more distinct and simpler search service that is delivered in a modern way. Apart from the extensive work ahead of the launch of Eniro's upgraded and improved search service, a large number of updates and important upgrades and new features were launched. New, improved maps were launched, the database content was expanded, and new search functionalities for both desktop computers and mobile devices were developed. The customer offering was also strengthened with an improved package and better result follow-up of advertising. Following are a number of new features launched during the year:

Q1

- Integration of Hemnet in Eniro's iPad app in Sweden, which allows users to search for homes directly in the map
- A joint search function for all of the Nordic countries that allows users to use their national mobile app to search for local information via the Eniro/Krak/Gule Sider app, regardless of which country the user is in
- Launch of Eniro's joint program for data content that is designed to deliver more relevant, current and correct data, quickly and conveniently
- Update of Panorama Firm's mobile app in Poland

Q2

- Update of all aerial photographs in Norway
- Eniro offers its customers production of a Facebook page and two Eniro Facebook apps
- Improved user benefit on Gulesider.no in connection with the launch of an application for finding the best means of public transport directly in the search function
- An iPad function that allows users to electronically share phone numbers between an iPad and iPhone
- Updated snowmobile trail map in Sweden
- 15,000 km of bike paths added to Eniro.se
- Updated service for people searches, with a cleaner design and larger map
- New, detailed maps with updated content for all geographic areas in Sweden and Norway
- Partnership for proff.se with the Swedish business daily *SvD Näringsliv*

Q3

- Improved support for misspelled words
- Update of all aerial photographs on the main Krak och De Gule Sider sites in Denmark
- Opportunity to add mobile keywords for all customers with a mobile package

Q4

- Information from Eniro's financial search service, Proff, shown in result list and in list of private persons in connection with people searches
- Update of all aerial photographs on Eniro.se
- Launch of new ROI reports (result reports), that show the value of customers' advertising with Eniro. The report shows the number of conveyed contact (clicks) per day, week and month

New appearance and enhanced user benefit on Eniro's platforms

During the year Eniro has worked on an extensive project to modernize the design and improve the user benefit of the company's main sites – Eniro.se, Krak.dk, Degulesider.dk, Gulesider.no and Panoramafirm.pl. The aim of the new platform and search service is to create a foundation for the future Eniro.

Initially, we identified the need to improve the user interface in order to stimulate greater curiosity about our brands. By offering an improved user experience, we create a greater share of satisfied users. To ensure the end user experience, performance and technical quality, Eniro had a selected focus group carry out extensive tests in a beta test environment. The focus group's views and search results have been analyzed and quality-assured.

Launch of new platform and design in early 2014

Following are some highlights of the new design:

- A new, cleaner start page and more modern design. The start page is constructed according to how local searches are performed and features optimal presentation of the result list for users
- More detailed and photocentric result lists
- Updated content, for example business hours
- More interactive content, including cover photos and video products
- Clear link between result lists and interactive maps
- Implementation of entirely new Street View photos that work in both responsive design and apps

All of Eniro's sites feature responsive design. This means that web pages are automatically adapted to the right screen size, regardless of the type of device being used. The work on improving the sites' performance and user friendliness has also been focused on lowering costs and shortening lead times by rewriting the pages' source code. This contributes to both shorter lead times and lower development costs for future launches. The new design has also been implemented in Eniro's local mobile apps – eniro.se, dgs.dk, gulesider.no, krak.dk and panoramafirm.pl – which has contributed to user recognition and simplicity. The apps are built for the Android and iOS operating systems. In order to be able to follow up the value we generate for our customers, i.e., which contacts we generate from companies' advertising in the form of a click to a website, a phone call, a route description to a business, and so on, continuous documentation and analysis are performed of traffic to our sites. Traffic and activity on our web pages are analyzed by the web analysis tool Site Catalyst.

The results of our work on improving the user experience and facilitating local searches will be launched in two phases in 2014. The second phase, which will cover improvements and further integration of social searches with more individualized adaptations of the existing service, will take place during the second half of 2014. The search functionality with respect to logic, content and relevance will also be improved. Steps will be taken to adapt the sites to a higher degree of semantic search, i.e., searches performed using phrases.

Eniro launching new solutions for greater proximity to transactions

Parallel with the ongoing work on improving the user experience, Eniro has developed an e-commerce solution that has been integrated in the new interface of all domains and native applications. Eniro's e-commerce solution is a new service that is directed at web stores and companies with brick-and-mortar stores. By launching the opportunity for Eniro's paying customers to present products and services in photo galleries, Eniro can come closer to the ultimate transaction that takes place between buyers and sellers. After conducting a product search with Eniro, customers will have the option to either order the product directly from the online store or visit the closest physical store to buy the product. Eniro will thereby help its customers reach out to existing and potential customers, thus strengthening its service.

Users and customers can expect to see two new listing types in Eniro's result lists: product advertisements and offering advertisements. Product advertisements are automatically crawled in and include a link to the searched product and its price. Offering advertisements are shown as a number of products in the listing, chosen by the customers themselves. Paying customers will be given the additional opportunity to add photos, text descriptions and information on current availability/inventory in the result list.

From a user perspective, Eniro's e-commerce solution offers a richer content. Only the companies in the result list that actually sell the specific products the user is looking for will be shown. From a commercial perspective, this will produce a larger number of conveyed contacts to our advertisers, primarily for companies that use brand and product names in the search field. It will also expande the capitalization opportunities. Eniro's e-commerce solution was launched in connection with the launch of Eniro's new user interface.

Strategy going forward

At the end of 2013 Eniro carried out a reorganization of its central support functions. The aim of this reorganization was primarily to shorten lead times from idea to commercial product, while also continuing to lower costs in the company. More effective product development and a faster process can be created by:

- Greater synergies and simplified cooperation between IT and product development in the new organizational structure
- The product lines will gain total responsibility from product idea to delivery. The process encompasses user need, customer need and offerings, development, customer and mass communication, profitability, revenues and traffic development
- A distinct focus on the "mobile first" strategy
- Shorter processes and lead times will result in a more agile organization that is better suited for changes in the market
- Fewer product variations from country to country

Operations

Operations

Eniro is a search company that aggregates, filters and compiles information. The company offers primarily small and midsize companies exposure, profiling and ranking in Eniro's well known and highly visited search services. Eniro's services are organized in the following revenue categories: Desktop search, Mobile search, Campaign products, Print and Voice.

Traffic trend

The Group's traffic trend

Every day, 8 million unique users use the Eniro Group's search services, which represents an average increase in traffic of 10% compared with 2012.

The number of unique visitors who use Eniro's mobile search services every week rose 49% in 2013, to 1.8 million at year-end.

The number of searches performed for specific companies, product categories and services from mobile devices also rose during the year, by 9 percentage points. As per December 31, 2013, 34% of company searches were made from smartphones or tablets. The trend in 2012 and 2013 is shown in the chart below. For Eniro, searches for companies, products and services are extra important, as they are part of the data included in the ROI reports that Eniro sends every month to its paying customers. A company search generates quite simply a higher return value than a search for a person or phone number.

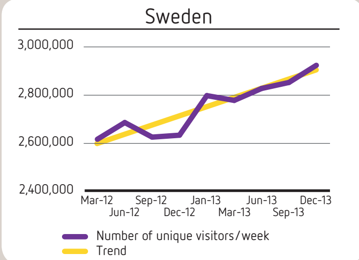
Traffic target 2014

- Eniro's goal is to increase the total number of unique visitors who use the company's search services every week by 5%.

Sweden

Number of unique visitors/week: **2.9** million

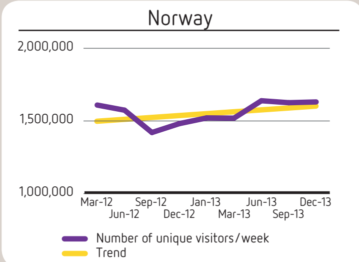
Change in traffic 2013 vs. 2012: **+4.5%**



Norway

Number of unique visitors/week: **1.6** million

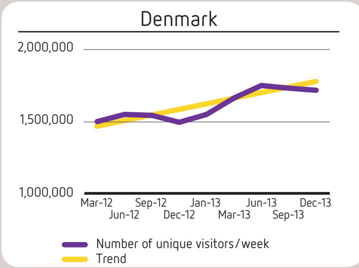
Change in traffic 2013 vs. 2012: **+7.2%**



Denmark

Number of unique visitors/week: **1.7** million

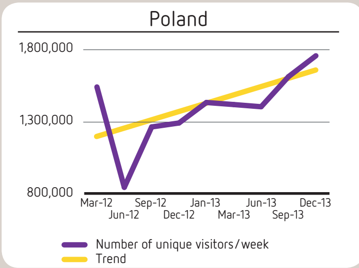
Change in traffic 2013 vs. 2012: **+10.7%**



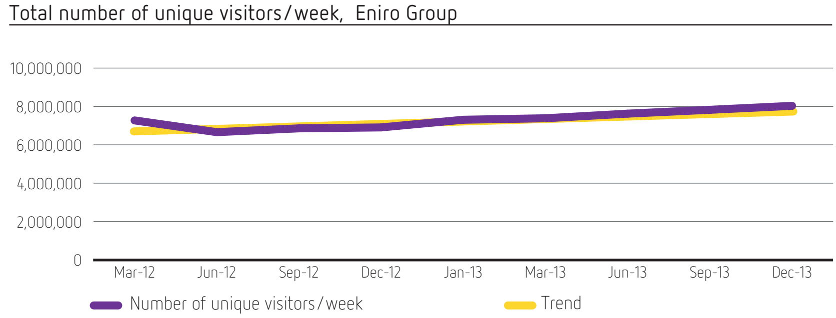
Poland

Number of unique visitors/week: **1.7** million

Change in traffic 2013 vs. 2012: **+22.5%**



Total number of unique visitors/week, Eniro Group



Desktop search

Revenues in the Desktop search category decreased during the year as a result of a sharp rise in mobile advertising. Revenue amounted to SEK 1,834 M (1,977). The number of local searches performed from desktop computers decreased slightly during the year in favor of a higher share of searches done from mobile devices. Desktop search accounted for 50% (49%) of Eniro's total revenue in 2013.

Operations

By offering companies advertising space on Eniro's highly visited local search sites, Eniro's customers are searchable 24 hours a day, 365 days a year. Eniro sorts and profiles its paying customers in the way they want to be visible. The results of their advertising are shown in the searches made by Eniro's users. The primary advertising channels for desktop advertising are eniro.se in Sweden, gulesider.no in Norway, krak.dk in Denmark, and panoramafirm.pl in Poland. In addition to the local search services, Eniro offers a B2B service for company and financial data, called Proff. The local websites are among the most highly visited sites in their respective markets, and brand awareness among end-users exceeds 90%.

The Company's primary customer category consists of small and midsize companies. Eniro has hundreds of thousands of customers in Sweden, Norway, Denmark and Poland. The potential to continue growing the number of customers is great, as existing customers account for only 7%–20% of total accessible companies in the respective markets. The average order (for all markets excl. Campaign products and Voice) amounts to approximately SEK 7,500.

Products

All companies are searchable by name and sector in Eniro's services. This is to ensure that the user benefit for those who are searching for information is as complete as possible. To gain a higher placement on the result list of accessible companies, Eniro offers advertising packages to existing and potential customers who want to profile their companies in a more distinct manner. By purchasing a base package, Eniro's customers gain a position higher up on the screen. Aside from the base package, customers can buy extra advertising for mobile devices, for example.

The top-selling products after the base package are extra profile information, such as logos, expanded geography and extra categories.

Performance 2013

The number of unique customers who used all of Eniro's desktop services decreased by 2% during the year as a result of greater use of Eniro's mobile services. Advertising in the mobile channel also rose, leading to a drop in revenue from Desktop search by 7%, to SEK 1,834 M (1,977). Operations continued to be concentrated and refined to enable investment and marketing synergies.

Future outlook

In late 2013 Eniro carried out organizational changes that will contribute to a more effective and faster product development process and lower costs. The market is evolving constantly, and Eniro needs to shorten the time from idea to finished product. In early 2014, a new, more modern and responsive service is being launched, which will look the same in all platforms. The number of searchable products and services is expanding considerably at the same time that Eniro is taking its first step towards offering an opportunity for users to make purchases directly from the company's paying customers. In this capacity, Eniro will not hold any inventory or handle distribution, but will serve as a go-between and intermediate business for its paying customers. The main trends that Eniro must align itself with can be summarized by the acronym SoLoMoCo – i.e., the need to integrate social networking, the growing importance of local presence, the role that mobile devices play in driving people's search behaviors, and the growing share of commercial trade that is being conducted digitally.

Share of Group revenue 2013

Operating revenue, SEK M

Brief facts

	2013	2012
Operating revenue, SEK M	1,834	1,977
Revenue trend, %	-7	-3
Share of Eniro, %	50	49

Mobile search

The number of searches performed from mobile devices continues to grow and accounts for 34% of total company and service searches. Mobile revenues grew 95% during the year, to SEK 287 M (147). Mobile search accounted for 8% (4%) of Eniro's total revenue in 2013.

Operations

Searches performed from smartphones and tablets continue to grow sharply and are projected to account for nearly half of total searches in the near future. All of Eniro's main brands accelerated their traffic growth during the year. As more visitors use the company's services, Eniro can show better ROI reports to its paying customers, which supports a higher rate of reinvestment. Searches performed using mobile devices are highly direct and closer to points of purchase than those performed in other channels. The user is quite simply on his or her way and has a need to find something specific at that very moment. Eniro's ranking model in list form works well on the limited space offered by smartphone screens, and the value for the companies displayed on the screen is higher. As many as 65% of total clicks are made on paying customers' advertisements. Of all clicks, 65% are made of the five companies on the top of the list. More than half of the searches are generated via mobile Internet, while the rest come from use of the company's local mobile apps.

Products

Eniro offers mobile advertising packages for companies that want to be searchable for potential customers in Eniro's search service. The limited screen space on smartphones makes the ranking model even more relevant for paying customers. Eniro's customers buy a base package that makes them searchable on desktop computers and mobile devices. By purchasing a base package, Eniro's customers gain a higher position among ranked companies. Aside from the base package, customers can buy extra advertising and exposure on mobile devices. Eniro offers specific mobile packages, such as Mobile VIP, Mobile Gold, Mobile Silver and Mobil Bronze. The top-selling mobile products aside from the base package consist of extra profiling, such as logos, deep links and multiple keywords.

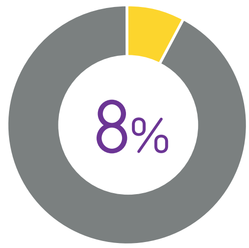
Performance 2013

The number of visitors who used Eniro's search services either via mobile Internet or mobile apps continued to rise during the year. Eniro has been highly successful at capitalizing on the growing traffic, and Mobile search revenues rose 95% to SEK 287 M (147), which is in line with the communicated forecast of SEK 300 M.

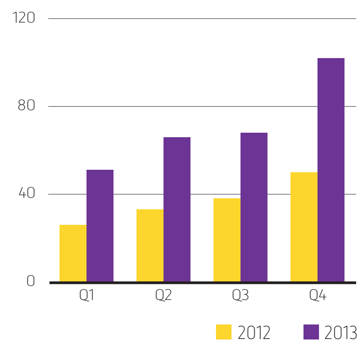
Future outlook

Eniro has carried out product development activities aimed at bringing about a more effective and faster process, and for taking its mobile service to the next level. Eniro continues to add enhanced user and customer benefit to its existing brands. In early 2014, the search services are being further developed, with a more uniform design regardless of channel. The technical platform will be simplified further, at the same time that the number of searchable products and services is being dramatically expanded. Eniro will be taking the first step towards intermediating sales of products and services through its sites. In this capacity, Eniro will not hold any inventory or handle distribution, but will serve as a go-between and intermediate business for its paying customers. In early 2014 Eniro will be launching a GPS function for smartphones that enables direct navigation from Eniro's high quality maps in users' cars. Eniro's customers will be able to subscribe for the navigation function and also be searchable in the same window. Eniro's target is to reach SEK 900 M in mobile revenue in 2015.

Share of Group revenue 2013



Operating revenue, SEK M



Brief facts

	2013	2012
Operating revenue, SEK M	287	147
Revenue trend, %	95	116
Share of Eniro, %	8	4

Campaign products

In the Campaign products segment, Eniro offers a complementary form of advertising based on external networks provided by third-party suppliers combined with internal sites. Revenues for this business grew 5% in 2013, to SEK 246 M (234). Campaign products accounted for 7% (6%) of Eniro's total revenue in 2013.

Operations

Eniro offers its advertising customers a complementary form of advertising on their own sites and with external partners, such as Google and Bing. Products are sold by a separate sales force under the Kvasir Media brand in Sweden and Norway, and under the Krak Media Group name in Denmark. In Poland, websites are sold under the Panorama Firm core brand. As a complement to the traditional search service, Eniro provides digital add-on services, such as search engine optimization, keyword and banner advertising, and establishment of websites and videos. Eniro is an authorized retailer for Google and Bing in Sweden, Norway and Denmark, which in combination with its own local search services, makes Eniro an advisory media agency for digital media. Although margins for Campaign products as a result of partnerships like these are lower than for other revenue categories, the products offered represent growth areas in the media market. Eniro charges a service fee to offer total advertising solutions for customers. Campaign products are a volume business that requires effective sales and matching processes in order to be able to achieve satisfactory profitability. Revenues in the growth area are generated primarily when delivery takes place through a keyword click or when a banner advertisement is shown. A smaller portion of revenues, such as website and search engine optimization services, have a subscription-based revenue model.

Products

The business can be divided into two revenue categories that are essentially equal in terms of size:

- Keyword advertising and search engine optimization services that are based on a click-performance model, and digital add-on services, such as establishment of websites and videos
- Banner advertising, where the number of visitors who are exposed to the advertisement forms the basis for value creation

Eniro gives its customers an opportunity to buy banner advertising in Eniro's own network and on platforms belonging to partners.

Eniro helps its customers optimize their searchability by creating relevant keywords and establishing a website that is search engine optimized. Eniro also offer video production through subcontractors. To offer transparency for customers, Eniro shows customers the benefit of their investment in a dedicated customer portal.

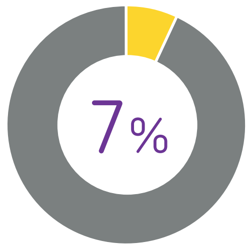
Performance 2013

During the year Eniro worked intensively on improving the efficiency of and automating the services offered under Campaign products. Although this work resulted in a slightly lower rate of growth than in the preceding year, it laid the foundation for future growth with higher profitability. The decision has been made to concentrate business on external partners and to not build own networks for keyword advertising. This decision will lead to improved profitability. Revenue for Campaign products rose 5% in 2013, to SEK 246 M (234).

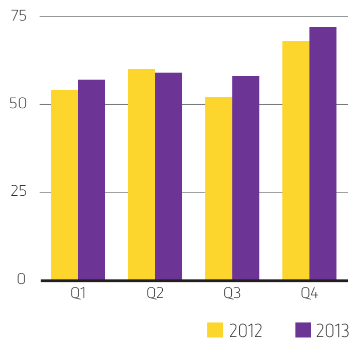
Future outlook

By concentrating the business on offering campaign advertising in networks run by external partners, such as Google and Bing, Eniro will be able to automate the process and further reduce costs. The total media market covered by the Campaign products segment is expected to show continued strong growth, not least in the mobile segment, in keyword advertising, and in search engine optimization services.

Share of Group revenue 2013



Operating revenue, SEK M



Brief facts

	2013	2012
Operating revenue, SEK M	246	234
Revenue trend, %	5	24
Share of Eniro, %	7	6

Print

The market for printed directories has shifted over to digital search services. In line with Eniro's revenue forecast for the year, print revenues continued to decline. Revenue for the year totaled SEK 507 M (740). Starting in 2014, all of Eniro's core brands will be entire digital. Print accounted for 14% (19%) of Eniro's total revenue in 2013.

Operations

Eniro has adapted its business in recent years to users' changed search behavior. An ever-growing share of information searches are being performed in digital channels. The advertising market for printed directories has, as a result of lower use, decreased in recent years. Eniro began its digitalization at an early stage, in 1996, by launching an online version of its printed directory. The company has now completed this transformation, and the remaining printed directory business is profitable. Eniro has decided to stop publishing the regional, printed directory Gula Sidorna in Sweden in 2014. As a result of this decision, all of the core brands (eniro.se, gulesider.no, krak.dk and panoramafirm.pl) are fully digital as from 2014. Consequently, Eniro's base advertising package will include only digital advertising through the desktop and mobile search channels.

Eniro will continue to publish its local directories, which have municipal geographic coverage. Use of local directories is still considerable, and the product still has relevance for Eniro's advertising customers.

Products

Eniro offers advertising in local, printed directories in Sweden, Norway, Denmark and Poland. Advertising in local directories is sold by a separate sales force as a complementary offering to the digital package. The products are sold under the local, well known brands Din Del in Sweden, Ditt Distrikt in Norway, and Mostrup and Den Røde Logalbog in Denmark.

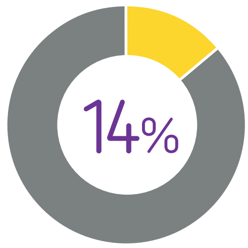
Performance 2013

Use of the regional printed directories continued to decline during the year, which makes this form of advertising less attractive for Eniro's customers. However, the local directories are still used to a high extent and offer user benefit for local searches. The market for regional directories has fallen more sharply than for local directories, which is beginning to level out. In 2013, local directories accounted for 57% of Eniro's total print revenue. Total revenue for printed directories decreased by 31% during the year, to SEK 507 M (740).

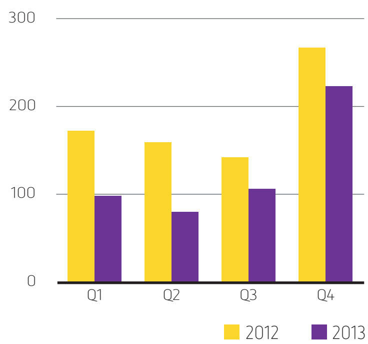
Future outlook

Eniro will continue to publish printed local directories as long as they remain in demand among the company's customers and users, and as long as satisfactory profitability can be maintained. Operations will be adapted on a continuous basis to reduce overheads. Eniro expects revenues from Print to amount to approximately SEK 250 M in 2014.

Share of Group revenue 2013



Operating revenue, SEK M



Brief facts

	2013	2012
Operating revenue, SEK M	507	740
Revenue trend, %	-31	-30
Share of Eniro, %	14	19
Printed directories, millions	11.4	12.6

Voice

The market for personal directory information services continued to decline during the year as a result of greater use and growing penetration of smartphones. In line with Eniro's communicated forecast, revenues continued to decrease and amounted to SEK 689 M (769). Profitability remained satisfactory, and EBITDA amounted to SEK 251 M (279).

Operations

With the rise of digitalization and widespread smartphone penetration, the market for directory information services has experienced a declining trend in recent years. However, despite the decrease in overall use, the service is expected to be maintain some relevance for users in the foreseeable future. There are numerous situations that do not allow for searches from a desktop computer or smartphone.

Eniro provides directory information services in Sweden, Finland and Norway. In Finland, in addition to the directory information service, Eniro has a small call center operation along with switchboard and customer service operations on behalf of contracted customers. Eniro has been active in consolidating the contracting market for directory information services. In Sweden the company is the market leader with its 118 118 service at the same time that Eniro's phone operators handle incoming calls from the competitor 118 100. In Norway, during the year Eniro's directory information service 1880 merged with the challenger brand 1888. The acquisition has contributed to volume and cost synergies.

Products

Eniro has continuously developed the traditional directory information service to also encompass premium services such as route descriptions, information about public transport, and booking services for hotels and restaurants. Customer surveys indicate that the services have a high level of quality and are appreciated by users.

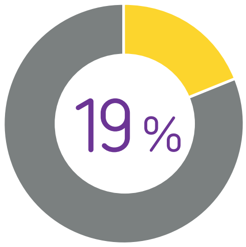
Performance 2013

The number of incoming calls and text messages (SMS) continued to fall during the year in all markets. Price increases carried out in late 2012 helped compensate for part of the total volume decline. In Finland, the outsourcing operation showed a downturn as a result of changed legislation. The drop in revenue has resulted in streamlining and concentration of the operations. As a result of general volume decreases in all markets, a number of offices were closed during the year in an effort to maintain profitability. Total revenues for Voice decreased by 10% to SEK 689 M (769). Profitability for Voice remained good, despite restructuring costs. EBITDA was SEK 251 M (279), entailing an EBITDA margin of 36.4% (36.3%).

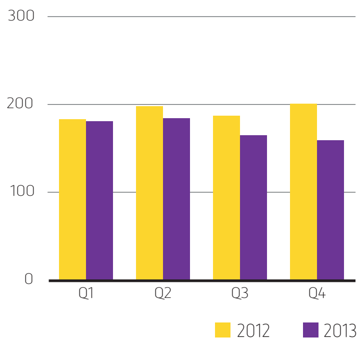
Future outlook

Volumes are expected to continue falling in pace with the declining market trend. The effect of growing smartphone penetration is expected plane out and subside in the years ahead. The service of providing information by text message (SMS) is expected to disappear within a few years, and although revenues will decrease, the revenue category is expected to continue contributing to the company's profitability and cash flow. The channel is expected to continue to have a long life and stay relevant as long as Eniro's customers and users perceive the service as attractive and as long as satisfactory profitability can be achieved. The ability to continue carrying out price increases to counter lower volumes is judged to be low.

Share of Group revenue 2013



Operating revenue, SEK M



Brief facts

	2013	2012
Operating revenue, SEK M	689	769
Revenue trend, %	-10	-14
Share of Eniro, %	19	19
No. of calls, millions	16.1	24.2
No. of SMS messages, millions	3.9	4.9

Industry-specific terms and explanations

App
A mobile application, in short a mobile app or just an app, is a small application program for mobile devices, such as mobile phones, smartphones and tablets. Eniro offers a free local search app that can be easily downloaded to a mobile device.

Banner/display advertising
A web advertisement that is bought for display in a specific channel online. The advertising company pays according to the number of visits generated by the advertisement.

Churn
The annual percentage of customers lost in relation to the total customer base.

Customer report, ROI report, Return On Investment
Eniro's monthly report that is sent to the company's customers to show them the customer benefit created by an investment in Eniro's channels. An ROI report provides an overall view of the customer's advertising with Eniro. The report enables evaluation of any changes in the channel mix to assess which advertisements generate the most customer contacts.

Google Adwords
Under a cooperation agreement with Google, Eniro is an authorized retailer of keyword advertising in Google's channels. The agreement strengthens Eniro's offering in the keyword search market.

Keyword advertising
The purchase and placement of specific keywords in various networks which, through a click by the user, takes him or her to the advertising company's website. The cost is paid by the advertising company when the user clicks on the keyword link.

Mobile search
Information searches performed from a mobile device on the Internet or via a downloaded app in a mobile device.

Multiscreen
The use of various types of digital screens for information searches. By Eniro's definition this encompasses searches performed by a desktop computer, smartphone or tablet.

Native app
The most common types of mobile apps are called native apps, which are developed for a specific phone manufacturer and are dependent on a specific platform. The most common native apps are iOS and Android.

One-stop-shopping solution
Eniro's combination of offering advertising customers local searchability through listing online for desktop computers and in the mobile channel, and the company's campaign products business, which encompasses keyword and banner advertising along with search engine optimization services.

Product search
Eniro's local-search platform that makes it possible for users of the service to find local information about relevant products and services.

Proff
Eniro's B2B brand, which provides information about all companies in the Nordic region, enables monitoring of new deals, and includes information about industry executives in the respective countries.

Responsive design
A web technique that enables layout and design of a web page to change and adapt itself, depending on the visitor's screen resolution. The website detects if the visitor is visiting via a tablet, smartphone or desktop computer.

Search Engine Optimization (SEO)
A service in which Eniro helps small and midsize companies optimize their websites to incorporate keywords that are relevant for the company's business. Use of the right keywords on customers' websites ensures that the websites gain a higher placement on search engines.

Semantic search
Refers to the growing trend in which users string together several words or sentences in their searches. By implementing technical solutions that capture this behavior, the ability to present a relevant search result is improved.

Total unique visitors
The combined number of unique visitors in complementary channels, such as desktop, mobile devices, mobile Internet and apps.

Unique visitors
The number of unique visitors who visit a website in a given week. A unique visitor is counted only once a week.

Visitor
Every visit is counted once a week. A visit can consist of several page views. If more than 30 minutes passes between page views, the new view is counted as a new visit.

Website crawling
An automated and systematic search of the Internet to increase the information in Eniro's database.

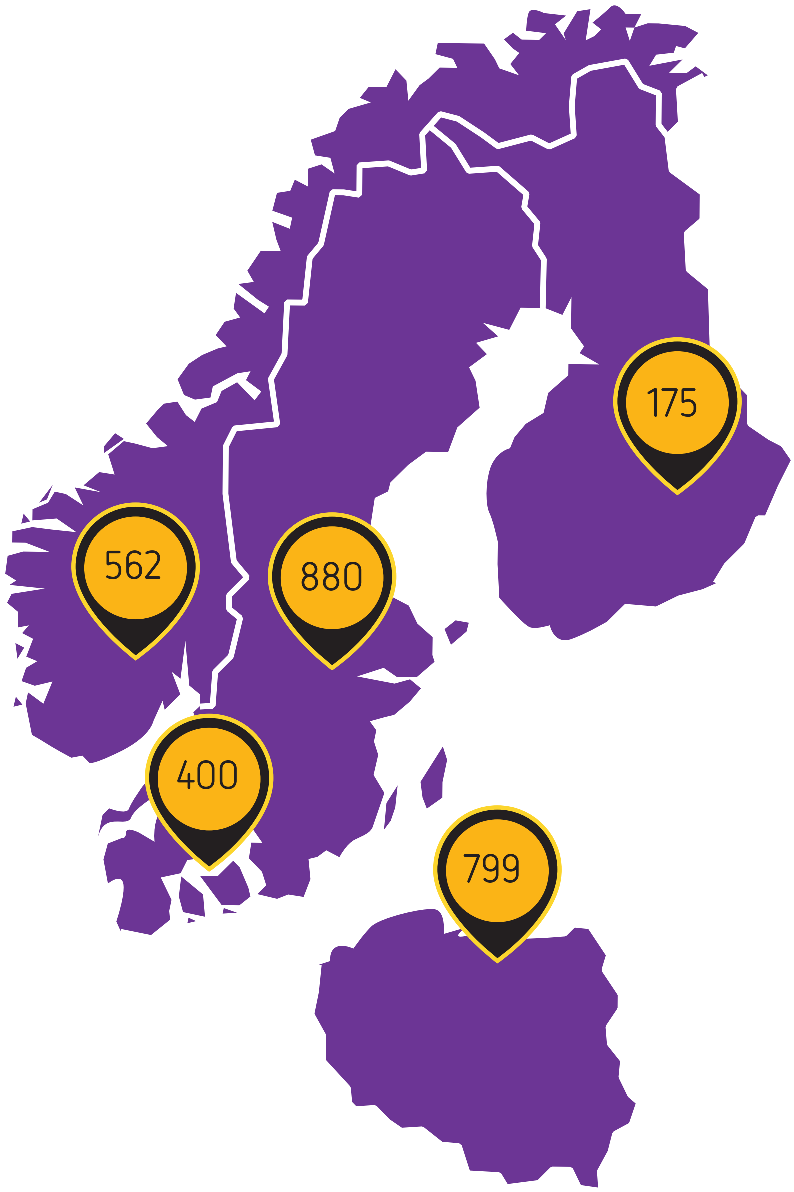
24/7
Searchability 24 hours a day, seven days a week, 365 days a year.

Eniro's employees

Brief facts

	Sweden	Norway	Denmark	Finland	Poland
Full-time employees in market units and staff functions, Dec. 31, 2013	880	562	400	175	799
Sales staff in relation to total number of employees in market units, %	80	69	78	-	78
Women/men, %	49 / 51	45 / 55	50 / 50	62 / 38	59 / 41
Work attendance rate, %	94	94	94	93	92

Eniro has a total of 2,816 employees in five countries



Large sales force

Eniro has one of the largest sales forces in the industry in the Nordic countries and Poland. Through Eniro's broad office network, every year the company's sales representatives reach hundreds of thousands of current and potential customers. Personal contact by phone or in a face-to-face meeting creates opportunities for Eniro to improve customers' advertising at the same time that Eniro gains an opportunity to present new products or drive added sales. Eniro currently has 30 sales offices in the company's various geographic markets.

Concentrated development

Eniro's product and service development is conducted centrally for the entire operation. Product development is concentrated to Sweden and Poland. A total of approximately 250 employees work with the product process from idea to marketable product, analysis of traffic trends, database content, own and external market channels, and market analysis and trend monitoring.

Homogenous markets

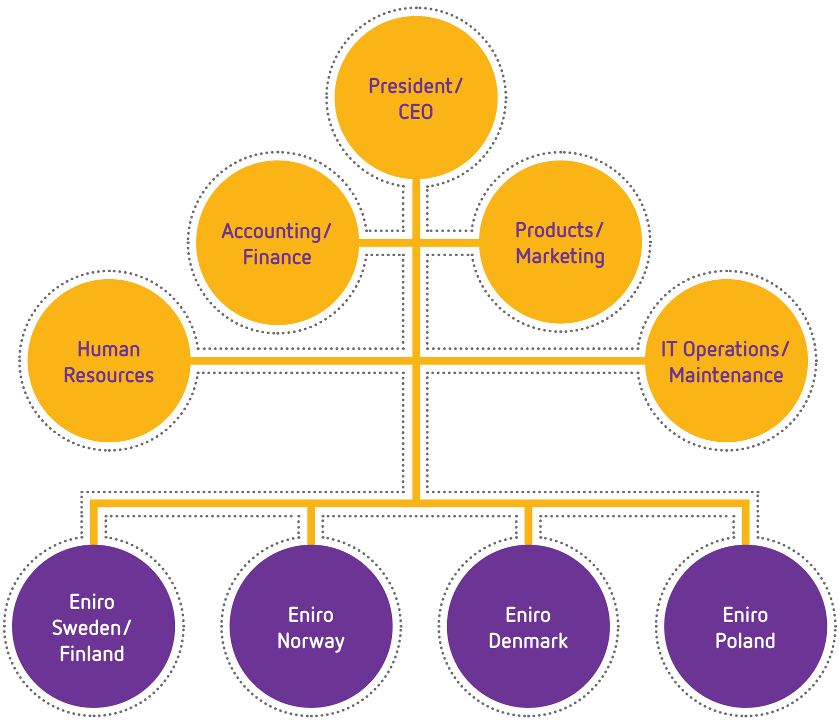
Eniro conducts its operations in a similar manner regardless of geographic market. An analysis of users and customers shows that users' needs to find local information and Eniro's customers' needs to be searchable are the same from country to country. The common search trends and driving forces in the market enable a centralized and more efficient organization.

Eniro's organization

Eniro has carried out a number of organizational changes in recent years in order to achieve operational efficiency and cost synergies. Starting a year ago, the product development unit has been working according to a joint agenda, which has shortened lead times. IT development is procured centrally and is handled in a joint, uniform manner for all markets. The focus for 2014 is on creating a more efficient and faster go-to-market function.

Organization

Eniro has 2,816 employees in five countries: Sweden, Norway, Denmark, Finland and Poland. Apart from sales representatives, who account for the absolute majority of the work force, technicians, economists and programmers are significant professional categories. Central support functions for the markets are Accounting/Finance, Human Resources (HR) and Products/Marketing – which converts ideas to marketable products and services, develops the database content, analyzes traffic trends and produces external market communications. The IT Operations/Maintenance unit ensures operational quality, and manages and develops the IT infrastructure. HR is responsible for local, operational units in each country which train and develop employees at the local level. Strategic HR processes are developed centrally with input from local representatives and managers.



Reorganization and stronger focus on product development

During the last three years Eniro has centralized large parts of its market communication and introduced a joint infrastructure and central product development, which has resulted in substantial cost savings. To further shorten lead times in product and service development and contribute to further cost efficiencies, at year-end 2013 Eniro carried out a reorganization and restructuring. It is estimated that the reorganization will reduce costs in 2014 by more than SEK 100 M. In connection with this reorganization, the number of employees was cut by approximately 135 people. The changes were carried out to strengthen the product development unit and increase the effectiveness of central support functions. The organizational change affected employees in the support functions in all markets. The new organization also entailed a shift of responsibility for the Group's marketing from the communications department to the product development unit.

As a step in the work on sharpening Eniro's focus on product development, Mattias Wedar, formerly President of Eniro Sweden, was named as head of product development at Eniro. This move will both strengthen Eniro's future offering of local search services and shorten the process from idea to commercial product or service. Magdalena Bonde, who has been successful in her role as the head of Eniro's Voice operations, has been named as the new President of Eniro Sweden.

More strategic HR work in 2013

Focus during the year was on continued development and efficiency improvement of existing work processes. A new HR organization has been implemented, which will strengthen local geographic ties.

The new work approach designed by Eniro's Human Resources unit is focused on providing the right tools and processes, local competence development of managers at all levels, outsourced recruiting, more targeted training of sales representatives, and certification to elevate the status of the sales profession, to name a few measures. These efforts have already begun generating effects, which can be seen most apparently in lower staff turnover.

Positive trend

In 2013 Eniro took steps to continue lowering staff turnover in the sales force, which has been at an excessively high level for some time.

A positive trend has been noted for staff turnover in the sales force, which decreased from 50% in 2012 to 40% in 2013. All markets have reduced their staff turnover by at least 10 percentage points, and the trend remains positive. The goal for 2014 is to achieve a staff turnover rate of 20%, which is a more normal and realistic level, even though the telephone sales profession is by nature volatile. The goal for 2015 is to achieve a further reduction in the employee turnover rate, down to 15%.

Attracting and retaining the right people

By finding the right people, making sure that new hires are incorporated in the operations in a positive manner and making it clear for them what a career with Eniro looks like, Eniro is taking steps to deal with its historically high rate of staff turnover. Since 2012 we have attacked this problem from various perspectives, and we are now seeing that these measures are leading to positive results. In 2013 we saw increasingly clear effects of the work carried out to date.

One factor behind the considerable improvement in staff turnover, which is mainly in the sales force, is our new focus on local recruitment. Since March 2013 Eniro has been outsourcing all recruitment in sales. The chosen partner is Proffice, which in a short time has proven to be cost-effective as well as intuitive with respect to competence succession. Proffice has an established presence and strong local networks in Sweden, Norway and Denmark, which will benefit Eniro by allowing us to work in a more planned and focused manner, and find the right people more directly. Eniro has also successfully tested new paths for reaching its target groups, including Facebook, Twitter and speed-recruiting. Attracting the right people results in lower costs, and with a flexible fee model, the cooperation with Proffice has been highly successful.

Training and coaching locally

One of the goals during the year was to free up time for managers to coach new employees and thereby improve their goal achievement. With representatives from Eniro's HR Business Partner department on site at regional offices in Malmö, Kalmar and Stockholm, first-line managers have needed support on hand, resulting in improved quality of training.

Eniro Business School (Eniro's internal sales school) has been streamlined and improved, and provides the training that will ensure the competency of sales representatives and sales managers at the regional offices. The program focuses on training managers to be good themselves at training, coaching and developing their own sales representatives. The method intertwines hands-on practice with teaching of sales techniques and product knowledge from the time a new sales representative walks in the door until he or she is ready to take on the role of a full-fledged sales rep. These activities have been moved from the head offices to the local offices where the salespeople work. Eniro has also gotten better at sharing knowledge gained in the respective countries in an effective manner and adopting best practices from other parts of the Group. Streamlining and harmonization of the sales forces in each country is creating strength and cohesion for Eniro.

In 2012 the company's values were identified: devoted, perceptive and reliable. In 2013 the HR organization worked on clarifying what these mean for us at Eniro and on anchoring them in the employees' daily work. One activity

Eniro values

carried out during the year in this area was based on a practical values game that employees in all countries participated in. The game involved a testing of employees' knowledge about Eniro and confronting them with a moral dilemma, where they were forced to think about how they would act in various situations based on the company's values. By putting the spotlight on the values and testing them in practical situations, they become more concrete for the employees.

Employer branding

While there are many things that can be done to be an attractive employer, Eniro is convinced that it must start from within. Parallel with its external efforts, Eniro has therefore worked internally with a web survey in all countries, where we asked employees what it entails to work for Eniro, what our strengths are, and other similar questions.

Eniro highlighted this work by drawing examples from real situations in which employees have taken the company's values and translated them to practice. Eniro's employees come from a multitude of backgrounds and frames of reference, and we attach a premium to diversity and diverse thinking. In addition, we comprise a number of different companies in different countries, with varying cultures. To capitalize on this power of diversity without being splintered, we have been working to foster cohesion across national borders. Eniro highlights good examples in an effort to create a shared view of who we are and what unites us. We are convinced that we thereby created a shared sense of pride, which is decisive for also being perceived as an attractive employer externally.

Eniro continues to work closely with the employer branding company Universum. This partnership is important for our ability to reach out to prospective employees in younger target groups, who are at the start of their job careers. Eniro has been a driver behind the work in getting Universum to create a digital platform for reaching future employees. From this digital platform, potential employees can learn about actual job interviews from Eniro employees and find out more information about career opportunities and similar.

Social responsibility

Many young people today have a misinformed picture of what the sales profession entails, and as a result they often do not seek sales training opportunities or a career in sales, even though this may often benefit them in their future career development. In an effort to raise the status of the sales profession, Eniro has initiated cooperation with vocational colleges, Junior Achievement, marketing schools and others. One reason for the undeserved poor reputation of the sales profession is that there are many unserious actors with poor terms of employment. Eniro wants to make it easier for customers and potential employees to distinguish the serious companies by creating a seal of quality as a voucher that the company meets various requirements that apply for the sales profession, terms of employment, complaints and similar. In early 2014 Eniro is launching one such initiative, called Trygg Affär ("Secure Business"), together with a number of stakeholders, including Unionen, Sweden's largest trade union in the private sector.

Trygg Affär

to be launched in 2014 together with various stakeholders, including Unionen

tryggaffär.se

In 2012 we carried out a project called "Grass Roots", in which we hired a large number of summer employees dedicated to improving the quality of our existing database and adding new information. The plan is to further develop this work and conduct local initiatives at more locations and in more countries in 2014.

Largest employee initiatives planned for 2014

In 2014 we will be working to further define and clarify our internal career paths. Eniro offers good opportunities for competence development and to develop and pursue a career in sales. Eniro aspires to capture the ambitions that exist by being transparent and by helping employees see the career opportunities offered by Eniro.

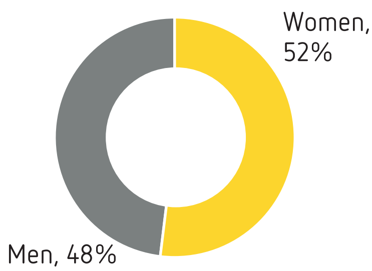
In the year ahead Eniro will continue its work on the certification process that has begun in the company. This certification entails that a sales representative performs various tests to acquire knowledge and skills in sales and about our products. Proof of knowledge enables the employee to take a step further and advance within Eniro.

Eniro also plans to conduct product training for all employees. This training will lead to an increased understanding of the services that Eniro sells and how the company creates user benefit for visitors to its sites and for advertisers. Having a greater understanding leads to greater pride and commitment.

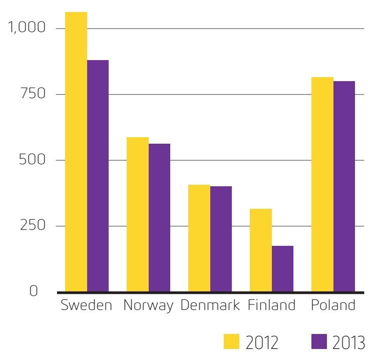
Brief facts, total for all countries

	2013	2012
Full-time employees, number	2,816	3,187
Sales representatives in proportion to total employees, %	44	42
Work attendance rate, %	94	94

Gender breakdown 2013



Employees per country



Share data

Share data

The Eniro Group's financial information and communication with shareholders shall be clear, correct and transparent. Communication should contribute to a greater understanding among investors and analysts of Eniro's business, opportunities, challenges and driving forces.

Shareholder information

www.enirogroup.com – an important information source for shareholder communication

Eniro's website, *www.enirogroup.com*, is the most important location for gathering all communication from the company to its stakeholders. All current and historical information that has been communicated is posted and available for downloading from the website. The website is developed and updated on a continuous basis to meet the need for reliable, current information about the company's business and performance. In addition to more detailed descriptions of Eniro's business activities, the website also includes such information as financial statistics, shareholder data, corporate governance, the Board of Directors and management, financial press releases, interim reports, presentations and annual reports. Eniro also provides a subscription service that gives the company's stakeholders an opportunity to subscribe for financial information.

Dividend

The financial target of reducing Eniro's net debt in relation to EBITDA has precedence over payment of dividends to owners of the company's common shares. The company's target is that net debt in relation to EBITDA shall not exceed 2. Eniro's board of directors therefore proposes that no dividend be paid for the company's common shares for the 2013 fiscal year, and that the disposable funds instead be carried forward.

Eniro's preference shares are entitled to a yearly dividend of SEK 48 per share and year. The Board of Directors proposes payment of a dividend of SEK 48 per preference share for the 2013/2014, for a total dividend payout of SEK 48 M. It is proposed that dividends be paid out in three-month intervals.

Annual General Meeting 2014

The Annual General Meeting (AGM) of Eniro AB (publ) will be held on Thursday, April 24, 2014, at 3:00 p.m. (CET), at the company's headquarters. Address: Gustav III:s Boulevard 40, Frösunda, Solna, Sweden. Doors to the AGM will open at 2.00 p.m. The record date for shareholders to be able to participate at the meeting is Wednesday, April 16, 2014. In order to be able to participate at the AGM, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names, so that they are listed on Euroclear Sweden AB's shareholder register. In addition to ensuring that their shares are registered in their own names in Euroclear Sweden AB's register, shareholders must notify the company of their intention to attend the AGM well in advance of Wednesday, April 16, 2014.

Notification may be made on the company's website, *www.enirogroup.com*, by phone at the number listed below, or by post at the address listed below.

Telephone: +46-8-402 90 44
Post: Eniro, Annual General Meeting
Box 7832
SE-103 98 Stockholm

Shareholders who cannot attend the Annual General Meeting in person have the right to designate a representative to vote for them. Such shareholders must complete and sign a written power of attorney, which can be downloaded from Eniro's website: *www.enirogroup.com*. Such power of attorney must be sent in original to Eniro AB, Corporate Legal Affairs, SE-169 87 Stockholm, Sweden.

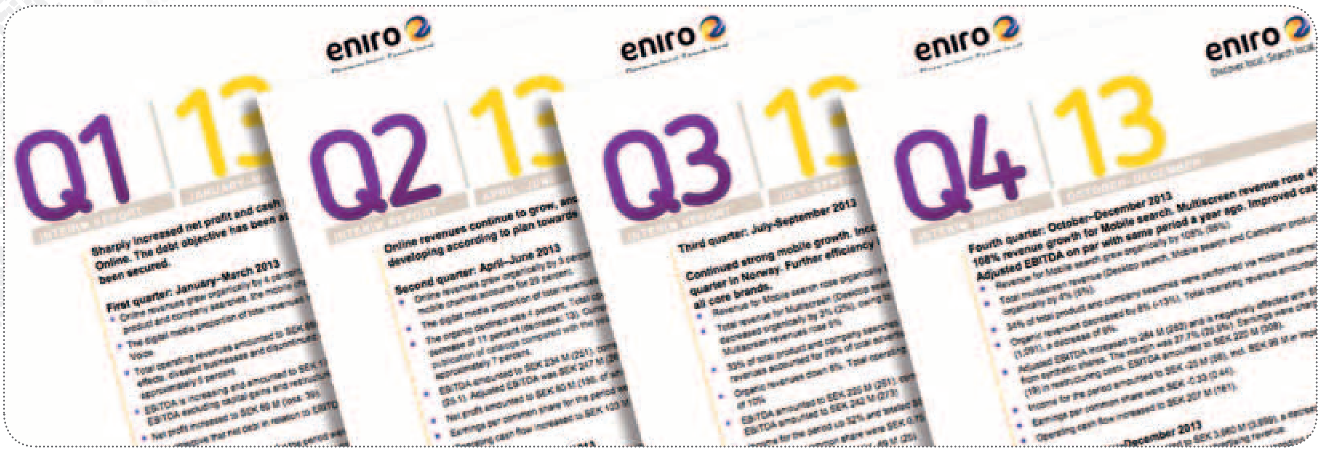
AGM calendar 2014

April 16, 2014
Deadline for notification to attend the AGM

April 16, 2014
Record date for participation at the AGM

April 24, 2014
2:00 p.m. (CET) Doors open for entry to the AGM
3:00 p.m. (CET) Start of AGM

Investor relations



Eniro's Finance and Investor Relations departments provide relevant information to the capital market, investors, shareholders and other interested parties, in accordance with applicable legislation, Nasdaq OMX's rules and regulations, the Swedish Corporate Governance Code, Eniro's information policy and general recommendations.

Eniro strives to provide correct, fair and transparent information. In connection with interim financial reporting, the company arranges webcasts, where shareholders and other interested parties have the opportunity to direct questions to the CEO and CFO. In addition to these webcasts, Eniro participates in various forums and seminars in order to present the company's business and activities. Company representatives also travel abroad to meet with foreign shareholders.

Eniro's annual reports, quarterly reports and press releases are published in both Swedish and English, and are available for downloading as PDF files from the Group's website. Through Eniro's subscription service, all interested parties can create a personal user account along with a user profile, to receive the desired financial information. To create a user profile, visit: *www.enirogroup.com/*prenumerera.

Contact

Head of Investor Relations
Cecilia Lannebo
Tel: +46-722-208 277
E-mail: *cecilia.lannebo@eniro.com*

Cecilia Lannebo is responsible for investor relations and financial communication with shareholders, the media and other interested parties, as well as for the content of Eniro's website *www.enirogroup.com*

Financial calendar

Eniro's financial reports are scheduled for publication on the following dates:

Interim report, January–March 2014	**April 24, 2014**
Half-year interim report, January–June 2014	**July 16, 2014**
Interim report, January–September 2014	**October 24, 2014**
Year-end report, January–December 2014	**February 7, 2015**
Annual Report 2014	**April 2015**

Addresses

Sweden
Eniro AB
Gustav III:s Boulevard 40
Solna
SE-169 87 Stockholm
Tel: +46 8 553 310 00
E-mail: *info@eniro.com*

Norway
Eniro Norge AS
Olaf Helsets vei 5
N-0694 Oslo
Tel: +47 81 54 44 18

Denmark
Eniro Danmark A/S
Sydmarken 44 A
DK-2860 Söborg
Tel: +45 88 38 38 00

Finland
Oy Eniro Finland AB
Valimotie 9-11
FI-00380 Helsingfors
Tel: +358 290 100 100

Poland
Eniro Polska Sp. Z o. o.
ul. Postępu 14A
02-676 Warszawa
Tel: +48 22 289 2000

Eniro shares and ownership structure

Eniro's market capitalization at year-end was SEK 5.5 billion, including the value of the company's preference shares. Eniro's common shares, which are listed on Nasdaq OMX Stockholm, performed well during the year, rising 349%. The preference shares also grew in value, by 6% for the year.

Share classes

Eniro has two classes of stock, common shares and preference shares. Both classes are listed and are traded daily on the Nasdaq OMX Stockholm exchange, Mid-Cap list, under the Discretionary/Advertising category. Eniro's common shares have been listed since 2000, while the preference shares became listed in spring 2012. The common shares and preference shares have different voting rights, with the common shares carrying entitlement to one vote each, and the preference shares carrying entitlement to one-tenth of a vote each. At year-end the common shares were included in the OMXSPI index with a weighting of 0.11 (0.03).

During the year, Eniro issued class C shares to ensure delivery of the performance-based incentive program that was decided on by the 2013 Annual General Meeting. A total of 1,700,000 shares were issued, which were immediately converted to common shares. Through the increased number of shares, Eniro's holding of treasury shares increased from 3,266 common shares to 1,703,266 common shares. These shares carry no voting rights nor right to dividends.

Trading volume[1)]

A total of 111,984,379 Eniro common shares were traded in 2013 on Nasdaq OMX Stockholm. Average daily trading volume was SEK 10.6 M for the common shares and SEK 1.8 M for the preference shares. The turnover rate for Eniro's common shares on Nasdaq OMX Stockholm was 1.3 times during the year, compared with the market average of 0.67 times for shares included on the OMX SPI index (OMX Stockholm Exchange All-Share Index). This indicates that Eniro's shares continue to have a high level of liquidity.

Marketplaces[2)]

Most trading in Eniro shares in 2013 – approximately 82% – was conducted on Nasdaq OMX Stockholm. In addition to this trading, 7% of share trades were conducted on the Turquoise marketplace, 6.2% on Chi-X Europe Limited, and 4.5% on Bats Europe.

Price trend and market capitalization[1)]

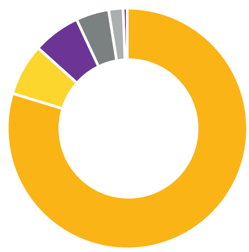
Eniro's market capitalization at year-end 2013 was SEK 5.5 billion, including the value of the company's preference shares. The Company's market capitalization grew by SEK 4.4 M compared with the level on December 31, 2012.

The ten largest shareholders, December 31, 2013

Largest shareholders	No. of common shares	No. of preference shares	Holding, %	Votes, %
JPM Chase NA	8,365,019	0	8.1	8.2
Staffan Persson, company and family	8,196,078	0	8.0	8.0
Swedbank Robur funds	8,093,835	0	7.9	7.9
Danske Capital Sverige AG	6,094,677	126,735	6.0	6.0
Odey Capital	4,493,227	0	4.4	4.4
Skandinaviska Enskilda Banken	3,908,893	5,324	3.8	3.8
Unionen	3,904,027	0	3.8	3.8
DFA International Small Cap Value Portfolio	2,385,868	0	2.3	2.3
Länsförsäkringar Fondförvaltning AB	1,913,336	0	1.9	1.9
Eniro AB	1,703,266	0	1.7	1.7
Total, 10 largest shareholders	**49,058,226**	**132,059**	**48**	**48**
Others	51,119,248	867,941	52	52
Subtotal	**100,177,474**	**1,000,000**	**100.0**	**100.0**
Of which, treasury shares	1,703,266	0	1.7	0
Total	**101,880,740**	**1,000,000**	**100**	**100**

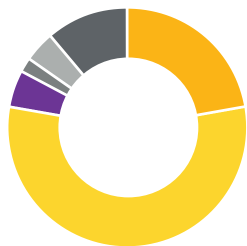
1) Source: Nasdaq OMX Stockholm. 2) Source: Fidessa.

Trading in various stock markets



- NASDAQ OMX Stockholm, 80%
- Turquoise, 7%
- Chi-X Europe Limited, 6,2%
- Bats Europe, 4,5%
- London Stock Exchange, 2%
- Burgundy, 0,4%

Categorical breakdown of owners



- Financial companies, Swedish, 22%
- Foreign owners, 55%
- Other Swedish legal entities, 5%
- Public sector, 2%
- Interest organizations, 4%
- Swedish private persons, 11%

The share price for Eniro's common shares rose 349% during the year, compared with the OMXSPI index, which gained 23%. The preference shares also grew in value, by 6% for the year. The highest price paid during the year was SEK 49.68, on December 27, and the lowest price paid was SEK 10.90, on March 19.

Ownership structure[3]

Ownership of Eniro by Swedish shareholders amounted to 45% at year-end, which is a decrease of 18% compared with December 2012. Of total foreign ownership of 55%, shareholders in the UK accounted for 22%. The U.S. was the second largest country in terms of foreign shareholdings, followed by the Netherlands and Luxembourg.

Dividend and dividend policy

Eniro will continue to give priority to reducing net debt in relation to EBITDA over payment of a dividend. The target is that net debt in relation to EBITDA shall not exceed 2. The company's long-term dividend policy, once the net debt target has been met, is that the dividend should amount to a minimum of 30% of net profit. Accordingly, the Board of Directors of Eniro proposes that no dividend be paid for the company's common shares for the 2013 fiscal year.

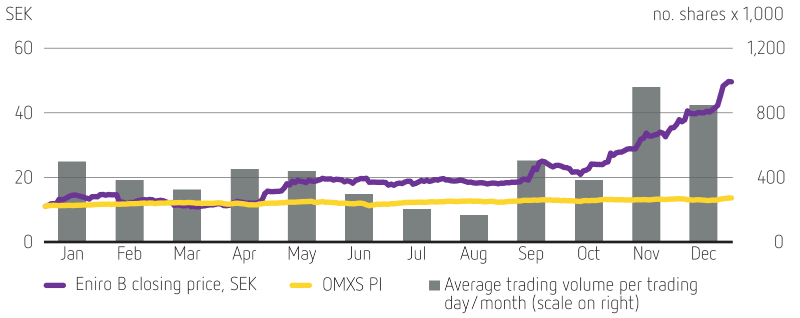
The Board of Directors proposes payment of a dividend of SEK 48 per share for 2013/2014 to owners of preference shares, for a total dividend payout of SEK 48 M. It is proposed that dividends be paid out in three-month intervals.

Share capital

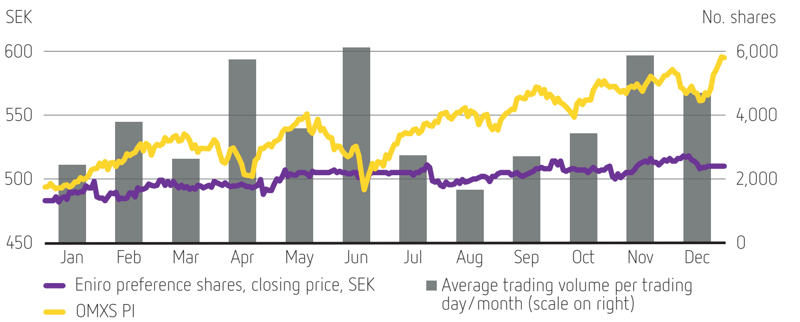
Eniro's share capital amounted to SEK 308,642,220 on December 31, 2013, divided among 102,880,740 shares, of which 101,880,740 were common shares with one vote per share, and 1,000,000 were preference shares with one-tenth (1/10) of a vote per share. The share quota value is SEK 3.

3) Source: Euroclear.

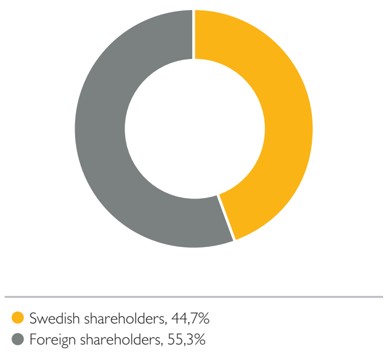
Price trend and trading in Eniro Class B shares, Jan. 1–Dec. 31, 2013



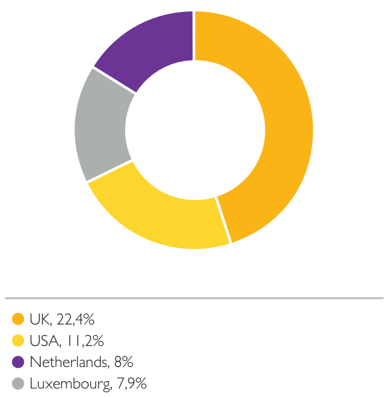
Price trend and trading in Eniro preference shares, Jan. 1–Dec. 31, 2013



Breakdown of Swedish/foreign ownership



Foreign ownership by country



Share information

Information	Common shares	Preference shares
Marketplace	Nasdaq OMX Stockholm, Mid-Cap	Nasdaq OMX Stockholm, Mid-Cap
Abbreviation	ENRO	ENRO PREF
ISIN-code	SE0000718017	SE0004633956
Trading lot	1	1
Market cap, December 2013, SEK M	5,052	510
Change during the year, %	349	6
Yearly high, SEK	49.68	518
Yearly low, SEK	10.90	482

Share distribution

Distribution	No. of shareholders	No. of common shares	No. of preference shares	Capital, %	Votes, %	Market value (SEK 000s)
1–500	7,793	775,872	116,588	0.85	0.77	90,973
501–1,000	1,204	866,770	81,605	0.91	0.85	80,785
1,001–5,000	1,388	3,135,224	147,723	3.15	3.07	215,169
5,001–10,000	255	1,855,837	114,588	1.84	1.8	123,504
10,001–15,000	99	1,149,949	36,704	1.19	1.18	72,256
15,001–20,000	50	895,240	15,867	0.87	0.88	46,793
20,001–	242	93,201,849	486,925	91.18	91.45	4,932,785
Total	**11,031**	**101,880,740**	**1,000,000**	**100**	**100**	**5,562,265**

Share data, December 31, 2013

Data	2013	2012
Earnings per common share, SEK	1.84	2.09
Shareholders' equity per common share, SEK	36.10	35.02
Dividend per common share, SEK	-	-
Dividend per preference share, SEK	48	32
Dividend payout ratio, common shares, %	-	-
Share price at year-end, common shares, SEK	49.59	11.05
Share price at year-end, preference shares, SEK	510	483
Dividend yield, common shares, %	-	-
Dividend yield, preference shares, %	9.49	5.24
Number of common shares at year-end, excl. own shares	100,177,474	100,180,740
Average number of common shares	100,177,474	100,177,474
Number of preference share at year-end	1,000,000	1,000,000
Average number of preference shares	1,000,000	1,000,000
Number of common shareholders at year-end	11,060	12,863
Number of preference shareholders at year-end	1,186	783

Analysts who monitor Eniro

Company	Name	E-mail
Carnegie	Fredrik Villard	fredrik.villard@carnegie.se
Handelsbanken Securities	Rasmus Engberg	raen01@handelsbanken.se
SEB	Stefan Nelson	stefan.nelson@seb.se

Future and forecast

Eniro is committed to achieving revenue growth. Through investments in product development, Eniro is today a digital search company with a strong position in the growing market for mobile search.

Revenue growth

Eniro has made extensive investments in developing the company's digital platforms for local search. The goal is to achieve growth in revenue from the multiscreen channel (desktop computers, mobile devices and campaign products). New products, a strong market position and the strongly growing mobile advertising segment, paired with continued innovations that complement Eniro's existing business, will drive growth. Eniro's value creation will be achieved mainly through organic growth. During the preceding year Eniro continued to improve its prospects for returning to growth.

Good profitability

Until Eniro returns to positive growth, the company will ensure good profitability and strong cash flow. Eniro will continue to make efficiency improvements and cut costs. The goal is to maintain EBITDA at a stable level, regardless of revenue development. Higher future revenues will provide earnings leverage, as the cost base is expected to remain relatively constant.

Dividend

Eniro continues to prioritize lower debt over payment of a dividend on the company's common shares. The Company's loan amortization plan entails that, in the foreseeable future, Eniro will reach its target of net debt in relation to EBITDA below 2.0. Eniro's goal thereafter is to strike a balance between repayment of debt to the company's financiers and payment of a dividend to the company's shareholders.

Target area	Financial target 2014	Long-term target
Growth	Revenues from the multiscreen channel (desktop computers, mobile devices and campaign products) are expected to rise. Revenues from Print and Voice, which account for a smaller part of the business, will continue to decline as a consequence of changed user behaviors.	To grow faster than the market and thereby capture market shares.
Lower costs	The goal is to achieve further cost-savings of at least SEK 200 M.	To continue efficiency improvements in the operations and thereby gain cost synergies and savings.
Earnings	The target is to achieve adjusted EBITDA at the same level as in 2013.	Through revenue growth we will achieve improved profitability that creates shareholder value.
Capital structure	To continue reducing net debt in relation to EBITDA.	Net debt in relation to EBITDA shall not exceed a multiple of 2.
Dividend	Priority is being given to reducing net debt over payment of a dividend on common shares. For the preference shares, the target is to pay a dividend of SEK 48 per share for 2014/2015.	The Company's long-term dividend policy, once the net debt target has been met, is that the dividend shall amount to at least 30% of net profit.

Key ratios etc.

	2013	2012	2011	2010	2009
Operating margin – EBITDA, %	23	24	24	11	27
Operating margin – EBIT, %	15	12	4	-78	11
Average shareholders' equity, SEK M	3,614	3,308	3,201	4,275	4,735
Return on shareholders' equity, %	6	7	-6	-108	13
Interest-bearing net debt, SEK M	2,340	2,704	3,535	3,951	6,645
Debt/equity ratio, multiple	0.63	0.76	1.17	1.14	1.09
Equity/assets ratio, %	46	40	31	33	36
Interest-bearing net debt/adjusted EBITDA, multiple	2.4	2.8	3.4	6.5	3.7
KEY RATIOS PER SHARE BEFORE DILUTION					
Net income, SEK (attributable to owners of the Parent Company)	1.84	2.09	-1.84	-248.43	59.05
Cash flow from operating activities[1]		4.19	3.70	20.00	134.40
Shareholders equity, SEK (attributable to owners of the Parent Company)	36.10	35.02	30.23	35.21	1,893.02
Average number of common shares, excl.own shares, 000s[1]	100,177	100,177	100,177	18,597	10,432
Number of common shares excl. own shares at year-end, 000s[2]	100,177	100,177	100,177	98,526	3,227
Number of preference shares at year-end, 000s	1,000	1,000	-	-	-
OTHER KEY RATIOS					
Average number of full-time employees	2,996	3,409	3,680	4,437	5,096
Number of full-time employees at year-end	2,816	3,187	3,626	3,926	4,994

1) Adjusted for reverse splits in July 2009 (4:1) and January 2010 (50:1), and bonus issue element (X 5.07) in rights issue in December 2010.
2) Adjusted for reverse splits in July 2009 (4:1) and January 2010 (50:1).

Figures for 2011 have been restated to correspond to the comparative year of 2012, in accordance with changed accounting policy for pensions. The figure for 2012 has been recalculated as the comparison year for 2013 to reflect changed accounting policy for pensions.

Five-year overview

	2013	2012	2011	2010	2009
CONDENSED CONSOLIDATED INCOME STATEMENTS (SEK M)					
Operating revenue	3,660	3,999	4,323	5,326	6,581
Operating income before depreciation and amortization (EBITDA)	849	976	1,031	605	1,807
Operating income after depreciation and amortization (EBIT)	534	481	176	-4,176	692
Income before taxes	392	341	-188	-4,739	232
Net income (attributable to owners of the Parent Company)	234	241	-184	-4,620	616
CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)					
Assets					
Goodwill	5,763	6,124	6,119	6,494	12,088
Other non-current assets	1,582	1,739	2,063	2,350	3,147
Current assets	813	1,081	1,607	1,743	1,957
Total assets	**8,158**	**8,944**	**9,789**	**10,587**	**17,192**
Shareholders' equity and liabilities					
Shareholders' equity (owners of the Parent Company)	3,653	3,543	3,028	3,469	6,109
Non-controlling interests	68	-	-	-	3
Non-current liabilities	2,675	3,331	4,201	4,516	8,341
Current liabilities	1,762	2,070	2,560	2,602	2,739
Total shareholders' equity and liabilities	**8,158**	**8,944**	**9,789**	**10,587**	**17,192**
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (SEK M)					
Cash flow from operating activities	481	420	371	372	1,402
Cash flow from investing activities	-119	-51	-141	-195	-299
Cash flow from financing activities	-440	-730	-117	-44	-1,083
Cash flow from discontinued operations	-	-	-	-	-
Cash flow for the year	**-78**	**-361**	**113**	**133**	**20**

Quarterly overview

Operating revenue per category

	2013					2012				
SEK M	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4
Desktop search	1,834	473	483	437	441	1,977	487	514	490	486
Mobile search	287	51	66	68	102	147	26	33	38	50
Campaign products	246	57	59	58	72	234	54	60	52	68
Multiscreen revenues	2,367	581	608	563	615	2,358	567	607	580	604
Print	507	98	80	106	224	740	172	159	142	267
Other products	97	26	21	23	26	132	37	37	39	19
Local search	2,971	705	709	692	865	3,230	776	803	761	890
Voice	689	181	184	165	159	769	183	198	187	201
Total operating revenue	**3,660**	**886**	**893**	**857**	**1,024**	**3,999**	**959**	**1,001**	**948**	**1,091**

EBITDA per revenue stream

	2013					2012				
SEK M	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4
Local search	670	126	181	168	195	777	126	218	187	246
Voice	251	57	73	66	55	279	57	66	73	83
Other	-72	-13	-20	-9	-30	-80	-27	-33	1	-21
Total EBITDA	849	170	234	225	220	976	156	251	261	308
Items affecting comparability										
Restructuring costs	106	13	13	16	64	48	4	13	12	19
Other items affecting comparability	1	-	-	1	0	-48	-	-4	-	-44
Total adjusted EBITDA	**956**	**183**	**247**	**242**	**284**	**976**	**160**	**260**	**273**	**283**

** Calculation of comparative year in accordance with changed accounting policy for pensions.*

EBITDA margins per revenue area

	2013					2012				
%	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4
Local search	22.6	17.9	25.5	24.3	22.5	24.1	16.2	27.1	24.6	27.6
Voice	36.4	31.5	39.7	40.0	34.6	36.3	31.1	33.3	39.0	41.3
Total EBITDA	**23.2**	**19.2**	**26.2**	**26.3**	**21.5**	**24.4**	**16.3**	**25.1**	**27.5**	**28.2**

Group financial overview

Group financial overview

2013 was characterized by strong focus on developing new products and services for launch in early 2014. Additional focus was on clarifying, consolidating and refining Eniro's offering and profile in the market. During the year, the company's long-term financing was renegotiated.

How to interpret Eniro's revenues and costs

Revenues

Total operating revenue, SEK M	2013	2012
(1) Desktop search	1,834	1,977
(2) Mobile search	287	147
(3) Campaign products	246	234
Multiscreen	**2,367**	**2,358** (4)
Print	507	740 (5)
Other products	97	132 (6)
Local search	**2,971**	**3,230** (7)
Voice	689	769 (8)
Total operating revenue	**3,660**	**3,999**

1

Desktop search
Revenue from Desktop search is allocated for the advertising space during the time the customer is searchable. Other services in Desktop search include optimization services, for which revenue is recognized in connection with analysis and delivery, and video, which comprises two components: production and hosting. Revenue from video production is recognized upon delivery, while hosting is allocated over time.

2

Mobile search
Revenue from Mobile search is allocated for the advertising space during the time the customer is searchable. Other services in Mobile search include optimization services, for which revenue is recognized in connection with analysis and delivery, and video, which comprises two components: production and hosting. Revenue from video production is recognized upon delivery, while hosting is allocated over time.

3

Campaign products
The Campaign products segment includes products such as display advertising, search engine optimization (SEO), sponsored links, and production and hosting of videos and websites. Revenue from SEO is allocated over time, while revenue from sponsored links is recognized in connection with user clicks. Revenue from videos and websites is split into two components: for video production, revenue is recognized upon delivery, while revenue from hosting is allocated over time.

4

Multiscreen
Multiscreen encompasses total digital advertising revenue.

5

Print
Print revenues are recognized when the printed products, directories and guides are distributed to users.

6

Other products
Other products pertain to other B2B services and other printed products outside of Eniro's core businesses.

7

Local search
The Local search business area is based on how the operations are organized and how costs are allocated. It is on the basis of Local search that the financial information (EBITDA) is followed up by management.

8

Voice
Revenue from Voice is recognized as calls are handled with end users or as information is sent to users by text message (SMS). The Voice business area is managed separately, and financial information (EBITDA) is followed up by management as a separate segment.

Costs

Z

Costs, SEK M	2013	2012
(A) Employee remuneration, incl. social security costs	1,610	1,664
(B) Rents for premises, telecom charges, travel and training	319	349
(C) External services	195	264
(D) Marketing costs	195	232
Third-party costs	92	75 (E)
Paper, printing and distribution	101	140 (F)
Other costs	316	368 (G)
Depreciation/amortization	211	483
Total operating costs	**3,039**	**3,575**

A

Employee remuneration, including social security costs
Salaries, benefits, pensions and social security costs for employed personnel within the Group. Employee remuneration includes restructuring costs, which are reported as items affecting comparability.

B

Rents for premises, telecom charges, travel and training
Rents for office premises in all countries, costs for workplaces, travel and employee development.

C

External services
Costs for external consultants and for outsourced services, such as recruiting and computer operations.

D

Marketing costs
Costs for marketing campaigns.

E

Third-party costs
Costs for intermediating advertising campaigns on business partners' search sites, and production costs for media products, where the revenue is shared with a third party.

F

Paper, printing and distribution
Direct costs for printing.

G

Other costs
Other costs pertain to licenses, purchases of database content, advertising costs and other costs.

Board of Directors' report

Focus in 2013 was on strengthening and further developing digital revenues in the Desktop search, Mobile search and Campaign products areas. Extensive organizational changes were carried out to boost efficiency and accelerate product development.

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 used daily by a large number of users. The information in Eniro's databases is accessible through the company's various distribution channels: desktop and mobile search, printed directories, and directory assistance (voice and text). Eniro breaks down its financial performance reporting into the Local search and Voice business areas.

Performance 2013

Revenue for 2013 amounted to SEK 3,660 M (3,999), a decrease of 8% (10%). Organic revenue decreased by 7% (-10%). During the year, Eniro focused on its digital business, and multiscreen revenue amounted to SEK 2,367 M (2,358), which corresponds to 80% (73%) of total advertising revenue from Local search. Revenue from Mobile search grew by organically 99% (116%), while revenue from Desktop search decreased organically by 5% (-3%). Revenue for Campaign products rose 7%. Print and Voice showed revenue declines of 29% and 15%, respectively.

The decision was made in 2013 to phase out the Gula Sidorna regional printed directories in Sweden, which will take place during the first half of 2014. The decision entails that publication of printed directories in all countries will be limited to local directories.

Revenue in Sweden decreased by 9% in 2013, largely owing to declining volumes in Print and Voice. Norway experienced weak performance in the Desktop search revenue category during the first nine months of the year. Volumes – which experienced a partial recovery during the fourth quarter – accounted for a 13% decrease in revenue for the full year 2013 compared with a year earlier. In Denmark, revenue from Mobile search experienced strong growth during the year, and total revenue was essentially unchanged year-on-year. The decline in volumes for Voice had a major impact in Finland, where revenue fell 17%. A profitability analysis has been performed of the call center contracts, entailing a lower number of contracts and thus lower revenue. Poland showed strong performance for Desktop and Mobile search, which amply compensated for lower revenue from Print, and contributed to 11% growth compared with 2012.

Eniro has given priority to achieving revenue growth, and during the last five years, digital revenue as a share of total Local search advertising revenue has grown from 43% to 80%. Currently 34% of total product searches are made from mobile devices. The goal remains to grow revenues in multiscreen channels and continue the work on balancing the declines in Print and Voice.

Operating revenue per country

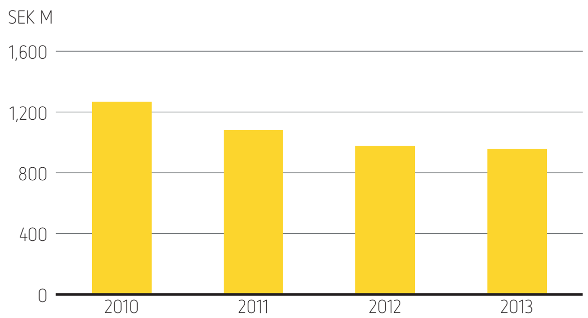
SEK M	2013	2012
Sweden	1,719	1,879
Norway	998	1,146
Denmark	515	525
Finland	207	249
Poland	221	200
Total operating revenue	**3,660**	**3,999**

Income statement

SEK M	2013 Jan.–Dec.	2012* Jan.–Dec.
Operating revenue, Local search	2,971	3,230
Operating revenue, Voice	689	769
Total operating revenue	**3,660**	**3,999**
Adjusted EBITDA before nonrecurring items	**956**	**976**
Nonrecurring items	-107	0
Depreciation/amortization	-211	-483
Impairment losses	-104	-12
Operating income	**534**	**481**
Net income for the period	**234**	**241**
Attributable to:		
Owners of the Parent Company	232	241
Non-controlling interests	2	-

** Recalculation of the comparison year in accordance with changed accounting policy for pensions.*

Adjusted EBITDA*



**Operating income before depreciation/amortization and items affecting comparability.*

Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, amounted to SEK 956 M (976), which corresponds to a margin of 26.1% (24.4%). Adjusted EBITDA was charged with costs of SEK 40 M for synthetic shares. Restructuring costs during the year amounted to SEK 106 M (48) and pertain mainly to organizational changes carried out in Group functions. These changes were carried out to shorten lead times in product and service development, enhance efficiency and create a lower future cost base. In addition, offices were closed in Voice to adapt overheads to lower market volumes. Earnings for the year also included an additional item affecting comparability, totaling SEK 1 M, pertaining to an adjustment of the purchase price for previous years' divestments. Reported EBITDA for 2013 was SEK 849 M (976), broken down into SEK 670 M in EBITDA for Local search, SEK 251 M for Voice, and SEK -72 M for other Group functions.

Operating income for the year was SEK 534 M (481).

Net financial items amounted to SEK -142 M (-140, incl. SEK 154 M in capital gains) and were positively affected by lower interest rates and a lower level of debt. Exchange rate differences had a positive effect on net financial items of SEK 39 M (-7).

Income before tax for the year was SEK 392 M (341).

The reported tax cost for the year was SEK -158 M (-100). The tax cost for the year includes nonrecurring items of approximately SEK 41 M in deferred tax. During the third quarter, deferred tax assets in Denmark were remeasured in accordance with new rules that limit the utilization of tax loss carry forwards. This change resulted in a decrease in deferred tax assets by SEK 35 M and an increase in the tax cost for the year. Also, corporate tax reduction have been decided in Denmark, Norway and Finland. The decisions have affected the valuations of deferred tax assets and liabilities and had a net impact of approximately SEK 6 M in income statement and deferred tax cost. In June, the decision was made in Denmark to gradually lower the corporate tax rate from 25 % at present to 22 % in 2016. During the fourth quarter, decisions on corporate tax reductions in 2014 were also made in Norway – from 28 % to 27 % – and in Finland – from 24.5 % to 20 %. The underlying tax rate for the year was 24 % (18%).

Net income for the year was SEK 234 M (241) of which SEK 232 M (241) is attributable to owners of the Parent Company.

Investments and development projects

2013 was the year in which Eniro focused on taking the next step in its development of modern digital products and services. Development has mainly been concentrated on creating an overall design and new search functionality with a modern feel and which creates recognition among users, regardless of whether the user is searching from a mobile device or desktop computer. The starting point has been to base development on the user's experience and create a more distinct and simpler search service that is delivered in a modern way. New, improved maps have been launched, the database content has been expanded, and new search functionalities for both desktop computers and mobile devices have been developed. The customer offering has also been strengthened with the launch of improved packages and better effect followup of advertising. Product and service development for the entire Group is conducted centrally by Group Product & Marketing.

Financial position

Total assets decreased by approximately 9% to SEK 8,158 M (8,944). The Group's intangible non-current assets amounted to SEK 6,948 M (7,330), of which goodwill accounted for SEK 5,763 M (6,124). In connection with an expected continued decline in the market trend for Voice, an impairment loss of SEK 91 M was recognized in the fourth quarter for the value of goodwill in Norway Voice (1880/1888). An impairment loss of approximately SEK 8 M was also recognized for the company Leta. Brands with an indefinite useful life amounted to SEK 112 M (923). During the fourth quarter a reclassification was made of the Gule Sider and Ditt Distrikt brands from indefinite useful life to a finite useful life of 5–10 years, which explains the change from the preceding year. The reclassification contributed to an increase in other brands to SEK 804 M (22). Changes during the year in property, plant and equipment and intangible non-current assets are explained by negative currency effects of SEK -327 M, customary depreciation/amortization of SEK 211 M (483), and an impairment loss of SEK 104 M (12). Investments, mainly in product development, amounted to SEK 157 M (122) during the year. The change in other non-current assets is attributable to an increase in pledged bank funds as security for credit insurance with PRI, amounting to SEK 50 M. Total pledged assets including the return amounted to approximately SEK 111 M at year-end.

Current receivables were lower at year-end 2013. The change is explained by lower trade accounts receivable associated with lower sales. Cash and cash equivalents decreased by SEK 85 M, to SEK 113 M (198), as a result of debt repayment during the year.

Shareholders' equity increased by SEK 178 M to SEK 3,721 M (3,543) at year-end. The increase is attributable to higher comprehensive income for the year and additional non-controlling interests. No dividend was paid to holders of common shares during the year. The dividend for holders

Investments

SEK M	2013	2012
Product development	119	99
Other intangible assets	13	10
Tangible assets	25	13
Total investments	**157**	**122**

Capital structure

SEK M	2013	2012
Total assets	8,158	8,944
Capital employed	-512	-671
Shareholders' equity	3,721	3,543
Net debt	-2,340	-2,704

Interest-bearing net debt

SEK M	2013	2012
Borrowings	-2,567	-2,966
Other current interest-bearing receivables	3	3
Other non-current interest-bearing receivables*	111	61
Cash and cash equivalents	113	198
Interest-bearing net debt	-2,340	**-2,704**

Including other receivables.

of preference shares that was approved by the 2013 Annual General Meeting reduced shareholders' equity by SEK 48 M. Shareholders' equity per share was SEK 36.10 (35.02) and accounted for 46 % (40%) of total assets.

Interest-bearing liabilities decreased by SEK 399 M after scheduled debt repayment during the year and a decrease in connection with the renegotiation of the company's loan agreements. The Group's interest-bearing net debt decreased by approximately SEK 360 M and amounted to SEK 2,340 M on December 31, 2013, compared with SEK 2,704 M at the start of the year. Interest-bearing net debt in relation to adjusted EBITDA, excluding items affecting comparability, was 2.4 (2.8 at start of year). Outstanding debt at year-end under existing credit facilities was NOK 452 M, DKK 90 M and SEK 1,943 M. In December 2013 Eniro had an unutilized credit facility of SEK 133 M. Cash and cash equivalents, and unutilized credit facilities amounted to SEK 246 M. Current liabilities decreased in association with lower sales and a higher share of services for which revenue is recognized upon delivery, which affects prepaid revenue.

Cash flow

Operating cash flow increased to SEK 329 M (299) and was positively affected by lower interest costs, totaling SEK -152 M (-256). The trend in working capital was negative, by SEK -163 M (-66). Working capital was affected by lower sales, which resulted in lower trade accounts receivable and advance payments. Cash flow from investing activities was SEK -119 M (-51) and included the receipt of deferred consideration from 2010 for a divested operation in Finland and investments in operations for a net total of SEK -152 M (-121). Cash flow from financing activities was SEK -440 M (-730) and is attributable to a net decrease in loan debt of SEK 342 M (-1,021) and payment of the dividend on preference shares of SEK -48 M (-24). Long-term investments increased by an additional SEK -50 M (-61) and pertain to pledged bank funds for continued credit insurance with PRI Pensionsgaranti. Cash flow for the year was SEK -78 M (-361).

Acquisitions and divestments

In February 2013 Eniro Norge AS reached an agreement with the principal owners of the Norwegian directory information service 1888 Værsågod! AS, Marell Invest AS and TV2 AS, on a merger with 1880 Nummerupplysning AS. No consideration was paid at the merger. Eniro controlled 60 % of the joint operation, and the other 40 % was controlled by the former owners of 1888. Eniro's revenue from its own directory information service, 1880, amounted to approximately SEK 75 M in 2012, while revenue for 1888 during the same period was approximately SEK 65 M. During the fourth quarter, a supplementary acquisition was made, entailing that Eniro's ownership increased to 63.5 % of the joint operation. The merger contributed to consolidation in a market with declining volumes and created opportunities for a more attractive service. The merger increased Eniro's revenue in 2013 by approximately SEK 40 M.

In April, Eniro acquired 51 % of Bloggerfly AB from Fame-Ads Sweden AB, for consideration of SEK 0.5 M. Other intangible assets identified in connection with the acquisition amounted to SEK 1 M. Bloggerfly develops and conducts sales of sponsored links and banners for bloggers that are linked to the network in Sweden and Norway. The network includes approximately 65,000 registered bloggers in Sweden and 8,500 bloggers in Norway. In total, the network has approximately 2.5 million unique visitors per week, of whom about one million are expected to increase traffic on Eniro's search services.

Personnel

The number of full-time employees on December 31, 2013, was 2,816, compared with 3,187 at the start of the year.

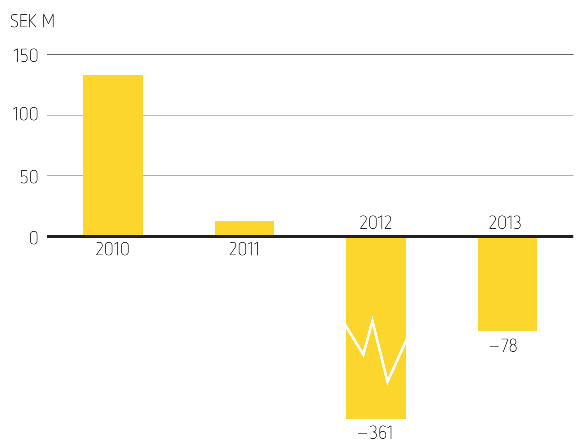
Future outlook and forecast

Eniro has invested extensively in developing the company's digital platform for local search, toward the goal of growing multiscreen revenue. Growth will be driven by new products, a strong market position in the strongly growing mobile advertising segment and continued innovations that complement

Operating cash flow

SEK M	2013	2012
From operating activities before changes in working capital	644	486
Changes in working capital	-163	-66
Investments in non-current assets	-152	-121
Operating cash flow	329	299

Cash flow for the year



Eniro's existing business. Eniro's value creation will be achieved mainly through organic growth. Until such time that Eniro achieves positive growth, the company will ensure good profitability and a strong cash flow. Eniro is continuing its efforts to improve efficiency and cut costs. The goal is to maintain EBITDA at a stable level, regardless of revenue growth. Higher future revenues will provide earnings leverage, as it is expected that the cost base will be kept at a relatively constant level.

Parent Company

Operating revenue for 2013 totaled SEK 37 M (43). All operating revenue pertains to internal services in the Group. Income before tax amounted to SEK 486 M (167). Investments amounted to SEK 0 M (0). The Parent Company has no external interest-bearing net debt. The Parent Company's equity amounted to SEK 5,780 M (5,428) at year-end, of which unrestricted equity amounted to SEK 5,471 M (2,899). During the year, a reduction in the share capital was carried out against unrestricted funds, which was registered and effected at the end of July. In addition, the 2013 Annual General Meeting approved an issue of 1,700,000 Class C shares to be used to ensure delivery of shares in the approved share-based incentive program. The Class C shares were converted to common shares on September 3, 2013. The registered share capital on December 31, 2013, was SEK 308,642,220 (2,529,518,500), divided among 101,880,740 common shares and 1,000,000 preference shares. At year-end 2013 the share quota value was SEK 3. At year-end Eniro AB held 1,703,266 treasury shares, and the average holding of treasury shares during the year was 560,488. The Parent Company AB had 31 (30) full-time employees at year-end. Further information regarding the share and ownership on pages 37–38.

Environment

Eniro conducts systematic and target-oriented environmental work. The company's environmental work in 2013 was mainly focused on the production and distribution of directories, transports, reducing energy consumption and waste handling.

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

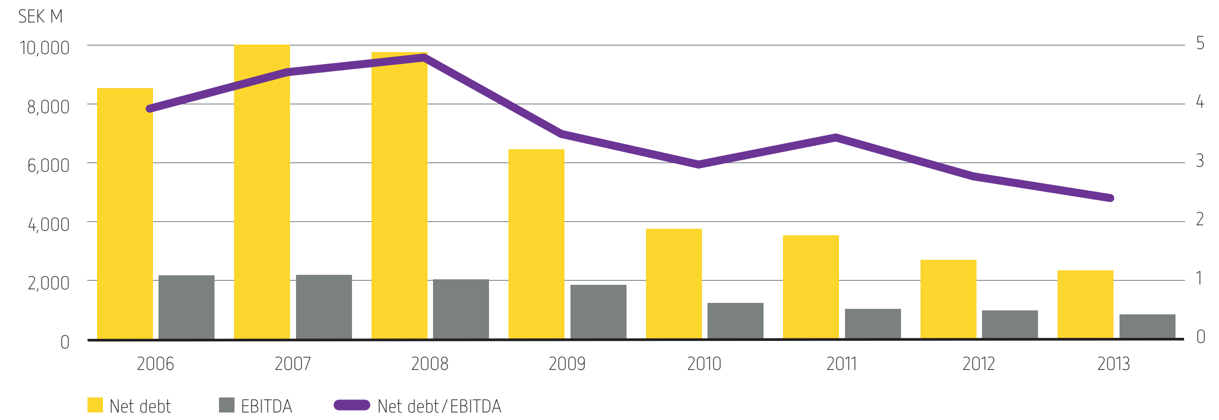
Significant agreements that would be affected by a public purchase offer

In May 2013 Eniro renegotiated its loan agreement with the same bank consortium as under the previous loan agreement. The new loan agreement took effect on May 27, 2013. If an owner, or group of owners, acquires more than 30% of the voting rights in Eniro, Eniro and the banks in question must reach an agreement within 30 days on a 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 credit insurance with PRI Pensionsgaranti. In 2012 and 2013 provisions were made to blocked bank accounts as security for the pension guarantee. Total blocked bank funds, per December 2013, thus amount to approximately SEK 111 M, including the yield. In March 2014 Eniro deposited an additional SEK 10 M as blocked bank funds for continued guarantees. In March 2015, and additional SEK 10 M will be deposited, pursuant to agreement. On March 11 Eniro Norge AS reached an agreement to sell InTouch to Link Mobility ASA. InTouch is a business service whose principal business revolves around the publication of company directories. The sale includes the brand and other intangible rights, customer agreements and personnel. InTouch's sales for the full year 2013 amounted to approximately SEK 45 M, and the EBITDA contribution was approximately SEK 10 M. Link Mobility ASA will pay total consideration of approximately SEK 35 M. Completion of the deal is expected to take place at the end of March 2014. Cash consideration of approximately SEK 16 M will be paid in connection with possession, and the remaining SEK 19 M will be paid over a two-year period. Transfer of the business is expected to take place at the end of March 2014.

Net debt in relation to EBITDA



Risks and risk management

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 activities and must be managed by the company in an effective manner.

Risk management aims to prevent risks from arising and to limit and prevent risks from adversely impacting operations. Eniro conducts an annual risk analysis process, Enterprise Risk Management (ERM), which includes all parts of the business, revenue streams and Group functions. Eniro strives to effectively identify, assess and manage potential risks, which can be grouped into a number of areas, including sector and market risks, commercial risks, operational risks, financial risks, compliance risks and financial reporting risks. The company's risk exposure varies within Eniro's reported revenue categories: Desktop search, Mobile search, Campaign products, Print and Voice. In the risk analysis, the various risks are identified in a structured manner by analyzing a number of risk drivers per risk category. For each identified risk, an assessment is made to determine to what extent the risk should be monitored, eliminated, reduced, or increased, if this is judged to represent an opportunity. The risk analysis also serves as the basis for the annual work on Eniro's business plan, where a number of 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.

Business risks	Risk description	Risk management
Personnel turnover in the sales organization	High personnel turnover is costly. Valuable expertise often disappears from the organization along with a concurrent rise in recruitment costs for new hires. In addition, the process of training newly employed staff takes up time from existing employees' work duties. High personnel turnover also harms the Eniro brand, which in turn makes it more difficult to retain talented people.	• Sales managers work actively with coaching to achieve improved target achievement in the sales organization. • HR lays out clear internal career paths and increases awareness about how sales experience can be beneficial for future career development. • Establishment of the "Trygg Affär" ("Secure Business") seal, which certifies serious companies and serves as a voucher for terms of employment, returns and complaints. • HR works with employer branding from a Group perspective. The company's values are conveyed actively in regularly recurring workshops and management training, and are integrated in internal processes.
Media advertising entails complex product offerings	Eniro's products and services are sold as package offerings, which requires qualified sales representatives who can perform a customer analysis and present the right solution based on the customer's needs.	• Certification and testing that provides skills in sales and product knowledge enables sales reps to serve as an advisor for customers. • Collaboration with vocational colleges, Junior Achievement and marketing colleges to increase competence in sales training.
Loan terms in existing loan agreements	Existing loan agreements have terms that limit opportunities for Eniro's management to independently decide on certain business conditions. The bank agreement includes requirements for achievement of a number of key ratios: • EBITDA in relation to net debt • EBITDA in relation to net interest income/expense • Group cash flow in relation to interest payments and loan amortization	• The Board adopts a finance policy that stipulates guidelines for financial risks, hedges and long-term loans. • The Group staffs perform continuous follow-up and monitors key ratio performance based on compiled forecasts and analyses.

Business risks	Risk description	Risk management
Increased competition from global players in local search	Local search is increasingly being dominated by use of mobile devices. In the strongly growing market for innovative mobile services, Eniro faces strong competition – both from other local companies that offer specialized websites and from global players. Being able to ensure that customers get relevant hits on their searches quickly and conveniently is a critical competition factor. People who perform searches from their smartphones are often en route to a place or company nearby.	• Users who perform searches from their smartphones exhibit local search behavior that is commerce-steered. Eniro's mobile services will be gaining improved functionality in 2014. • Eniro is developing, maintaining and improving the quality of its services so that it can deliver the best local search service. • Eniro is taking responsibility for the customer's total digital marketing and offering complete packages that include services from other business partners to Eniro, such as production of company web pages on Facebook and keyword advertising on Google and Bing.
Multiscreen traffic trends	More users increase traffic and thus customer benefit for paying customers. Users should quickly be able to find current and relevant information in their searches, encouraging them to use Eniro for their next search. Eniro must continuously deliver innovative services that capture users and their changing needs. The trend is moving towards users who are more mobile and use their smartphones for event-driven searches.	• More users who visit Eniro's various media channels generates greater traffic to the sites. Eniro is developing its own products based on how users perform their searches. A need has been identified to improve the user interface in order to stimulate curiosity and improve the user experience. The search functionality for both the desktop and mobile search modes has been evaluated, and improvements to the interface were begun in 2013. At the start of 2014 a new platform was launched, with a simplified start page featuring more modern design, more detailed and image centric result lists, more information – such as business hours – and interactive content featuring cover pages and video products and entirely new street view images that work in both responsive design and mobile apps. During the second half of 2014 Eniro will conduct further integration of social searches, with individual adaptations. To handle local searches from mobile devices, Eniro's services are based on the user's geographic location. Overall, the improved functionality is expected to contribute to greater user satisfaction and thus traffic. • Group Product & Marketing has a clear focus on "mobile first" in connection with new-service development in the aim of attracting users and thereby increasing traffic.
Necessity to develop marketable products	To ensure long-term growth and profitability, it is important to keep user benefit in focus in connection with product and service development. Our users' search behaviors are changing in pace with development of the digital environment. To be competitive, Eniro needs to present advertising solutions that provide a transparent experience for both users and advertisers in the current and future multiscreen environment.	• Eniro is taking its first step towards e-commerce in 2014 by offering exposure in product galleries in which users can buy products directly from companies' online stores. • During the first quarter of 2014 Eniro added a navigation service based on high-resolution maps. • The process from idea to commercial product or service is being shortened, and new product additions are being evaluated quarterly in order to be able to act swiftly on new trends. Eniro will also be working to a greater extent with external partners and suppliers in an effort to shorten lead times.
Greater media agency sales putting pressure on Eniro's margins	The share of customers that use media agencies for their advertising purchases is rising. As a result, Eniro loses direct communication with its customers while putting pressure on Eniro's revenue, as the media agencies allocate advertisers' marketing outlays among several players.	Eniro will operate as its own media agency by being able to offer comprehensive advertising solutions for local search, including searchability and visibility on local sites, keyword and banner advertising, and production of websites, company pages on Facebook, and videos.

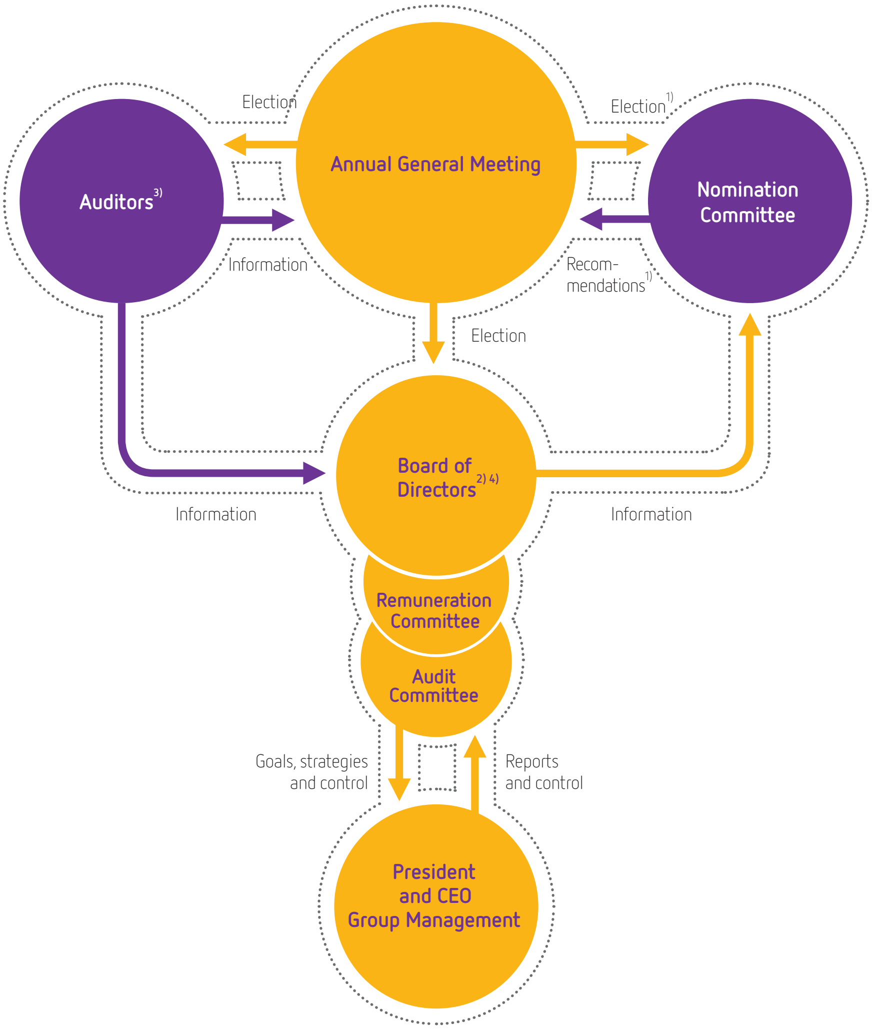
Business risks	Risk description	Risk management
Effective and quantifiable customer returns	In order for customers to be able to see that they are getting a return on their advertising investment, statistics and information are needed on how many leads customers gain from their advertisement in Eniro's advertising channels. The measurement method needs to be reliable at the same time that the reports need to be simple for Eniro's customers to understand. An increasingly complex product portfolio requires higher sales competence and a deeper understanding of how customer benefit is presented in the sales pitch.	Traffic and activities on Eniro's sites – both in the desktop and mobile channels – are analyzed using the Site Catalyst web analysis tool. The monthly ROI reports that Eniro produces for its customers show the effect customers get from their advertisement. ROI reports are updated on a daily basis, and customer can see the total number of visits by users who come from Eniro's services and the number that establish contact with or search for more information from the company. Customers also receive detailed keyword information that shows how many searches were performed from every keyword generated by Eniro. This compilation makes it possible to follow the development over time and enables the design of services and messages that generate the most leads.
Low margins for campaign products	Campaign products is one of the fastest-growing media segments, with services such as keyword and banner advertising. Revenue from campaign products is shared with third-party suppliers such as Google and Bing, entailing that the products contribute a lower gross margin than other products.	• Eniro serves as an advisory media agency for digital media. External collaborations are a necessary complement to traditional local searches. By serving as a media agency, Eniro has the opportunity to offer advertising that gives customers a comprehensive solution and handles the entire process surrounding search services. • Eniro is developing cost effective solutions by automating processes, which contributes to higher profitability. • Eniro is developing campaign products that are designed for the growing amount of advertising via the mobile channel.
Operational disruption in the database	Eniro's business activities rely on IT and communication systems that work effectively and without disruption. A disruption or error in current systems would affect Eniro's ability to aggregate, filter and organize its search services, which would affect users and thus customers.	Eniro and its external providers of IT and communication solutions work continuously with measures designed to prevent Eniro's databases from being destroyed or the loss of content as a result of a disruption, damage or disturbance.

Financial risks	Risk description	Risk management
Financial reporting risks	Risk for misleading results in internal and external financial reports.	Internal control systems and other control routines, and external auditors.
Currency risk	The Group is active internationally and is exposed to currency risks arising from currency exposures from Eniro's operations in Norway, Denmark, Finland and Poland. Currency risk arises through future business transactions, reported assets and liabilities and net investments in foreign operations. Transaction risk pertains to the impact on net income and cash flows of changes in the value of operational flows in foreign currencies caused by fluctuations in exchange rates. By translation risk is meant the risk of fluctuations in value in Swedish kronor of net investments in foreign currencies caused by changes in exchange rates.	• Transaction risk in business transactions in each geographic area is limited, 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. • Translation risk is to be taken into account with respect to net investments in foreign currencies. Eniro has investments in NOK, EUR, PLN and DKK, with the largest exposure in NOK. As part of efforts to reduce exposure of net investments in foreign currencies, parts of the company's borrowing have been raised in NOK and DKK.
Interest rate risk	The Group's interest rate risk arises in connection with long-term borrowing. Borrowing at variable interest rates gives rise to interest rate risk for cash flows, while borrowing at fixed interest rates gives rise to interest rate risk affecting fair value.	All of Eniro's borrowing carries variable interest rates. According to Eniro's finance policy, the company's financial situation is to be taken into account when setting terms of fixed interest. The company's level of debt represents an exposure to interest rate risk, as borrowing is conducted at variable interest rates.
Credit risk	Credit risk refers to the risk of a counterparty being unable to fulfill its obligations, thereby causing a loss for its counterparty.	• Surplus liquidity may only be invested in Swedish government bonds, commercial paper with an AAA/P1 rating, and with banks that have a high official credit rating. • Eniro is exposed to the risk of not being paid by its customers. • At year-end, all surplus liquidity was invested with banks that have a high official credit rating. • The risk for extensive customer losses is relatively small, since Eniro's customer base is very large and highly differentiated.
Liquidity risk and financing risk	Liquidity risk refers to the risk of encountering difficulties in meeting financial obligations due to a lack of available liquid 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 be costly.	• Eniro works continuously to ensure the availability of liquid funds and unutilized credit facilities. Eniro's target is that 60% of available loan facilities will have maturities of longer than one year. • Eniro also has an express policy of maintaining relations with a number of credit institutions with a high ratings. The Board of Directors regularly receives rolling forecasts of the Group's future cash flows that include estimates of liquid funds and unutilized credit facilities. • The company's cash flow forecasts are formulated by Eniro Treasury based on information from the Group's operating companies.

Eniro's values form the foundation for the company's actions. Corporate governance at Eniro is conducted on the basis of Swedish legislation – mainly the Companies Act – the listing agreement with Nasdaq OMX Stockholm, and other relevant rules and guidelines that are described in, among other things, the Swedish Corporate Governance Code and Eniro's internal governance documents.

Corporate governance

This corporate governance report, pages 55–65, has been reviewed by the company's external auditors.



1) The Nomination Committee drafts a recommendation for decision that is presented to the AGM. The AGM decides on the principles for establishing the Nomination Committee.
2) The Board establishes the committees and determines which directors will serve on the respective committees.
3) Performs the audit and reports to the Board of Directors and shareholders.
4) The evaluation of the Board's work is reported to the Nomination Committee.

Internal governance instruments

Business concept and objectives, Articles of Association, the Board of Directors' rules of procedure, the CEO's instructions, strategies and policies for financial matters, 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 Corporate Governance Code.

Eniro is a Swedish public stock corporation. Eniro's shareholders ultimately decide on the Group's corporate governance through the election of the Board of Directors at the Annual General Meeting (AGM). The Board, in turn, is responsible during the course of the year for ensuring that the corporate governance is in conformity with laws and other external and internal governance instruments. At general meetings of shareholders, all owners of common shares with entitlement to vote may vote for the full number of shares held and represent their shares without limitation in voting rights; owners of preference shares have 1/10 of a vote per share. The diagram above illustrates Eniro's corporate governance structure.

Governance of the Eniro Group

Eniro is a Swedish stock corporation listed on Nasdaq OMX Stockholm. Governance of Eniro is based on the Swedish Companies Act, the Annual Accounts Act, Nasdaq OMX Stockholm's rules and regulations, the Swedish Corporate Governance Code, the company's Articles of Association and other relevant rules, regulations and guidelines, such as the Group's corporate governance documents (including the Board's rules of procedure and CEO instructions), Eniro's values and internal policies. Eniro has no departures from the Corporate Governance Code to report on for the 2013 fiscal year.

Shareholders

It is Eniro's shareholders who ultimately decide on the Group's governance through general meetings of shareholders, where they appoint the company's board, which in turn, on a continuing basis during the year, is responsible for ensuring that the company's corporate governance adheres to laws and other external and internal governance instruments. At general meetings of shareholders, all owners of common shares with entitlement to vote may vote for the full number of shares held and represent their shares without limitation in voting rights; owners of preference shares have 1/10 of a vote per share. Eniro's share capital amounts to SEK 308,642,220, divided among 101,880,740 common shares, and 1,000,000 preference shares, of which Eniro's own holdings amounted to 1,703,266 common shares (3,266). The total number of votes was 101,980,740, of which common shares carried entitlement to 101,880,740 votes and preference shares 100,000 votes. The company's three largest shareholders as per 31 December 2013 were JPM Chase NA (8.1%), Staffan Persson – companies and family (8.0%) and Swedbank Robur funds (7.9%). Further information about the company's share capital, Eniro's stock and the shareholder structure is provided on pages 35–39.

General Meeting

The shareholders' influence in the company is exercised at the Annual General Meeting (AGM) or, where applicable, extraordinary general meetings, which is the company's highest decisionmaking body. Individual shareholders who want a matter of business to be addressed by a general meeting can submit a request to Eniro's board at a designated address that is posted on the Group's website, www.enirogroup.com, well in advance of a general meeting.

The Annual General Meeting decides on dividends, approval of the annual financial statements, election of board members and auditors, guidelines on remuneration and other terms of employment for senior executives, amendments to the company's Articles of Association, and other important matters.

Eniro's 2013 AGM was held on 25 April at the company's headquarters in Solna, Sweden.

Annual General Meeting 2013

- The AGM resolved, in accordance with the Board's proposal, that no dividend would be paid for the 2012 fiscal year and that the company's available funds would instead be carried forward.

- In accordance with the Nomination Committee's recommendation, the AGM resolved that Eniro's board of directors would comprise six members and no deputies. The AGM resolved to re-elect Fredrik Arnander, Thomas Axén, Cecilia Daun Wennborg, Ketil Eriksen, Leif Aa. Fredsted and Lars-Johan Jarnheimer as directors. Lars-Johan Jarnheimer was elected as Chairman of the Board.

- In addition, the AGM resolved in favor of an amendment of the Articles of Association that would enable a reduction of the share capital. The limits for the company's share capital were changed to a minimum of SEK 300,000,000 and a maximum of SEK 1,200,000,000. The AGM also resolved in favor of a reduction of the company's share capital from SEK 2,529,518,504.50 to SEK 303,542,220.

- The AGM resolved in favor of the proposed principles for remuneration of senior executives, which are partly revised in relation to the remuneration guidelines that were adopted by the 2012 AGM. The main difference is that the portion of variable remuneration that pertains to synthetic shares has been discontinued and replaced with a share-based incentive program based on the executives' own holdings of common shares in Eniro – the Long Term Investment Program (LTIP 2013). The aim of the guidelines for remuneration of senior executives is to enable Eniro to offer remuneration in line with the going rate in the market, comprising the following components: fixed salary, variable salary, LTIP 2013, pension provisions, and other remuneration and benefits.

- The AGM resolved in favor of the Board's proposal to adopt a new share-based incentive program (LTIP 2013) along with hedging measures associated with the incentive program, entailing an amendment to the Articles of Association. This included the establishment of Class C shares, authorization for the Board to decide on a directed issue of 1,700,000 Class C shares, authorization for the Board to decide to repurchase Class C shares, and to decide that Class C shares held by Eniro after conversion to common shares may be transferred to participants within the framework of LTIP 2013.

- In addition, the AGM decided on directors' fees and formation of a nomination committee ahead of the 2014 AGM. In accordance with the Nomination Committee's proposal, the AGM resolved to elect the chartered accounting firm PricewaterhouseCoopers AB as auditor for a term until the next AGM.

The total number of shares represented at the AGM was 46,517,038, corresponding to 46,231,560.7 votes and approxi-

Board of Directors since the 2013 Annual General Meeting

Name	Year elected	Attendance 2013	Committee membership	Attendance 2013	Directors' fees, SEK
Lars-Johan Jarnheimer, Chairman	2011	14 of 14	Remuneration Committee and Audit Committee	4 of 4 6 of 6	1,100,000
Fredrik Arnander	2011	13 of 14			420,000
Thomas Axén	2010	11 of 14	Audit Committee	6 of 6	420,000
Cecilia Daun Wennborg	2011	14 of 14	Audit Committee	6 of 6	420,000
Ketil Eriksen	2011	13 of 14	Remuneration Committee	4 of 4	420,000
Leif Aa. Fredsted	2012	13 of 14			420,000
Susanne Olin Jönsson [1]	2011	12 of 14			13,500
Jonas Svensson [1]	2007	14 of 14			16,500
Jennie Hallberg [1]	2010	12 of 14			13,500
Katarina Emilsson-Thudén [2]	2013	3 of 14			6,000
Sub-total					3,249,500
Bengt Herkules [3]	2012	6 of 14			7,500
Total					**3,257,000**

1) Employee representative. 2) Employee representative (deputy), elected by Unionen as from October 14, 2013. 3) Employee representative (deputy), through July 23, 2013.

mately 46% of the total number of shares carrying entitlement to vote at the AGM. All documents from the 2013 AGM are posted on the company's website, www.enirogroup.com.

Nomination Committee

Since 2005, the AGM has resolved that the four largest shareholders shall 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, no later than six months prior to the AGM.

Nomination Committee's composition

Ahead of the 2014 AGM, the members of the Nomination Committee are André Vatsgar, Danske Capital AB; Staffan Persson, Zimbrine Holding BV; Sofia Aulin, Länsförsäkringar Fondförvalting AB; ÅsaNisell, Swedbank Robur funds, and Lars-Johan Jarnheimer, Chairman of the Board of Eniro. The Nomination Committee appointed André Vatsgar to serve as committee chair. If a member of the Nomination Committee resigns prior to the conclusion of the Committee's work, the shareholder who appointed the resigning member is to appoint a successor, if considered to be necessary. If this shareholder is no longer one of the four largest shareholders in terms of voting rights, then such right is transferred to the next shareholder in order after these shareholders that has the largest shareholding.

Nomination Committee's assignment

The Nomination Committee's assignment ahead of the AGM on April 24, 2014, 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 a person to serve as AGM Chairman, auditors' fees and election of auditors. The Nomination Committee is also tasked with presenting a recommendation to the AGM concerning the process for establishing the following year's Nomination Committee.

The Nomination Committee held four meetings at which minutes were recorded, and between those meetings the members remained in contact. At the initial stage of the nomination process, the Chairman of the Board reported on the Board's work, and the company's CEO reported on the company's current situation and future challenges. It was also learned early in the process that two members of the current board had declined re-election. As part of the Nomination Committee's evaluation of the Board and its work, meetings were arranged with the elected members of the Board, including the Audit Committee chair, to discuss the Board's work, the company's situation and its future. The Nomination Committee was also furnished with the evaluation of the Board that was performed during the year. Following these reviews, the Nomination Committee performed a review of the combined expertise of the existing board members, discussed requirement profiles for new members, interviewed potential candidates, and agreed on a recommendation for the Board's composition. No nominations for candidates were received by the Nomination Committee from shareholders outside of the Nomination Committee.

The Nomination Committee's recommendations are presented in the official AGM notice and on Eniro's website, www.enirogroup.com, where the Nomination Committee has also posted a reasoned statement on its recommendations for the board, in connection with the publication of the AGM notice.

The Nomination Committee also drafted a recommendation for election of the auditor at the 2014 AGM.

Board of Directors

The Board of Directors is responsible for governing the company's affairs in the interests of the company and all sharehold-

Fee, Audit Committee, SEK	Fee, Remuneration Committee, SEK	Independent from company and management	Independent from major owners
75,000	75,000	Yes	Yes
		Yes	Yes
75,000		Yes	Yes
150,000		Yes	Yes
	75,000	Yes	Yes
		Yes	Yes
300,000	150,000		
300,000	**150,000**		

ers. According to the Swedish Companies Act, the Board is responsible for the organization and the administration of the company's affairs.

Every year, the Board adopts written rules of procedure which, together with the Swedish Companies Act, the Articles of Association and the Swedish Corporate Governance Code, lay out the Board's responsibilities and regulate the division of responsibilities within the Board, i.e., between the Chairman and the other board members as well as between the Board and its committees.

The rules of procedure also stipulate routines for the continuing board work. The Board shall normally hold six regular meetings per year, including at least one with the company's auditors in attendance and without the attendance of members of the Group Management. Extra board meetings may be held to deal with matters that cannot suitably be dealt with at a regular meeting. Such meetings may be held by phone, by videoconference or by circulation. Normally a notice of a regular meeting shall be sent to the board members one week in advance of the meeting in question. The notification is to include the agenda and relevant documents and decision-making materials regarding the business to be addressed at the meeting.

The Group's auditors participated in the board meeting at which the year-end report and annual report for 2012 and 2013 were approved. During the year, the auditors participated in all of the meetings of the Audit Committee and presented their review reports at the meetings that addressed the year-end report and nine-month interim report.

The Board's composition

According to Eniro's Articles of Association, the Board shall consist of four to ten directors, who are elected each year at the Annual General Meeting based on the recommendations of the Nomination Committee for a term extending through the end of the next Annual General Meeting. 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 directors and three employee representatives. No board member is a member of company management.

The Board's and Chairman's responsibilities

The Chairman is ultimately responsible for the Board's work and is the person who continuously monitors the operations in close dialog with the CEO. The Chairman is responsible for ensuring that the other board members receive the information and documentation that is necessary for them to be able to fulfill their board assignment in a responsible manner. The Chairman represents Eniro on ownership matters. The Chairman is also responsible for the yearly evaluation of the Board's work. In 2013 this evaluation was performed by means of a questionnaire that the board members responded to. The Board's rules of procedure include instructions for the division of duties between the Board and the CEO as well as routines for how the CEO shall continuously inform the Board about the development of the Group's operations and financial positions. The Group CEO participates in all board meetings except the one addressing the evaluation of the CEO's work. Other senior executives participate when needed to inform the Board or upon specific request by the Board or CEO. The Board currently has two committees – the Remuneration Committee and the Audit Committee – and drew up rules of procedure during the year for each of these. The Board also decided on Eniro's corporate governance packet and the Group-wide policies for financial, information and insider matters.

The Board's work in 2013

The Board held 14 meetings in 2013. At the regular board meetings, the CEO reported on the Group's results and financial position, including a forecast for the coming quarters.

Important matters addressed by the Board during the year included, among other things, the company's financial position, changed targets for the capital structure, a reduction of the share capital, new loan agreements with the company's lending banks, and the work with the new share-based incentive program (LTIP 2013) and hedging activities associated with LTIP 2013 through the issue of Class C shares, repurchase and conversion of Class C shares, and the conversion of Class C shares to common shares. The Board also discussed strategic issues, restructuring and organizational matters, and the company's product and service offering coupled to the brand platform, and decided to phase out the Gula Sidorna directories in Sweden.

In addition, the Board discussed agreements and investments as well as acquisitions and divestments, including the acquisition of Bloggerfly, one of the largest blog networks in the Nordic countries, and consolidation of the Norwegian market for directory information services through a merger with 1888.

Remuneration Committee

During the time after the 2013 AGM the Remuneration Committee consisted of Lars-Johan Jarnheimer (chair) and Ketil Eriksen.

According to the Swedish Code of Corporate Governance, a remuneration committee shall be tasked with preparing the Board's recommendations to the AGM regarding guidelines for determining the salary and other remuneration of the CEO and other senior executives. According to the Board's rules of procedure, the Remuneration Committee's recommendations shall be presented to the Board, which decides on and submits the recommendation to the AGM. The recommendation shall be in line with standard practice for listed companies. The Board's proposed guidelines ahead of the 2014 AGM are presented on page 59.

In accordance with the Board's rules of procedure, the Board has authorized the Remuneration Committee to decide on individual salaries, remuneration and retirement benefits for senior executives, except for the CEO.

The Remuneration Committee held a total of five meetings during the year, and all of members were in attendance at all meetings. Minutes are recorded of Remuneration Committee meetings, and oral reports on the committee's work are presented at board meetings.

Audit Committee

During the time after the 2013 AGM the Audit Committee consisted of Cecilia Daun Wennborg (chair), Thomas Axén and Lars-Johan Jarnheimer.

According to the Companies Act, an audit committee shall monitor the company's financial reporting. In accordance with the Board's rules of procedure, the Audit Committee is responsible for preparing the Board's work on ensuring the quality of the Group's financial reporting. This includes monitoring the audit processes and the effectiveness of the company's internal control over financial reporting. The Audit Committee is to meet with Eniro's auditor on a regular basis and keep itself informed about the focus and scope of the audit work, and evaluate this work. The committee shall also continuously discuss with the auditor the view of Eniro's risks related to the financial reporting. At least one of the committee's members is to have accounting or auditing competency.

The Audit Committee is responsible for informing Eniro's nomination committee about its evaluation of the audit work. In connection with the election of the company's auditor, the Audit Committee shall assist the Nomination Committee in its work on drafting a recommendation for auditor and the auditor's fees. In accordance with the Board's rules of procedure, the Board has authorized the Audit Committee to adopt the internal audit plan each year and to set guidelines for services other than auditing services that Eniro may procure from its auditor.

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

The Audit Committee held six meetings during the year. Audit Committee meetings are documented by minutes, which are appended to the board material and reported on orally at board meetings. Major matters addressed by the Audit Committee during the year included monitoring of financial reporting, financing issues and financial targets, the company's audit, risk analyses, insurance matters, pension matters, and impairment testing of intangible assets.

Directors' fees

The AGM resolves on the fees payable to the members of the Board of Directors. The 2013 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 of the other AGM-elected directors, SEK 150,000 to the Audit Committee chair, 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 directors have no retirement benefits or agreements for severance pay.

Group Management and organization

Eniro's Group Management consists of the President and CEO, the Senior Vice President Group Product & Marketing, the Senior Vice President Group IT Production, the President of Eniro Sweden and Finland, the President of Eniro Norway, the President of Eniro Denmark, the President of Eniro Poland, the Chief Financial Officer, and the Senior Vice President Human Resources.

The President and CEO leads the Group Management's work and makes decisions after consulting with members of Group Management. During the year the Group Management's work was focused on measures to strengthen user benefit and the digital product offering. Parallel with this, work was conducted to refine and concentrate the Group's operations. Eniro's financial position was strengthened considerably during the year, and in spring 2013 the company secured a new loan agreement.

Remuneration of senior executives

The Board proposes that the 2014 AGM shall resolve in favor of the following, unchanged guidelines for remuneration of senior executives and approve the remuneration structure in accordance with the proposal laid out below. By senior executives is meant the CEO and Group Management, currently nine persons. The goal of the guidelines is that Eniro will offer remuneration that is in line with the going rate in the market, consisting of fixed salary, variable salary, the Long Term Incentive Program (LTIP 2014), pension provisions, and other remuneration and benefits. The remuneration guidelines proposed by the Board correspond to the guidelines adopted by the 2013 AGM.

Fixed salary is based on the individual executive's area of responsibility, expertise and experience, and forms the basis for the executive's variable salary. Variable salary consists of cash payment, and the targets shall mainly pertain to the Group's financial performance and be measured in relation to the Group's revenue and EBITDA. The targets for variable salary are to be determined by the Board of Directors starting on January 1, 2014. The Board's proposal is to continue with the share-based incentive program, LTIP 2014, where the aim is that the senior executives and key persons – whose performance has a direct impact on the company's earnings, profitability and long-term growth in value – shall be stimulated to perform better by aligning their interests with the shareholders' interests. For remuneration coupled to LTIP 2014, the targets are to be measured in terms of the total return on the company's common shares and EBITDA less investments +/- changes in working capital. Eniro's pension policy is based on either an individual occupational pension plan or a defined contribution pension plan amounting to a maximum of 35% of the executive's fixed salary. Other remuneration and benefits, such as company cars and disability insurance, shall be in line with the going rate on the market. The Board may depart from the guidelines in individual cases if special reasons exist.

The company's President and CEO, Johan Lindgren, has a notice period of six months by his own initiative and 12 months in the event the company serves notice. In the event the company serves notice, he is entitled to an additional 12 months' severance pay. The company and the other members of the Group Management have a mutual notice period of a maximum of 12 months. Certain members of the Group Management are entitled to an additional six to 12 months' severance pay in the event the company serves notice. Further information regarding remuniration to Group Management in note 23 and page 87.

Auditors

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

Eniro's current auditor was appointed by the 2004 AGM and has thereafter been re-elected numerous times. The 2013 AGM re-elected PricewaterhouseCoopers AB as auditor for a term extending until the 2014 AGM. PricewaterhouseCoopers AB was represented by Bo Hjalmarsson and Eva Medbrant, with Bo Hjalmarsson serving as auditor-in-charge.

Ahead of the 2014 AGM the Nomination Committee recommended re-election of PricewaterhouseCoopers AB as auditor for a term extending until the 2015 AGM. In addition to Eniro, Bo Hjalmarsson has audit assignments for Nordic Cinema Group, SAS and Teracom, among others. Eva Medbrant has audit assignments for Cygate Group and InfoCare Service, among others. The auditors' fees are payable as invoiced, in accordance with an agreement reached between the company and the auditor. Information on auditors' fees is provided in note 24 on page 88.

The Board's report on internal control over financial reporting

In accordance with the Swedish Companies Act, the Board is responsible for ensuring that the company's organization is structured in such a manner that the bookkeeping, treasury management and the company's financial conditions in general are controlled in a satisfactory manner. The Board has established an audit committee to monitor the company's financial reporting, among other things, and in respect of the financial reporting, to monitor the effectiveness of the company's internal control and risk management. Pursuant to the Swedish Corporate Governance Code, the Board is responsible for ensuring that the company has satisfactory internal control and formalized procedures to ensure compliance with the approved principles for financial reporting and internal control. The Board is also responsible for ensuring that the company's financial reporting is prepared in conformity with legislation, applicable accounting standards and other requirements for listed companies. Internal control over financial reporting aims to provide reasonable assurance of the reliability of external financial reporting, including interim reports, press releases and annual reports, and also to ensure that the external financial reporting is prepared in conformity 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 over financial reporting, broken down into five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The Board of Directors has established an audit committee, which is responsible for preparing the Board's work on ensuring the quality of the Group's financial reporting. This also includes monitoring the audit process, ensuring the effectiveness of internal control over financial reporting and the follow-up of deviation reports. Responsibility for maintaining an effective control environment and effective internal control over financial reporting has been delegated to the Group's President and CEO. The Board has decided not to establish a separate internal audit function. The assessment is based on the group size, activities and existing internal processes. The Audit Committee will use external advisors for projects relating to internal control if necessary.

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

Risk analysis

Eniro performs an annual risk analysis process, and based on this analysis, the material risks that affect the company's internal control over financial reporting are identified and evaluated. This risk assessment serves as the foundation for managing risks through an improved control environment and also results in prioritized areas to be evaluated.

Control activities

The primary aim 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 at the Group level. These processes are documented with flow charts and detailed descriptions of control activities, the aim of which is to ensure that the fundamental requirements of the external financial reporting are met. The activities are both manual and automated. Examples of major control activities include the review and approval of various types of bookkeeping transactions, analysis of key ratios, inspection of log lists, reconciliation of accounts, checklists, and application controls for financial information in the IT systems that support the financial reporting.

Information and communication

Eniro's communication is to be correct, open and available to all interested parties simultaneously. All communication is to be provided in accordance with Nasdaq OMX Stockholm's Rule Book for Issuers. The Board has approved an information policy that regulates the manner in which the company is to disclose information. Information to external parties is communicated regularly through press releases and via the Group's website, www.enirogroup.com. The Board receives financial reports on a regular basis. The Board reviews and approves interim reports and the annual report at regular board meetings prior to publication. Financial information about the Group may only be communicated by the President and CEO, the Group CFO and the Head of Investor Relations.

Principles and guidelines for financial processes are communicated between management and other personnel via regular meetings, the intranet and e-mail. The Group CFO reports the results of his work with internal control over financial reporting to the Audit Committee.

The results of the Audit Committee's work are reported on a regular basis to the Board in the form of observations, recommendations, and recommendations 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, an updating and implementation of internal control systems were conducted in Poland and Denmark. The work with internal control is reported on a regular basis to Group Management and the Audit Committee. These regularly recurring reports form the foundation for the Board's evaluation and assessment of the effectiveness of internal control over financial reporting and are the basis for decisions regarding any potential improvement measures.

Chairman's comments

"Eniro will develop its position in local search through continued focus on user benefit. More users generates more customers, which in turn generates a better return for our shareholders."

Eniro's position as market leader in local search

It is clear that the playing field in our business, like all other businesses, is undergoing major changes in user behaviors and shifts in technology. In most cases, a major transformation like the one we are experiencing would open the door to new players in the market, and the companies that were previously the market leaders would see themselves passed by as new players that offer faster adaptation to the customers' needs position themselves. Eniro was the market leader for local search before the sector's transformation, and by acting early to realign itself and develop new, digital products, the company has succeeded in defending this position. Despite the incredibly rapid pace of development, the same brands remain at the top today as for five years ago. The barriers to establish a new brand in a mature market are high, and Eniro today has several key strengths that are costly, time-consuming and difficult to copy. The company's database of information that has been built up during the past century is the main one. In addition, Eniro's high brand awareness and large sales force, who are well aware that we could easily be passed by if we were to stand still, are key competitive advantages.

User in focus

Eniro has developed and adapted to users' changed search behaviors. From previously having developed services based on the company's own perspective, our platform now is based on the actual users' preferences, likings and taste. It is gratifying to see that our users like what we do. By enabling users to find current information quickly and conveniently, regardless of the channel they choose, we create user benefit. Satisfied users generate more traffic to the company's services, which in turn increases the value for Eniro's paying customers. User benefit and customer benefit are being developed in parallel: more users means more advertisers, which in turn generates more users. During the year, the number of unique visitors to the company's services grew 10%.

Global trends expanding Eniro's services

The fact that technological development is progressing with lightning speed is nothing new. As users we surf the Internet across geographic and country borders in search of global information. I see four clear trends that we in our work on leading and developing Eniro must align ourselves with and two comets that are rapidly rising. The changed user behavior that is affecting local search can be summarized in the concept SoLoMoCo – social, local, mobile and commerce. People are spending an evergreater share of their time on social networks and platforms on the Internet. For Eniro, it is important to be able to integrate social networking like Facebook, reservation services and recommendations in its existing service. By broadening the service, the time users spend in our sites increases. Eniro is local by nature. Our services give visitors the best local information in the channels that users prefer using. The mobile channel continues to grow in importance and will be experiencing strong growth in searches and revenues in the years ahead. Eniro already has a strong market position in the mobile channel. Of total product searches, as many as 34% are currently made from a smartphone or tablet, and it is not unrealistic to believe that we will pass the 50% mark in 2014. Eniro recently launched a product to capture the growing volume of commerce that is being conducted digitally. Apart from improved functionality, design and clarity, the launch makes Eniro an intermediary of business between the company's paying customers and potential buyers of their products. One rising trend in the market is semantic search. Users are increasingly entering more words or sentences to describe what they are looking for, which puts greater demands on technical solutions that capture these user behaviors and generate relevant search results. Another rising trend is that more and more people are searching for information via moving pictures.

Local search of the future

Eniro has strong brands and an established platform that can be expanded to accommodate the global search trends. We will not be launching upstarts of new brands in an effort to capture new trends, but will expand our existing services with sites that are relevant for local search. The commercial content will be strengthened and made more dynamic. It is clear that it is the users who are driving future development – and our company as well! We see a need to continue developing our business and strengthen our digital competence. My vote goes to a changing future, and it is with confidence that I look forward to continuing to develop the company together with my colleagues on Eniro's board, the company's management and its employees. We're moving forward!

Stockholm, March 2014

Lars-Johan Jarnheimer
Chairman of the Board

Board of Directors

Lars-Johan Jarnheimer

Chairman of the Board
Born 1960. M.Sc. Econ. Chairman of the Board since 2011. Remuneration Committee chair and member of the Audit Committee.
Other directorships: SAS AB, INGKA Holding BV (IKEA's parent company), CDON Group, Egmont International AS, Arvid Nordquist HAB, SSRS Holding AB and Association chair of BRIS.
Professional experience: President and CEO of Tele2, Marketing Director, northern Europe, for Saab Automobile, and CEO of Comviq.
Common shares: 100,000
Preference shares: 5,000

Thomas Axén

Director
Born 1960. M.Sc. Econ. Director since 2010. Member of the Audit Committee.
Other directorships: Litorina Kapital.
Professional experience: CEO of Axstores (current), and Bonnier Dagstidningar. Worked for McKinsey & Co.
Common shares: -
Preference shares: -

Fredrik Arnander

Director
Born 1965. M.Sc. Econ. Director since 2011.
Other directorships: Keybroker Group AB and Qwaya AB.
Professional experience: CEO of Standard Ventures AB (current). Founder and former CEO of Keybroker Group AB.
Common shares: 30,500*
Preference shares: -

Jennie Hallberg

Employee representative
Born 1983. Secondary school diploma. Employee representative since 2010.
Other directorships: Unionen local chapter Eniro, Regional Branch of Unionen Stockholm, steering committee member for Ung Arena, and Unionen unemployment benefit fund.
Professional experience: Licensed practical nurse and supersearcher at 118 118.
Common shares: -
Preference shares: -

Susanne Olin Jönsson

Employee representative
Born 1959. Secondary school diploma. Employee representative since 2011.
Other directorships: Local chapter Eniro.
Professional experience: Supervisor, team manager, store manager and coach.
Common shares: -
Preference shares: -

**Held by closely related legal entities (if no figure is provided, no shareholdings on closely related natural persons or legal entities is existing).*

Cecilia Daun Wennborg

Director
Born 1963. M.Sc. Econ. Director since 2011. Audit Committee chair.
Other directorships: ICA Gruppen AB, Getinge AB, Loomis AB, Proffice AB, Ikanobanken AB, Carnegie Fonder AB, AB Svensk Bilprovning and Sophiahemmet.
Professional experience: CEO/CFO of Carema, acting CEO of Skandiabanken, Skandia Sweden, and Skandia Link.
Common shares: 10,000
Preference shares: 210

Ketil Eriksen

Director
Born 1963. M.Sc. Econ. Director since 2011. Member of the Remuneration Committee.
Other directorships: Helly Hansen AS, Plantagen AS, Polarica and Fazer Group.
Professional experience: CEO of The Absolut Company, Vin & Sprit AB and Colgate-Palmolive AB.
Common shares: 2,150
Preference shares: 200*

Leif Aa. Fredsted

Director
Born 1961. M.Sc. Econ. Director since 2012.
Other directorships: Vivaki Norway, Vivaki Sweden and Vivaki Denmark.
Professional experience: CEO of Starcom Norway AS (current), Markup Consulting AS, and Synergi Rf.
Common shares: 5,000*
Preference shares: 0

Jonas Svensson

Employee representative
Born 1966. Secondary school diploma. Employee representative since 2007 (deputy 2007–2010).
Other directorships: Unionen local chapter Eniro.
Professional experience: Project manager, Business & Sales and Controller, Eniro 118 118 AB.
Common shares: -
Preference shares: -

Katarina Emilsson-Thudén

Employee representative (deputy)
Born 1969. Certified information broker and business intelligence officer. Deputy employee representative since 2013.
Other directorships: Unionen local chapter Eniro.
Professional experience: Facility management, environmental audit, team manager and information officer.
Common shares: -
Preference shares: -

**Held by closely related legal entities (if no figure is provided, no shareholdings on closely related natural persons or legal entities is existing).*

Group Management

Johan Lindgren

President and CEO
Born 1957. M.Sc. Econ. President and CEO since 2010. Member of Group Management since 2010.
Previously: CEO of Telenor Sverige AB.
Styrelseuppdrag: Scanmast.
Shareholding (own and related parties): 306,200 shares, of which 202,300 in endowment insurance plan.
Synthetic shares: 140,265

Magdalena Bonde

President Eniro Sweden / Finland
Born 1967. RMI Berghs and Stockholm University. President Eniro Sweden and Finland since 2013. Eniro employee since 2010. Member of Group Management since 2013.
Previously: Head of Eniro's Voice operations in Sweden and Finland.
Shareholding (own and related parties): 2,600
Synthetic shares: 37,890

Bożena Chmielarczyk

President Eniro Poland
Born 1965. Bachelor of Business Administration and Management. President of Eniro Poland since 2012. Eniro employee and member of Group Management since 2012.
Previously: President of Reader's Digest Poland.
Shareholding (own and related parties): -
Synthetic shares: 1,412

Pierre Mårtensson

President Eniro Norway
Born 1972. M.Sc. Econ. President Eniro Norway since 2013. Eniro employee and member of Group Management since 2013.
Previously: President Oriflame China.
Shareholding (own and related parties): 9,000
Synthetic shares: -

Krister Skålberg

Senior Vice President Group IT Production
Born 1961. M.Sc. Eng. Senior Vice President Group Service Delivery since 2010. Eniro employee and member of Group Management since 2010.
Previously: CIO Telenor Sverige AB.
Shareholding (own and related parties): 9,000
Synthetic shares: 51,137

Stefan Kercza

President Eniro Denmark
Born 1964. MBA. President Eniro Denmark since 2011. Eniro employee and member of Group Management since 2011.
Previously: President for regions Tamil Nadu and Kerala, Telenor India.
Shareholding (own and related parties): -
Synthetic shares: 54,363

Mattias Lundqvist

Chief Financial Officer
Born 1969. MBA. CFO since 2010. Eniro employee since 2005. Member of Group Management since 2011.
Previously: Group controller Eniro AB.
Shareholding (own and related parties): 5,000
Synthetic shares: 40,488

Martina Smedman

Senior Vice President, Group Human Resources
Born 1963. B.Sc. in Human Resource Management. Senior Vice President, Group Human Resources since 2011. Eniro employee and member of Group Management since 2011.
Previously: Head of Human Resources, Preem AB.
Shareholding (own and related parties): 1,000
Synthetic shares: 23,791

Mattias Wedar

Senior Vice President Group Product & Marketing
Born 1973. M.Sc. Informatics and Systems Analysis. Senior Vice President Group Product & Marketing since 2013. Eniro employee since 2005. Member of Group Management since 2008.
Previously: President of Eniro Sweden and Finland.
Shareholding (own and related parties): 9,000
Synthetic shares: 108,274

Morten Algøy, formerly President of Eniro Norway, left Eniro's Group Management in February 2013.

Sara Kullgren, formerly head of Group Product and Services, left Eniro's Group Management in October 2013.

Annica Elmehagen Lundquist left Eniro's Group Management in November 2013.

Financial statements

Financial statements

Eniro's financial statements provide a detailed picture so as to provide an understanding of the company's performance during the 2013 fiscal year. For additional statistics and a more long-term historical overview, visit Eniro's website *www.enirogroup.com/en.financial-data.*

Consolidated financial statements

Notes to the consolidated financial statements

Parent Company financial statements

Notes to the Parent Company financial statements

Consolidated financial statements

Consolidated income statement

SEK M	Note	2013	2012*
Gross operating revenue		3,668	4,013
Advertising tax		-8	-14
Operating revenue	3	**3,660**	**3,999**
Production costs		-875	-959
Sales costs		-1,140	-1,288
Marketing costs		-262	-570
Administration costs		-503	-431
Product development costs		-259	-327
Other income		27	83
Other costs		-10	-14
Impairment of non-current assets	7, 8	-104	-12
Operating income	3, 4, 22, 23, 24	**534**	**481**
Financial income	5	67	178
Financial expense	5	-209	-318
Income before tax		**392**	**341**
Income tax	6	-158	-100
Net income for the year		**234**	**241**
Of which, attributable to			
Owners of the Parent Company		232	241
Non-controlling interests		2	-
Earnings per common share, SEK	14	1,84	2,09
Average number of common shares, 000s		100,177	100,177
Number of preference shares at year-end, 000s		1,000	1,000

Consolidated statement of comprehensive income

SEK M	Note	2013	2012*
Net income for the year		**234**	**241**
Other comprehensive income			
Items that cannot be reclassified to income statement			
Revaluation of pension obligations	16	233	-123
Tax attributable to revaluation of pension obligations		-51	21
Total		**182**	**-102**
Items that have been or can be reclassified to income statement			
Hedge of cash flow		-	27
Hedge of net investment		83	-20
Tax attributable to other items		-18	4
Exchange rate differences		-318	18
Total		**-253**	**29**
Other comprehensive income, net after tax'		**-71**	**-73**
Comprehensive income for the year		**163**	**168**
Of which, attributable to:			
Owners of the Parent Company		161	168
Non-controlling interests		2	-

*Recalculation of comparative year in accordance with changed accounting policy for pensions.

Consolidated balance sheet

SEK M	Note	12/31/2013	12/31/2012*
ASSETS			
Non-current assets			
Tangible assets	7	40	42
Intangible assets	8	6,948	7,330
Holdings in associated companies	9	0	0
Deferred tax assets	6	209	393
Financial assets	10	148	98
Total non-current assets		**7,345**	**7,863**
Current assets			
Work in progress		68	75
Trade receivables	11	430	560
Prepaid expenses and accrued revenue	12	175	167
Current tax assets		0	14
Other current receivables	11	24	64
Other interest-bearing receivables	11	3	3
Cash and cash equivalents	13	113	198
Total current assets		**813**	**1,081**
TOTAL ASSETS		**8,158**	**8,944**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	309	2,529
Other capital contributions		5,125	5,125
Reserves		-360	-107
Retained earnings		-1,421	-4,004
Shareholders' equity, owners of the Parent Company		**3,653**	**3,543**
Non-controlling interests		68	-
Total equity		**3,721**	**3,543**
Non-current liabilities			
Borrowing	15	2,115	2,527
Deferred tax liabilities	6	276	278
Pension obligations	16	273	515
Provisions	17	5	11
Other non-current liabilities		6	-
Total non-current liabilities		**2,675**	**3,331**
Current liabilities			
Trade payables		181	189
Current tax liabilities		25	62
Accrued expenses and prepaid revenue	18	865	1,168
Other current liabilities		165	182
Provisions	17	74	30
Borrowing	15	452	439
Total current liabilities		**1,762**	**2,070**
TOTAL EQUITY AND LIABILITIES		**8,158**	**8,944**

*Recalculation of comparative year in accordance with changed accounting policy for pensions.

Consolidated statement of changes in equity

		Equity attributable to owners of the Parent Company							
SEK M	Note	Share capital	Other capital contribu-tions	Hedging reserve	Transla-tion reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, January 1, 2012		**2,504**	**4,767**	**-21**	**-115**	**-4,107**	**3,028**	**-**	**3,028**
Net income for the year		-	-	-	-	241	241	-	241
Cash flow hedges									
Measurement of interest rate swaps at fair value		-	-	27	-	-	27	-	27
Tax on fair value of interest rate swaps		-	-	-6	-	-	-6	-	-6
Hedge of net investment									
Measurement of loan liabilities		-	-	-	-20	-	-20	-	-20
Tax on measurement of loan liabilities		-	-	-	10	-	10	-	10
Translation of foreign subsidiaries		-	-	-	18	-	18	-	18
Change in pensions									
Actuarial gains/losses		-	-	-	-	-123	-123	-	-123
Tax on actuarial gains/losses		-	-	-	-	21	21	-	21
Total comprehensive income		**-**	**-**	**21**	**8**	**139**	**168**	**-**	**168**
Transactions with shareholders:									
Rights issue, net after transaction costs		25	358	-	-	-	383	-	383
Dividend		-	-	-	-	-36	-36	-	-36
Total, transactions with shareholders		**25**	**358**	**-**	**-**	**-36**	**347**	**-**	**347**
Closing balance, December 31, 2012*	14	**2,529**	**5,125**	**-**	**-107**	**-4,004**	**3,543**	**-**	**3,543**
Opening balance, January 1, 2013		**2,529**	**5,125**	**-**	**-107**	**-4,004**	**3,543**	**-**	**3,543**
Net income for the year		-	-	-	-	232	232	2	234
Hedge of net investment									
Measurement of loan liabilities		-	-	-	83	-	83	-	83
Tax on measurement of loan liabilities		-	-	-	-18	-	-18	-	-18
Translation of foreign subsidiaries		-	-	-	-318	-	-318	-	-318
Change in pensions									
Actuarial gains/losses		-	-	-	-	233	233	-	233
Tax on actuarial gains/losses		-	-	-	-	-51	-51	-	-51
Total comprehensive income		**-**	**-**	**-**	**-253**	**414**	**161**	**2**	**163**
Transactions with shareholders									
Rights issue and redemption of shares		5	-	-	-	-5	-	-	-
Reduction of share capital		-2,225	-	-	-	2,225	-	-	-
Dividend		-	-	-	-	-48	-48	-	-48
Change in non-controlling interests		-	-	-	-	-3	-3	66	63
Share-based payment		-	-	-	-	0	0	-	0
Total transactions with shareholders		**-2,220**	**-**	**-**	**-**	**2,169**	**-51**	**66**	**15**
Closing balance, 31 December 2013	14	**309**	**5,125**	**-**	**-360**	**-1,421**	**3,653**	**68**	**3,721**

*Recalculation of comparative year in accordance with changed accounting policy for pensions.

Consolidated statement of cash flows

SEK M	Note	2013	2012
Operating activities			
Operating income		534	481
Adjustments for			
Depreciation, amortization and impairment of non-current assets	4	315	495
Pensions and other provisions		7	-37
Result on sales of non-current assets		-1	-48
Other non-cash items		0	-87
Interest received		8	15
Interest paid		-160	-271
Income tax paid		-59	-62
Cash flow from operating activities before changes in working capital		**644**	**486**
Cash flow from changes in working capital			
Decrease/increase in work in progress		7	-1
Decrease/increase in current receivables		125	169
Decrease/increase in current liabilities		-295	-234
Cash flow from operating activities		**481**	**420**
Investing activities			
Acquisitions of subsidiaries and other operations	27	-6	-2
Acquisitions of tangible assets	7	-25	-13
Acquisitions of intangible assets	8	-132	-109
Divestments of Group companies and associated companies	9, M8	39	72
Sales of non-current assets	7	5	1
Cash flow from investing activities		**-119**	**-51**
Financing activities			
Proceeds from borrowings		2,879	50
Repayment of borrowings		-3,221	-1,071
Long-term investments		-50	-61
Rights issue	14	0	376
Dividend on preference shares		-48	-24
Cash flow from financing activities		**-440**	**-730**
Cash flow for the year		**-78**	**-361**
Cash and cash equivalents at start of the year		**198**	**557**
Cash flow for the year		-78	-361
Exchange rate differences in cash and cash equivalents		-7	2
Cash and cash equivalents at year-end	13	**113**	**198**

Group notes

NOTE 1 Accounting policies

GENERAL

The Group includes the Parent Company, Eniro AB (publ), registered number 556588-0936, and its subsidiaries, associated companies and joint ventures. The Parent Company has its registered office in Stockholm, Sweden, and has been listed on Nasdaq OMX Stockholm since October 10, 2000. The address of the headquarters is SE-169 87 Stockholm. The annual report and the consolidated financial statements were approved by the Board of Directors on March 21, 2014, and will be presented for adoption by the Annual General Meeting on April 24, 2014.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as endorsed by the EU, as well as with applicable stipulations in the Swedish Annual Accounts Act and Swedish Financial Reporting Board Recommendation RFR 1 – Supplementary Accounting Policies for Groups.

NEW AND AMENDED STANDARDS APPLIED BY THE GROUP

Following are the standards that are applied for the first time for the fiscal year beginning on January 1, 2013, and which have a significant impact on the consolidated financial statements.

IAS 1 – Presentation of Financial Statements includes amendments pertaining to other comprehensive income. The most significant change is the requirement that items reported in other comprehensive income be presented in two subitems. The split is based on whether items may be reclassified to profit or loss (reclassification adjustments) or not.

Amendments in IAS 19 – Employee Benefits entail that interest expenses and the expected return on plan assets are replaced by a net interest figure that is calculated using the discount rate, based on the net surplus or net deficit in the defined benefit plan. Past service costs are reported immediately.

IFRS 7 – Financial Instruments: Disclosures, pertaining to disclosures related to net recognition of assets and liabilities.

IFRS 13 – Fair Value Measurement, which aims to make fair value measurement more uniform and less complex by providing an exact definition and a uniform source in IFRS for fair value measurements and accompanying disclosures. The standard provides guidance for measuring fair value for all types of assets and liabilities – financial as well as nonfinancial. The requirements do not expand the application area for when fair value is to be applied, but provides guidance on how it is to be applied in cases where other IFRS's already require or permit fair value measurement.

An amendment has been made to IAS 36 – Impairment of Assets regarding the recoverable value of nonfinancial assets. The amendment removes a requirement for disclosures of the recoverable value of cash-generating units that was added to IAS 36 in connection with the creation of IFRS 1. Although the amendment is not obligatory until January 1, 2014, Eniro has chosen to apply the amendment as from January 1, 2013.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the Parent Company Eniro AB and its subsidiaries. Subsidiaries are companies in which the Parent Company, directly or indirectly, has the right to formulate financial and operational strategies in a manner that normally results from a shareholding greater than 50 percent of the votes. Subsidiaries are included in the consolidated financial statements from the date on which control was transferred to the Group. They are eliminated from the consolidated financial statements on the date from which control ceases.

Eniro applies the purchase method for reporting the Group's business combinations. The purchase consideration for the acquisition of a subsidiary consists of the fair value of transferred assets and liabilities acquired by the Group from 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 for contingent 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, 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 contingent 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 contingent 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. Contingent consideration that is classified as shareholders' equity is 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 exceeds the fair value of identi fiable 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.

Intra-Group transactions, balance sheet items and income and expenses from transactions between Group companies are eliminated. Gains and losses from intra-Group transactions that are reported in assets are also eliminated.

ASSOCIATED COMPANIES

Associated companies are companies in which the Group has a significant – but not controlling – influence, which as a rule applies for shareholdings corresponding to between 20 percent and 50 percent of the votes. Holdings in associated companies are recognized in accordance with the equity method. This entails that the investment is initially valued at cost, and the carrying amount is increased or decreased thereafter to take into account the Group's share of associated company's profit or loss after the acquisition date. The Group's carrying amount of holdings in associated companies includes goodwill that is identified in connection with the acquisition.

JOINT VENTURES

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 is included under the corresponding items in the consolidated financial statements. Starting in 2014, Eniro will apply the equity method for consolidation of joint ventures, see "New accounting policies and amendments in 2014 and later."

TRANSLATION OF FOREIGN CURRENCY

Financial reporting is conducted 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 using the exchange rates in effect on the transaction date. Exchange gains and losses arising in payments for such transactions and in the translation of monetary assets at the exchange rate in effect on the balance sheet date are recognized in profit or loss. Exceptions are transactions that constitute hedges that satisfy the conditions for hedge accounting of cash flows or net investments. Such gains or losses are recognized in other comprehensive income.

Income statements and balance sheets of subsidiaries with another functional currency than SEK are translated as follows:

- Assets and liabilities are translated at the exchange rate in effect on the balance sheet date.
- Revenues and costs are translated at the average exchange rate (insomuch as this gives a reasonable approximation of the accumulated effect of the exchange rates that apply on the transaction date; otherwise, revenues and costs are translated at the exchange rate in effect on the transaction date)
- Exchange rate differences are recognized in other comprehensive income.

Goodwill and adjustments of fair value arising from the acquisition of foreign operations are treated as assets and liabilities in that operation and are translated at the exchange rate in effect on the balance sheet date.

REVENUE

Revenue is recognized when it is probable that the economic benefits associated with the transaction will accrue to Eniro and when the revenue can be measured in a reliable manner. Revenue is measured at the fair value of what has been received or will be received after deducting for discounts. Eniro presents its revenue according to the revenue streams Desktop search, Mobile search, Campaign products, Print and Voice.

Eniro's revenue is generated primarily from advertisements that are shown when a user performs a search on the Internet, via mobile phones, in directories and via directory assistance services. Revenue is recognized in the period in which Eniro performed the service. In cases where a product contains several components, the market value attributable to each component is recognized on delivery. Revenue recognition occurs after deductions for discounts or other similar deductions. Revenue for advertising packages is apportioned in accordance with the various revenue recognition principles that apply for the constituent components. The outcome of the apportionment 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.

Revenue – Desktop search and Mobile search
In the Desktop search and Mobile search revenue categories, Eniro offers its customers advertising space in Eniro's highly popular local search sites. The primary advertising channels for desktop advertising are the main sites eniro.se in Sweden, gulesider.no in Norway, krak.dk in Denmark, and panoramafirm.pl in Poland. The advertising channels for mobile advertising are the main sites and local mobile apps. Eniro also offers a B2B service for company and financial data, called Proff.

Eniro offers various advertising packages of varying sizes and varying content and geographic coverage. The advertising packages include, among other things, company data, indepth company information, links to the advertiser's website, video presentations from the advertiser and keyword optimization. The revenue from advertising package is apportioned to the constituent components. The advertising space in Eniro's desktop and mobile channels is allocated over time that the service is provided, normally 12 months. Keyword optimization entails that Eniro analyzes traffic on Eniro's search pages, after which it subsequently chooses specific keywords for the respective customers, which increases the customers' searchability and thus their visibility on hit lists. Optimization revenue is recognized when the analysis has been performed. The optimization service is included both in advertising packages and can be purchased separately if the customer requests a new or expanded analysis. For example, if a video product is included, the revenue is apportioned between the components video and video hosting, where the revenue attributable to the video is recognized when the recording has been completed and the video is delivered to the customer. The revenue attributable to video hosting is allocated over the period in which the service is provided.

Revenue – Campaign products
In the Campaign products revenue area, Eniro offers services such as search engine optimization (SEO), videos, websites (both online and mobile sites), and sponsored links. Campaign products are sold under the Kvasir Media brand in Sweden and Norway, and Krak Group in Denmark.

Search engine optimization (SEO) entails optimizing customers' websites for the major search engines. Eniro conducts continuous updates in order to deliver the desired results. SEO revenue is recognized over the period during which the service is provided, which normally means that the revenue is recognized over a period of 12 months, but other period are also possible.

For the video product, the offering entails filming and editing a 60-second presentation video. The video is then published on the customer's profile page with Eniro and on major video sites, such as YouTube, and is optimized for the major search engines. The customer may also publish the video on its own website. Revenue is allocated to the constituent components video and video hosting, whereby the revenue attributable to the video is recognized when the recording has been completed and the video is delivered to the customer. Revenue attributable to video hosting is recognized on a straight line basis over the subscription period, i.e. the period when the service is provided.

The website product entails that Eniro produces a website for the customer, which is thereafter published during a subscription period. Revenue is apportioned to the constituent components website and website hosting. The revenue attributable to the website is recognized when the website is delivered to the customer. Revenue attributable to website hosting is rec ognized on a straight line basis over the subscription period, i.e., 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. Revenue for sponsored links is recognized when a user clicks on the sponsored link at the prevailing cost per click (CPC), in accordance with an auction procedure.

Print revenue
Revenue from printed directories is recognized when the directories are distributed.

Voice revenue
Revenue from directory assistance services or other voice services is recognized when the service is provided to the end user in a phone call or by text message (SMS).

SEGMENT REPORTING
Segment reporting reflects how Eniro's financial information is presented internally to the chief operating decision maker. At Eniro, Group Management constitutes the chief operating decision maker and is responsible for the allocation of resources and evaluation of results. Eniro's operating segments consist of the business areas Local search (formerly Directories) and Voice. Local search encompasses advertising revenue in Sweden, Norway, Denmark and Poland, and works with joint, cross-border functions in Group Product & Marketing, Group IT Production, Human Resources and Finance. Voice encompasses the directory information services in Sweden, Norway and Finland. The Voice units are not included in joint, cross-border functions of Local search and thus form a separate segment. Reporting and Group Management's monitoring of financial information, EBITDA, is in line with the Local search and Voice segments.

TAXES
Both current and deferred income taxes are reported in the consolidated financial statements. The balance sheet method is applied for reporting of income taxes. According to this method, deferred tax liabilities and tax assets are reported for all temporary differences between the carrying amounts and tax values of assets and liabilities. Deferred tax assets attributable to tax-loss carryforwards are reported only when it is considered probable that the loss car ryforward can be utilized in the future. Deferred tax liabilities and tax assets are calculated on the basis of the anticipated tax rate on the expected date when the deferred tax asset in question will be realized or the deferred tax liability will be settled. The effects of changes in the applicable tax rates are recognized in profit or loss or in other comprehensive income during the period in which the change was adopted.

TANGIBLE ASSETS
Tangible assets is reported 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 on a straight-line basis over the assets' estimated useful life, down to any residual value. Eniro's tangible assets consists mainly of computer equipment and office equipment. The estimated useful life varies from three to five years. The residual value of assets and their useful life are tested for impairment on every closing date and is adjusted as necessary.

INTANGIBLE ASSETS
Goodwill consists of the amount by which the cost exceeds the fair value of the Group's share of an acquired subsidiary's/associated company's net assets on the acquisition date.

Other intangible assets with indefinite useful life consist of brands obtained through acquisitions. Goodwill and other brands with indefinite useful life are tested annually for impairment and are carried at cost less 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 relationships, other brands and other intangible assets are amortized over their useful life. The useful life for customer relationships is based on the repurchase frequency and varies between three and seven years. Other brands have a finite useful life of between five and ten years. Other intangible assets primarily consist of product development. The outlays that are capitalized include costs for direct salaries and other costs directly attributable to development projects. In addition, software, databases and publication rights of a unique nature that are controlled by Eniro and provide economic benefits over a period exceeding three years are reported as intangible assets. Other intangible assets are amortized on a straight-line basis over their estimated useful life, which varies between three and ten years.

IMPAIRMENT
Assets with an indefinite useful life, such as goodwill and certain brands, are not amortized, but are instead tested for impairment yearly or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Even assets that are amortized are tested for impairment 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. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In impairment testing, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

NON-CURRENT ASSETS HELD FOR SALE
Non-current assets (or disposal groups) are classified as held for sale when their carrying amount will mainly be recovered through a sale transaction and a sale is considered to be highly probable. They are reported at the lower of their carrying amount and fair value, less costs to sell.

FINANCIAL ASSETS
Financial assets are classified in the following categories:
- Financial assets at fair value through profit or loss
- Loan receivables and trade accounts receivable
- Available-for-sale financial assets

Financial assets at fair value through profit or loss consist mainly of assets intended to be sold in the near term. At year-end 2013 Eniro did not have any assets classified in this category.

Loans and receivables are non-derivative financial assets with fixed or payments whose amounts can be determined and that are not listed on an active market. Loan receivables are insignificant in scope. Available-for-sale financial assets are non-derivative financial assets in which the assets have been identified as available for sale or not belonging to any other category. At year-end 2013 Eniro did not have any assets classified in this category.

Purchases and sales of financial assets are recognized on the date on which Eniro under takes to buy or sell the asset. Financial assets are initially measured at fair value plus transaction costs, except for financial assets at fair value through profit or loss, for which transaction costs are excluded. 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.

Loans and receivables are measured after the point of acquisition at amortized cost using effective interest method. Available-for-sale financial assets and financial liabilities at fair value through profit or loss are measured after the acquisition date at fair value.

Financial assets and liabilities are offset and reported as a net amount on the balance sheet only when there is a legally enforceable right to offset the reported 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. Borrowing costs are not included. For printed directories, direct production costs pertain mainly to purchases of paper, printing and binding of directories, and 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 multiscreen services, direct production costs pertain mainly to costs for advertising production.

TRADE RECEIVABLES

Trade accounts receivable are initially measured at fair value, which normally corresponds to the invoiced amount. Thereafter, trade receivables are valued at cost without discounting, less any provisions for bad debts. No discounting is performed, since the average credit period is short and the interest is thus immaterial. Credit risks are handled through active credit checks and routines 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 provisions and are reported as Sales cost in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, disposable funds in bank accounts and 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 in Group accounts.

Cash and cash equivalents in restricted bank accounts are classified as a financial asset.

SHAREHOLDERS' EQUITY

Shareholders' equity in the Group is divided into share capital, other capital contributions, reserves and retained earnings. Holdings of treasury shares acquired within framework approved by the Annual General Meeting are reported in the consolidated financial statements as a reduction of other capital contributions. In the Parent Company, this reduction is reported as a reduction of retained earnings or, where applicable, against a reserve to be used in accordance with a resolution by a general meeting of shareholders. Costs in addition to the purchase price arising in conjunction with the acquisitions of treasury shares are charged against retained earnings. This holding is not included in the number of shares outstanding when calculating key data per share. Eniro classifies the company's preference shares as equity, and dividends as dividends to owners of preference shares in accordance with IAS 32 – Financial Instruments. The classification has been made on the basis of the company's terms that the preference shares lack a set date for redemption and that owners of preference shares do not have any right to demand redemption.

BORROWINGS

Borrowings are initially stated at fair value, net after transaction costs. They are thereafter carried at amortized cost, and any difference between the amount received after transaction costs and the amount repaid is recognized in profit or loss over the repayment period using the effective interest method.

Liabilities that are expected to be settled within 12 months after the end of the reporting period are classified as current liabilities. Liabilities that are expected to be settled later than 12 months after the end of the reporting period are classified as non-current liabilities.

REPORTING OF DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

Derivative instruments are reported on the balance sheet as per the contract date and are measured at fair value both initially and on subsequent revaluations. Derivatives may be used hedge fair value, cash flows or net investments in foreign currency. Eniro hedged its future cash flows until the expiration of the company's interest rate swaps in August 2012. At present, hedging is only conducted of the Group's foreign net investments.

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

Hedging of cash flows

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

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 recognized directly in other comprehensive income.

Hedges of foreign net investments

The effective portion of a hedge of foreign net investments is recognized under other comprehensive income, while the ineffective portion is recognized directly in profit or loss under the item Financial cost. Accumulated gains and losses in shareholders' equity are recognized as a portion of the capital gain or loss arising when a foreign unit is divested.

PROVISIONS

By provisions is meant liabilities that are uncertain with respect to their amount or the date on which they will be settled. Provisions are reported when the Group has a legal or constructive obligation as a result of a previous events and it is more probable that an outflow of resources will be required to settle the obligation than the opposite, and the amount can be estimated in a reliable manner.

Provisions pertain mainly to pension obligations, deferred tax liabilities, costs arising from changes in personnel and ongoing legal proceedings. The reserved amounts constitute 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.

TRADE PAYABLES

Trade accounts payable are initially stated at fair value and subsequently at amortized cost using the effective interest method.

EMPLOYEE BENEFITS

Pensions

The Eniro Group has both defined contribution and defined benefit pension plans. A defined contribution plan is a pension plan in which the Group pays fixed contributions to a separate legal entity and has no legal or constructive obligation to make further payments. Costs are charged against consolidated earn ings in pace with the vesting of benefits. In defined benefit plans, benefits are paid to employees and former employees based on their salary at the time of retirement and the number of years they were employed. The Group bears the risk for paying the pledged benefits. Eniro has defined benefit plans in Sweden, Norway and Finland. Certain plans are funded, and benefits from these are paid by the Group as they become due. Eniro's pension obligations pertain mainly to employees in Sweden. 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 net amount of the estimated present value of the obligations and the fair value of the plan assets is recognized on the balance sheet. In cases where a surplus in a pension plan cannot be fully utilized, only the portion of the surplus that the company can recover through lower future contributions or repayments is reported.

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 benefits. The calculations are performed annually by independent actuaries. The company's obligations are measured at the present value of anticipated future payments using a discount rate. In Sweden, a discount rate is used that corresponds to the yield on mortgage bonds with a maturity corresponding to the obligation in question. The most important actuarial assumptions are described in the note for pension obligations. In determining the present value of the obligation and the fair value of plan assets, actuarial gains and losses may arise, which are recognized in other comprehensive income.

The pension obligation also includes a provision for future pensions in Eniro 118 118 AB, in accordance with an arrangement under collective bargaining agreements that provides for an Early Retirement Benefit plan (ERB) at 55, 60 or 63 years for certain personnel categories. The ERB plan is a pension plan covering certain Eniro employees who were previously employed by Televerket (today TeliaSonera) prior to its incorporation in 1991. Under the agreement, payments from this plan are to be covered in part by the former owner, TeliaSonera, and on December 31, 2013, the corresponding receivable amounted to SEK 17 M (25). The credit risk associated with this receivable is regarded as negligible.

The interest cost is classified as a financial cost. Other cost items included in pension costs are charged against operating income.

SHARE-BASED PAYMENTS

The Eniro Group has share-based incentive programs directed at the CEO, members of Group Management and certain key persons. The Annual General Meeting in April 2013 resolved in favor of introducing a new share-based incentive program – the Long Term Incentive Program (LTIP 2013) – which replaces previous programs with synthetic shares.

Long Term Incentive Program (LTIP 2013)

Reporting of share-based remuneration programs regulated with equity instruments entails that the instrument's fair value at the time of grant is to be recognized in profit or loss over the vesting period, with a corresponding adjustment of shareholders' equity. This leads to an estimated cost, corresponding to the earned portion of the estimated value of the shares upon grant, that is charged against income during the vesting period. At the end of each reporting period during the vesting period, an estimation is made of the anticipated number of shares granted, and the effect of any change in previous estimates is recognized in profit or loss along with a corresponding adjustment of shareholders' equity. In addition, provisions are made for estimated social security costs related to the program. The calculations are based on a theoretical market valuation, where the market value is calculated using the Black & Scholes valuation model.

Variable cash salary with three-year lock-in – synthetic shares (2010–2012)
This incentive program entails that a maximum scope corresponding to 15–40 percent of the employee's fixed salary is reserved for a grant of so-called synthetic shares. For the CEO, the maximum scope can correspond to 50 percent of fixed salary. The number of synthetic shares that corresponds to the amount determined for the participant is calculated from the starting point of the average price paid for Eniro shares during the five trading days immediately following the record date. After three years the holding of synthetic shares is converted to cash payment. The outcome of the synthetic shares requires that the participant completes an employment period of three years after the grant. Eniro allocates the cost of the incentive program during the lock-in period. The maximum amount to be paid out for each synthetic share is limited to five times the share price at the time of conversion to synthetic shares. The incentive program does not entail compensation in Eniro shares, but can be seen as an index that regulates the size of the cash payment.

LEASES
A lease in which a significant portion of the risks and benefits resulting from ownership are retained by the lessor is classified as an operating lease. Payments made during the lease period are expensed on a straight-line basis over the lease period. Currently, the Group only has operating leases.

NEW ACCOUNTING POLICES AND AMENDMENTS IN 2014 AND LATER
The following new standards, amendments and interpretations of existing standards have been published and are mandatory for fiscal years beginning on or after January 1, 2014, but have not been applied prospectively.

IFRS 9 – Financial Instruments deals with classification, valuation and recognition of financial assets and liabilities. IFRS 9 stipulates that financial assets are to be classified in two categories: measurement at fair value or measurement at amortized cost. The classification is determined on the initial reporting occasion based on the company's business model and characteristic properties of the contractual cash flows. For financial liabilities, this results in no major changes compared with IAS 39. The greatest change pertains to liabilities identified at fair value. For these, the portion of the change in fair value that is attributable to the company's own credit risk is to be recognized in other comprehensive income rather than in profit or loss, unless this results in an accounting mismatch. The Group has not yet evaluated the impact of this change.

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 consolidated. The standard provides additional guidance for the establishment of control in cases where this is difficult to evaluate. The Group intends to apply IFRS 10 in the fiscal year that begins on January 1, 2014, and has not yet evaluated the full impact on the financial statements.

IFRS 11 – Joint Arrangements focuses on the rights and obligations of the parties in a joint arrangement rather than the legal form of the arrangement. Two types of joint arrangements have been defined: joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. In such an arrangement, the assets, liabilities, income and expenses are to be reported based on the party's share of ownership in these. A joint venture involves a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are to be accounted for using the equity method. Proportionate consolidation is no longer permitted, which is why Eniro will report joint ventures in accordance with the equity method as from January 1, 2014.

IFRS 12 – Disclosures of Interests in Other Entities includes disclosure require ments for subsidiaries, joint arrangements, associated companies and non-consolidat ed structured entities. The Group intends to apply IFRS 12 for the fiscal year beginning on January 1, 2014, and has not yet evaluated the full impact on the financial statements.

IFRIC 21 – Levies clarifies when a liability to pay a tax or fee that other than income tax is to be recognized. The interpretation identifies the obligating event that triggers the obligation to pay the tax or fee, and when the liability should thus be recognized. The Group is currently not subject to any significant taxes or fees other than income tax, and thus this interpretation does not have any material impact on the Group.

No other IFRSs or IFRIC interpretations that have not yet taken effect are expected to have any material impact on the Group.

NOTE 2 Important estimations and assessments

Estimations and assessments are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are regarded as reasonable under prevailing conditions.
The Group makes estimations and assessments about the future. The estimations for accounting purposes that result from these will, by definition, rarely match actual outcome. The estimations 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; instead, they are tested yearly for impairment. Other intangible assets and other non-current assets are amortized/depreciated over the period during which company management has assessed that the asset will generate revenues. In addition, impairment testing is conducted whenever there is an indication that assets may be impaired.

A number of estimations and assessments are made when the value in use of an 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 measures. Other significant assumptions include the allocated interest, 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 reviewed by the Audit Committee. Further information on goodwill and brands with an indefinite useful life is provided in note 8, Intangible assets.

Income taxes
The Group is obligated 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 based on a number of assumptions. The assumptions used when establishing the net cost of pensions include the discount rate. Each change in these assumptions will impact the carrying amount of pension obligations. The Group establishes an appropriate discount 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 rate, the Group takes into account yields on high-quality mortgage 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. Further information is provided in note 17, Pension obligations.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18 M19

NOTE 3 Segment information

Eniro reports its financial results distributed among the following business areas: Local search and Voice. Local search has cross-border functions for Group Product & Marketing, Group IT Production, Human Resources and Finance. The Voice business area is governed separately and is not an integrated part of the function-based organization. See also to the description of segments in the accounting policies.

	Local search		Voice		Other		Total	
SEK M	2013	2012	2013	2012	2013	2012	2013	2012*
Operating revenue								
Sweden	1,339	1,433	380	446	–	–	**1,719**	**1,879**
Norway	896	1,072	102	74	–	–	**998**	**1,146**
Denmark	515	525	–	–	–	–	**515**	**525**
Finland	–	–	207	249	–	–	**207**	**249**
Poland	221	200	–	–	–	–	**221**	**200**
Total	**2,971**	**3,230**	**689**	**769**	**–**	**–**	**3,660**	**3,999**
Operating income before depreciation, amortization and items affecting comparability	**741**	**760**	**271**	**282**	**-56**	**-66**	**956**	**976**
Items affecting comparability	-71	17	-20	-3	-16	-14	**-107**	**0**
Depreciation/amortization	-161	-462	-49	-20	-1	-1	**-211**	**-483**
Impairment losses	-13	-12	-91	–	–	–	**-104**	**-12**
Operating income	**496**	**303**	**111**	**259**	**-73**	**-81**	**534**	**481**
Net financial items							**-142**	**-140**
Taxes							**-158**	**-100**
Net income for the year							**234**	**241**
Assets and liabilities								
Goodwill	4,511	4,777	1,252	1,347	–	–	**5,763**	**6,124**
Other non-current assets	1,122	1,178	102	66	1	1	**1,225**	**1,245**
Other distributed assets	545	614	134	181	20	69	**699**	**864**
Undistributed assets					471	711	**471**	**711**
Total	**6,178**	**6,569**	**1,488**	**1,594**	**492**	**781**	**8,158**	**8,944**
Distributed liabilities	961	1,335	110	102	225	144	**1,296**	**1,581**
Undistributed liabilities					6,862	7,363	**6,862**	**7,363**
Total	**961**	**1,335**	**110**	**102**	**7,087**	**7,507**	**8,158**	**8,944**
Other disclosures								
Investments	153	119	4	3	0	0	157	122

*Recalculation of comparative year in accordance with changed accounting policy for pensions.

Tangible assets and intangible assets in Sweden amount to SEK 2,165 M (2,149).

External operating revenue per revenue category is broken down as follows:

SEK M	2013	2012
Desktop search	1,834	1,977
Mobile search	287	147
Campaign products	246	234
Multiscreen	**2,367**	**2,358**
Print	507	740
Other products	97	132
Local search	**2,971**	**3,230**
Voice	689	769
Total	**3,660**	**3,999**

Eniro offers a diverse portfolio of search services and search-related products to hundreds of thousands of customers, and thus the Group's dependence on individual customers is virtually non-existent.

NOTE 4 Breakdown of costs by type

SEK M	2013	2012
Employee benefits, incl. social security costs	1,610	1,664
Rents for premises, telecom, travel and training	319	349
External services	195	264
Marketing costs	195	232
Third-party costs	92	75
Paper, printing and distribution	101	140
Other	316	368
Depreciation/amortization	211	483
Total	**3,039**	**3,575**

Operational costs refer to production costs, sales costs, marketing costs, administration costs and product development costs. Employee benefits include restructuring costs reported as items affecting comparability.

Depreciation and amortization by function

SEK M	2013	2012
Tangible assets		
Production costs	17	24
Sales costs	4	6
Marketing costs	0	0
Administration costs	5	7
Product development costs	0	0
Total	**26**	**37**
Intangible assets		
Production costs	33	45
Sales costs	3	3
Marketing costs	64	298
Administration costs	7	11
Product development costs	78	89
Total	**185**	**446**
Total depreciation/amortization	**211**	**483**

Impairment of tangible assets amounted to SEK 0 M (0).
Impairment of intangible assets amounted to SEK 104 M (12).

NOTE 5 Financial income and expense

SEK M	2013	2012*
Financial income		
Exchange rate gains on intra-Group receivables and liabilities	54	6
Other financial income	0	155
External financial interest income	13	17
Total	**67**	**178**
Financial expense		
Exchange rate losses on intra-Group receivables and liabilities	-15	-13
Other financial expenses	-3	-2
Interest expense on pension liabilities	-14	-14
External financial interest expense	-177	-289
Total	**-209**	**-318**
Net financial items	**-142**	**-140**

*Recalculation of comparative year in accordance with changed accounting policy for pensions.

Other financial income in 2012 was affected by a capital gain of SEK 154 M that accrued to the company in connection with the early repayment of loans to Eniro's banks.

External financial interest expenses in 2012 were affected by SEK 36 M attributable to outstanding interest rate swaps. No new interest rate swaps were entered into after the expiration of the interest rate swap agreement in August 2012.

NOTE 6 Tax

Tax costs include the following components:

SEK M	2013	2012
Current tax on income for the year	-25	-64
Adjustment of current tax for previous years	-1	-1
Deferred tax cost pertaining to utilized loss carryforwards	-108	-62
Deferred tax cost relating to temporary differences	-30	-58
Deferred tax cost pertaining to loss carryforwards not measured	-35	-1
Deferred tax cost attributable to changed tax rate	-6	-41
Deferred tax income pertaining to temporary differences	47	109
Deferred tax income relating to loss carryforwards	1	19
Adjustment of deferred tax from previous years	-1	-1
Reported tax	**-158**	**-100**

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

SEK M	2013	2012
Reported income before tax	**392**	**341**
Tax according to Swedish tax rate of 22% (26.3%)	-86	-90
Tax effect of		
Non-deductible expenses	-24	-5
Tax-exempt income	0	37
Loss carryforwards that have not been measured	-33	-
Utilized loss carryforwards, etc.	0	3
Adjustment of previous years' tax and changed tax rate	-7	-42
Differences between Swedish and foreign tax rates	-8	-3
Reported tax	**-158**	**-100**

The reported tax cost for the year was SEK -158 M (-100). The underlying tax rate for the year was 24% (18%). Eniro AB has tax deficits that originating from the liquidation of a German subsidiary in 2010 and utilized approximately SEK 420 M (190) of this amount during the year. The Group also has tax deficits in Denmark and Finland, and thus expects tax payments to be low in the years immediately ahead.

During the third quarter, a revaluation was made of deferred tax assets in Denmark in accordance with new rules that limit the utilization of loss carryforwards. This resulted in a decrease in deferred tax assets of SEK 35 M and increased the year's tax cost.

In June the decision was made to implement a gradual, yearly reduction in the corporate tax rate in Denmark, from 25% at present to 22% in 2016. In addition, during the fourth quarter decisions were made to reduce the corporate tax rates in Norway, from 28% to 27%, and Finland, from 24.5% to 20%, as from 2014, which affects deferred tax assets and liabilities. In total, the effect of changed tax rates on the deferred tax cost in the income statement was approximately SEK -6 M.

NOTE 6 TAX *(continued)*

Tax attributable to components in other comprehensive income amount to the following:

	2013			2012		
SEK M	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Exchange rate difference	-318	-	-318	18	-	18
Hedge of cash flow	-	-	-	27	-6	21
Hedge of net investment	83	-18	65	-20	10	-10
Actuarial gains/losses on pension obligations	233	-51	182	-123	21	-102
Total other comprehensive income for the year	**-2**	**-69**	**-71**	**-98**	**25**	**-73**
Current tax		-			-	
Deferred tax		-69			25	

Deferred tax assets and tax liabilities are attributable to the following components:

	2013			2012		
SEK M	Deferred tax assets	Deferred tax liabilities	Net assets (+) liabilities (-)	Deferred tax assets	Deferred tax liabilities	Net assets (+) liabilities (-)
Tangible assets	50	1	50	51	-	51
Intangible assets	13	261	-248	18	308	-290
Current receivables	11	2	9	12	1	11
Pension provisions	32	8	24	84	3	81
Other provisions	11	-	11	7	-	7
Non-current liabilities	-	41	-41	-	24	-24
Current liabilities	12	-	12	15	-	15
Loss carryforward	130	-	130	268	-	268
Other items	7	20	-13	3	7	-4
Deferred tax assets/liabilities	**266**	**333**	**-67**	**458**	**343**	**115**
Offsetting of deferred tax assets/liabilities	-57	-57	-	-65	-65	-
Deferred tax assets/liabilities, net	**209**	**276**	**-67**	**393**	**278**	**115**

Changes in deferred tax

SEK M	2013	2012
Opening carrying amount of deferred tax assets (+)/liabilities (-)	**115**	**117**
Recognized in profit or loss	-114	-28
Recognized in other comprehensive income	-69	25
Exchange rate differences	1	1
Net closing carrying amount of deferred tax assets (+)/liabilities (-)	**-67**	**115**

Of net deferred tax liabilities, most fall due after more than 12 months. The Group has SEK 155 M (-) in loss carryforwards that were not measured as per December 31, 2013.

NOTE 7 Tangible assets

	Equipment	
SEK M	2013	2012
Accumulated cost	417	400
Accumulated depreciation	-361	-343
Accumulated impairment losses	-16	-15
Carrying amount	**40**	**42**
At start of year	**42**	**67**
Acquisitions	1	-
Investments for the year	25	13
Divestments and disposals	-1	0
Reclassifications	0	0
Depreciation for the year	-26	-37
Impairment losses for the year	0	0
Exchange rate difference for the year	-1	-1
Carrying amount	**40**	**42**
Payment received from divestments	**5**	**1**

NOTE 8 Intangible assets

SEK M	Goodwill		Brands with indefinite useful life		Brands, other		Customer relationships		Other intangible assets		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Accumulated cost	10,698	11,391	424	1,267	902	61	2,112	2,316	1,383	1,293	15,519	16,328
Accumulated amortization	-	-	-	-	-95	-36	-1,703	-1,858	-1,009	-939	-2,807	-2,833
Accumulated impairment losses	-4,935	-5,267	-312	-344	-3	-3	-398	-439	-116	-112	-5,764	-6,165
Carrying amount	**5,763**	**6,124**	**112**	**923**	**804**	**22**	**11**	**19**	**258**	**242**	**6,948**	**7,330**
At start of year	**6,124**	**6,119**	**923**	**916**	**22**	**27**	**19**	**314**	**242**	**290**	**7,330**	**7,666**
Acquisitions	-	-7	-	-	100	1	-	1	1	-	101	-5
Investments for the year	-	-	-	-	-	-	-	-	13	10	13	10
Internally developed assets	-	-	-	-	-	-	-	-	119	99	119	99
Divestments and disposals	-	-	-	-	-	-	-	-	0	-	0	-
Reclassifications	-	-	-740	-	740	-	-	-	0	-	0	-
Amortization for the year	-	-	-	-	-61	-4	-8	-297	-116	-145	-185	-446
Impairment losses for the year	-103	-	-	-	-	-	-	0	-1	-12	-104	-12
Exchange rate difference for the year	-258	12	-71	7	3	-2	0	1	0	0	-326	18
Carrying amount	**5,763**	**6,124**	**112**	**923**	**804**	**22**	**11**	**19**	**258**	**242**	**6,948**	**7,330**
Payment received from divestments	-	-	-	-	-	-	-	-	0	-	0	-

On October 1, 2013, Eniro reclassified brands from an indefinite useful life to a finite useful life of 10 years for Gule Sider and 5 years for Ditt Distrikt. Amortization that affected income during the fourth quarter amounted to SEK 23 M, with a yearly pace of approximately SEK 95 M as from 2014. In connection with the merger between 1880 and 1888, Eniro identified intangible assets in the form of the 1888 brand work approximately SEK 100 M, which is being amortized over a period of 3 years. Amortization during the year amounted to SEK 33 M. Other intangible assets eligible for amortization that arose in connection with the acquisition of Findexa in 2005 were fully amortized as per December 2012.

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 basis for measuring cash-generating units result from the Group's annual long-term strategy process. Key input 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. Projected cash flows are based on the anticipated revenue trend for the respective segments taking into account market conditions and the development of the cost base adjusted for costsaving initiatives. The assumed investment rate is 2 percent of the respective segments' revenues. 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 for growth beyond the next three years. 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 10.6 percent and 12.4 percent. WACC is slightly higher compared with the preceding year, due in part to a higher risk-free interest rate.

The impairment test that was carried out indicated decreased future cash flows from the Norway Voice directory information services, and goodwill impairment of SEK 91 M has been charged against income for the year. Since the market trend continues to be negative for Voice, there is a risk for continued, future impairment charges in the segment. In Local search, goodwill impairment was also recognized for Leta, in the amount of SEK 8 M.

Valuation included the following assumptions and resultet in the following:

Unit	WACC before tax, %	Annual growth in cash flow, years 0–3, %	Margin based on book value, %	Margin at 1% higher WACC after tax, %	Margin at 10% lower cash flow, %
Sweden Local search	10.6	9	518	438	452
Sweden Voice	10.7	-18	1	-12	-10
Norway Local search	11.4	29	3	-10	-8
Norway Voice	11.8	-18	6	-6	-5
Denmark Local search	10.1	55	32	14	17
Poland Local search	12.4	38	102	80	77
Finland Voice	10.2	19	15	1	3

In annual cash flow growth for years 0–3, the Local search business is expected to stabilize in all countries. In the Voice business, the cash flow trend is expected to be negative for years 0–3 in Sweden and Norway due to changed search behaviors in favor of other channels, and will then stabilize. Margin pertains to the difference between value in use according to the impairment test and the book value.

For 2012, the Group used a discount rate before tax of between 10.1% (Sweden) and 12.1% (Poland). In the 2012 impairment test, annual growth in cash flow for years 0–3 was negative for Voice in Sweden and Norway (-22% in Sweden and -11% in Norway). In the 2012 impairment test, annual growth in cash flow for year 0–3 was +5% in Sweden, +1% in Norway, and n.a. in Denmark due to a negative start value.

NOTE 8 Intangible assets *(continued)*

The table shows the need to recognize impairment in connection with changed assumptions for the cost of capital after tax and/or changed assumptions for projected future cash flows.

SEK M		Change in WACC after tax			
		0.0%	0.5%	1.0%	2.0%
Change in income before amortization and depreciation	0%	-	190	467	961
	-5%	120	419	695	1,205
	-10%	363	658	925	1,448
	-20%	879	1,189	1,470	1,936

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

MSEK

Goodwill	2013	2012
Sweden Local search	1,062	1,070
Norway Local search	2,718	3,001
Denmark Local search	631	608
Poland Local search	98	97
Local search	**4,509**	**4,776**
Sweden Voice	855	854
Norway Voice	97	203
Finland Voice	302	291
Voice	**1,254**	**1,348**
Total goodwill	**5,763**	**6,124**
Brands		
Norway Local search	-	794
Denmark Local search	112	107
Local search	**112**	**901**
Norway Voice	-	22
Voice	**-**	**22**
Total brands	**112**	**923**
Total intangible assets with indefinite useful life	**5,875**	**7,047**

Goodwill included in the reported value for which amortization is tax-deductible:

SEK M	2013	2012
Denmark	219	219
Finland	134	151
Total	**353**	**370**

NOTE 9 Shares and participations in associated companies and joint ventures

Shares and participations in associated companies at December 31, 2013

Company/business	Reg. no.	Regis-tered office	Number of shares	Share of equity, %	Date of acquisi-tion
Spray Passagen Internet KB	969733-6957	Stock-holm	1,000	50	2008-01-19

Holdings in associated companies

SEK M	2013	2012
Opening cost	**0**	**0**
Decrease due to divestment	-	0
Dividend, associated company	-	0
Closing cost	**0**	**0**

Shares and participations in joint ventures at December 31, 2013

Company/business	Reg. no.	Regis-tered office	Number of shares	Share of ownership %
Scandinavia Online AS	988 875 740	Oslo	1,093,739	50.1

Scandinavian Online AS is a company jointly owned with Norsk Aller AS, where Eniro owns 50.1 percent of the company and Aller owns 49.9 percent. The business pertains to a portal in Norway, sol.no.

In 2013 Scandinavia Online AS sold its 50 percent interest in the jointly owned company Start Network AS, entailing that Eniro's ownership of 25 percent resulted in a capital gain of SEK 0 M. During the year, Eniro consolidated its joint ventures in accordance with proportionate accounting. 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	2013	2012
Operating revenue	30	31
Operating costs	-35	-32
Net income	**-5**	**-1**

Assets and liabilities from joint ventures

SEK M	2013	2012
Non-current assets	11	22
Current assets	23	23
Total assets	**34**	**45**
Non-current liabilities	-	-
Current liabilities	8	5
Total liabilities	**8**	**5**
Net assets	**26**	**40**

As of December 31, 2013, the Group's goodwill includes SEK 8 M (20) from joint ventures.

NOTE 10 Financial assets

SEK M	2013	2012
Participations in external companies	1	1
Interest-bearing receivables, restricted bank funds	111	61
Other interest-bearing receivables, pension obligations	27	22
Other receivables	9	14
Total	**148**	**98**

NOTE 11 Trade receivables and other receivables

SEK M	2013	2012
Trade receivables	542	669
Provision for bad debts	-112	-109
Total trade receivables	**430**	**560**
Age analysis of trade receivables		
- not due	273	312
- past due less than 1 month	95	151
- past due 1–3 months	36	56
- past due more than 3 months	26	41
Total	**430**	**560**

Provision for bad debts

SEK M	2013	2012
Opening provision	**109**	**108**
New provisions	55	64
Provisions utilized during the year	-50	-62
Reversed unutilized provisions	-2	-3
Effects of changed exchange rates	0	2
Closing provision	**112**	**109**

The Group has made provisions for bad debts where a need to recognize impairment has arisen. Bad debts reported under sales costs in the income statement amount to SEK 28 M (44).

Other current receivables

SEK M	2013	2012
- not due	24	62
- past due less than 1 month	0	-
- past due 1–3 months	0	0
- past due more than 3 months	0	2
Total	**24**	**64**

Other interest-bearing receivables

MSEK	2013	2012
- not due	3	3
- past due more than 3 months	0	0
Total	**3**	**3**

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

NOTE 12 Prepaid expenses and accrued revenue

SEK M	2013	2012
Other prepaid expenses	49	48
Accrued revenue	126	119
Accrued interest income	0	0
Total	**175**	**167**

NOTE 13 Cash and cash equivalents

Cash and cash equivalents consist mainly of bank balances and minor short-term investments in foreign entities that are not included in the Group's central accounting system. Short-term investments are measured as financial assets at fair value through profit or loss.

SEK M	2013	2012
Short-term investments	-	-
Cash and bank balances	113	198
Total cash and cash equivalents	**113**	**198**

NOTE 14 Shareholders' equity and earnings per share

	Period	Common shares	Preference shares	Total number of registered shares	Registered share capital, SEK M
At start of year	Jan. 2012	100,180,740		100,180,740	2,504
Issue of preference shares	June 2012		1,000,000	1,000,000	25
At year-end	**Dec. 2012**	**100,180,740**	**1,000,000**	**101,180,740**	**2,529**
Reduction in share capital	July 2013				-2,225
Issue of Class C shares and buyback	Sept. 2013	1,700,000		1,700,000	5
At year-end	**Dec. 2013**	**101,880,740**	**1,000,000**	**102,880,740**	**309**

Eniro has two classes of stock – common shares and preference shares. A total of 102,880,740 shares are in issue, of which 101,880,740 are common shares and 1,000,000 are preference shares. The total number of votes is 101,980,740, of which common shares account for 101,880,740 votes and preference shares for 100,000 votes. The average number of common shares during the year after deducting treasury shares was 100,177,474, and was thus unchanged compared with 2012.

A reduction in the share capital by SEK 2,225,976,284.50 was carried out and registered at the end of July 2013. In addition, the 2013 Annual General Meeting approved the issue of 1,700,000 Class C shares to be used to ensure delivery of shares in the approved share-based incentive program. The Class C shares were converted to common shares on September 3, 2013. The share capital as per December 2013 amounts to SEK 308,642,220, with each share having a share quota value of SEK 3.

At year-end 2013 Eniro held 1,703,266 treasury shares. The average holding of treasury shares during the year was 560,488. The carrying amount of treasury shares as per December 31, 2013, was SEK 55 M (50).

Earnings per share

SEK M	2013	2012*
Earnings attributable to owners of the Parent Company	232	241
Dividend established for cumulative preference shares during the period	-48	-32
Earnings used to calculate earnings per share	**184**	**209**
Average number of common shares, 000s	100,177	100,177
Earnings per common share, SEK	**1.84**	**2.09**
Dividend per common share, SEK	-	-
Dividend per preference share, in accordance with AGM resolution, SEK	48.00	32.00

Recalculation of comparative year in accordance with changed accounting policy for pensions.

EXPLANATION OF NEW ISSUE AND ITS IMPACT ON SHAREHOLDERS' EQUITY AND CASH FLOW

SEK M	2013	2012
New issue, gross amount added	-	400
Issue costs	-	-23
Tax on issue costs (26.3%)	-	6
New issue, net after issue costs adjusted for tax reported in shareholders' equity'	**-**	**383**
Non-cash settled tax on issue costs	-	-6
Paid/unpaid issue costs	0	-1
New issue, capital added, net	**0**	**376**

NOTE 15 Borrowing

SEK M	2013	2012
Long-term borrowing	2,115	2,527
Short-term borrowing	452	439
Total borrowing	**2,567**	**2,966**
Interest-bearing loans have the following maturity structure:		
- during the coming year	452	439
- during the coming five years	2,115	2,527
Total	**2,567**	**2,966**

At year-end 2013, capitalized borrowing costs amounted to SEK 47 M(36) in total bank loans. Borrowing costs are stated in the income statement as an interest expense allocated over the loan period.

Carrying amount of borrowings per currency, SEK M		
NOK	478	1,301
DKK	108	66
SEK	1,981	1,599
Total	**2,567**	**2,966**

Granted unutilized credit facilities, SEK M		
- due within one year	-	-
- due between one and five years	133	165
- due later than five years	-	-
Total granted credit facilities	**133**	**165**

Fair value of long-term borrowing, SEK M	1,855	2,527

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.

Effective interest rates as per balance sheet date, %	2013	2012
NOK	5.54	5.70
DKK	4.07	4.09
SEK	4.77	5.13

The Group's borrowing exposure 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
As per Dec. 31, 2013					
Total borrowing	2,567	-	-	-	2,567
As per Dec. 31, 2012					
Total borrowing	2,966	-	-	-	2,966

All of Eniro's borrowing is at variable interest rates. A change in interest rates by 1 percentage point would affect the interest expense by SEK +/- 26 M (30) per year.

Financing

Eniro's main loan financing was arranged at the end of 2010. Upon signing the loan agreement, the bank consortium comprised seven banks: Danske Bank A/S, Denmark, Sweden branch; DNB Bank ASA, Sweden branch; Svenska Handelsbanken AB (publ.); Nordea Bank (publ.); The Royal Bank of Scotland plc; Skandinaviska Enskilda Banken AB (publ.); and Swedbank AB (publ.). Since the signing of the original loan agreement at the end of 2010, Eniro's loan financing has been renegotiated and adjusted. The first renegotiation took place on June 5, 2012, when one bank left the consortium, and thereafter on May 27, 2013, when the total loan was renegotiated.

The new, renegotiated loan agreement is divided into four tranches and one revolving facility, for a total value of SEK 3,000 M. Tranche A1 is for SEK 1,265 M, Tranche A2 is for NOK 500 M, and Tranche A3 is for DKK 100 M. Amortization on these three amounts to SEK 375 M per year, broken down into two semi-annual amortization dates. Tranche B is for SEK 800 M, and the revolving facility is for SEK 250 M. The duration is three years with the option to extend for an additional year. The aim of the new, renegotiated loan agreement was to refinance previous loan agreements for a loan with a longer duration and the option to extend for one year, if Tranche B is converted to a bond loan, and to improve the borrowing terms and provide future opportunities to pay a dividend on the company's common shares.

The loan agreement contains provisions for mandatory early repayment in the event of gains on divestments, insurance, capital market issues and mezzanine financing. The loan agreement also includes covenants for mandatory early repayment in the event of a change in ownership that exceeds 30 percent.

Interest rates
The loan agreement has 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 30, 2013, the three-month IBOR rate was 0.934% in Sweden, 1.68% in Norway, and 0.26% in Denmark.

The margin above IBOR was as follows:	%
Equal to or above 2.00	3.75
Less than 2.00	3.00

Guarantees and collateral
Shares in all Group companies directly owned by Eniro AB, all significant Group companies, and all Group companies that own or hold rights to search engines, databases or some other right, or assets that are material to the Group's operations, have been pledged as collateral for the new loan agreement that Eniro has entered into with a bank syndicate. In addition, significant brands and other intangible rights, significant intra-Group loans and other significant assets have been pledged as collateral for the loan agreement.

The shares in the following, large companies, among others, have been pledged as collateral for the loan agreement: 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 and Eniro Norge AS. These companies, Eniro AB (publ.), and certain other Group companies are also guarantors under the loan agreement. See also note 26, Pledged assets.

Covenants
The loan agreement contains customary restrictions and covenants, including:
a) a requirement for a certain ratio between cash flow, interest and amortization at the Group level;
b) a requirement for a certain ratio between EBITDA and net interest at the Group level;
c) a requirement for a certain ratio between total net debt and EBITDA at the Group level;
d) a requirement that investments shall not exceed certain, set amounts during certain periods;

and restrictions and limitations regarding additional debt, guarantee commitments and pledges, significant changes in the business, and acquisitions and divestments.

The financial loan covenants listed under points a–c above are to be measured quarterly on a moving 12-month basis.

Cancelation/grounds for cancelation
The loan agreement may be canceled voluntarily by Eniro. In other respects, the loan agreement stipulates customary grounds for cancelation (falling under "events of default").

NOTE 16 Pension obligations

The amounts reported on the balance sheet have been calculated as follows:

SEK M	2013	2012
Present value of funded obligations	440	555
Fair value of plan assets	-470	-434
Deficit (+)/surplus (-) in funded plans	**-30**	**121**
Present value of unfunded obligations	303	394
Total deficit in defined benefit pension plans	**273**	**515**
Effect of minimum funding requirement/asset requirement	0	0
Liability on balance sheet	**273**	**515**

The Group has defined benefit pension plans in Sweden, Norway and Finland that are governed under similar rules. All defined benefit pension plans are based on the employee's final salary. The plans pay a guaranteed level of lifetime pension benefits to enrolled employees. The level of benefits depends on the employee's service period and salary at the time of retirement. In the Swedish plans, pension payments are normally indexed in accordance with the consumer price index. Except for inflation risk in Sweden, the plans are exposed to essentially similar risks. One of the plans in Sweden, Norway and Finland is secured through foundations. For unfunded plans, the company pays benefits on the due date. The foundations' operations are regulated by national rules and practice.

Change in present value of obligations during the year

SEK M	2013	2012
Opening balance	**949**	**990**
Items recognized in income statement:		
Service cost for current year	16	17
Interest expense	27	28
Gains and losses from reductions and settlements	-8	-171
	35	**-126**
Remeasurements recognized in other comprehensive income:		
Gain/loss attributable to changed demographic assumptions	-1	0
Gain/loss attributable to changed financial assumptions	-203	117
Experience-based gains/losses	-6	2
	-210	**119**
Claims paid	-31	-34
Other	0	-2
Exchange rate difference	0	2
Closing balance	**743**	**949**

Change in fair value of plan assets during the year

SEK M	2013	2012
Opening balance	**-434**	**-526**
Items recognized in income statement:		
Interest income	-13	-21
Gains and losses from reductions and settlements	0	109
	-13	**88**
Remeasurements recognized in other comprehensive income:		
Return on plan assets excluding amounts included in interest income	-23	4
	-23	**4**
Fees :		
Funds contributed by employers	0	0
Funds contributed by employees	0	-1
	0	**-1**
Claims paid	1	2
Exchange rate difference	-1	-1
Closing balance	**-470**	**-434**

Net change in defined benefit obligation during the year

SEK M	2013	2012
Opening balance	**515**	**464**
Items recognized in profit or loss:		
Service cost for current year	16	17
Interest expense	14	7
Gains and losses from reductions and settlements	-8	-62
	22	**-38**
Remeasurements recognized in other comprehensive income:		
Return on plan assets excluding amounts included in interest income/expense	-23	4
Gain/loss attributable to changed demographic assumptions	-1	0
Gain/loss attributable to changed financial assumptions	-203	117
Experience-based gains/losses	-6	2
	-233	**123**
Fees :		
Funds contributed by employers	0	0
Funds contributed by employees	0	-1
	0	**-1**
Claims paid	-30	-32
Other	0	-2
Exchange rate difference	-1	1
Closing balance	**273**	**515**

The Group's pension payments are expected to amount to approximately SEK 28 M (30) in the coming year. No need to contribute funds to the pension foundations is judged to exist.

Credit insurance with PRI Pensionsgaranti
Eniro has credit insurance with PRI Pensionsgaranti (PRI) that remains in force until 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee) to PRI, amounting to SEK 50 M in 2013 and SEK 60 M in 2012. As per year-end, total pledged funds amount to SEK 111 M, including the yield. Eniro will pledge SEK 10 M in March 2014 and another SEK 10 M in March 2015. Pledged funds including the return are reported as Other non-current interest-bearing receivables.

The present value of defined benefit obligations is attributable to:

SEK M	2013
Active employees	185
Employees who have left the plan prior to retirement	352
Persons covered by the plan who have retired	206
	743

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18 M19

NOTE 16 Pension obligations *(continued)*

Country breakdown of defined benefit pension obligation and plan assets

	2013				2012			
SEK M	Sweden	Norway	Finland	Total	Sweden	Norway	Finland	Total
Present value of obligation	704	15	24	**743**	905	19	25	**949**
Fair value of plan assets	-450	-1	-19	**-470**	-414	-1	-19	**-434**
	254	14	5	**273**	491	18	6	**515**
Effect of minimum funding requirement/asset cap	0	0	0	**0**	0	0	0	**0**
	254	**14**	**5**	273	**491**	**18**	**6**	515

Plan assets consist of the following:

	2013				2012			
SEK M	Sweden	Norway	Finland	Total	Sweden	Norway	Finland	Total
Fixed income securities including accrued coupon interest	183	1	n.a.	**185**	195	1	n.a.	**196**
Equities, listed	149	-	n.a.	**149**	106	-	n.a.	**106**
Alternative investments, listed	115	-	n.a.	**115**	98	-	n.a.	**98**
Cash and cash equivalents	2	-	n.a.	**2**	15	-	n.a.	**15**
Total	**450**	**1**	**5**	**456**	**414**	**1**	**19**	**434**
Actual return, %	8.7	0	-73.7		4.8	0	11.8	

The purpose of 118 188 AB's pension foundation in Sweden is to secure commitments for pension benefits made by Eniro 118 118 AB to its employees, former employees or their survivors. According to the investment guidelines, investment of the foundation's assets shall be made so as to ensure a satisfactory return within set limits for financial risks. The return is expected to average 5.5 percent annually during a ten-year period. The investment guidelines stipulate that interest-bearing receivables may amount to between 35% and 100 percent of the assets. In addition, the guidelines stipulate that equities may amount to between 0 percent and 40 percent, alternative investments may amount to between 0 percent and 30 percent, and cash and cash equivalents may amount to between 0 percent and 15 percent. The plan assets have no investerments in Eniro shares. In Finland, the plan assets are the insurance company's responsibility and make up part of the insurance company's assets, which is why a categorical breakdown is not possible.

The most important actuarial assumptions were as follows:

	2013			2012		
	Sweden	Norway	Finland	Sweden	Norway	Finland
Discount rate, %	4.2	3.3	3.0	3.0	2.3	3.0
Salary increase, %	3.0	3.8	3.0	3.0	3.5	3.0
Inflation, %	2.0	0.6	2.0	2.0	0.2	2.0
Income Base Amount, %	3.0	3.5	-	3.0	3.3	-

The average remaining life for a person who retires at 65 years of age

	2013		
	Sweden	Norway	Finland
Retirement at the end of the reporting period			
Men	19.6	20.7	19.0
Women	22.8	23.9	24.7
Retirement 20 years after the end of the reporting period			
Men	21.6	23.0	20.6
Women	24.1	26.3	26.4

In Norway the retirement age is 67, which is why the remaining lifetime is based on retirement at 67 years of age..

In 2012 a 65 year old man in Sweden was expected to live until age 86, and a 65 year old women was expected to live until age 88. In Norway, the corresponding life expectancy for a 67 year old man was 84 years, and for a 67 year old woman it was 86 years. The assumptions on life expectancy are based on public statistics and experience from mortality surveys in each country and are made in consultation with actuarial experts.

Sensitivity in the defined benefit obligation – impact on the obligation

	2013	
SEK M	Increase 0.5% in assumption	Decrease 0.5% in assumption
Discount rate	-70	81
Salary increases	3	-3
Pension increases (inflation and Income Base Amount)	82	-71

The sensitivity analyses above are based on a change in one assumption while all other assumptions remain constant. In practice, it is not probable that this would occur, and changes in any of the assumptions may be correlative. In calculations of the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method is used as in calculation of the pension liability that is reported on the balance sheet (present value of the defined benefit obligation using the Projected Unit Credit method).

Maturity analysis of expected, undiscounted payments for retirement benefits after end of employment

	2013
Within 1 year	28
Between 1-2 years	27
Between 2–5 years	71
More than 5 years	942
Total	**1,068**

NOTE 17 Provisions

Non-current provisions

SEK M	2013	2012
Opening provisions	**11**	**21**
New provisions	0	2
Provisions utilized during the year	-6	-12
Reversed unutilized provisions	0	0
Effects of exchange rate changes and other	0	0
Closing provisions	**5**	**11**

Current provisions

SEK M	2013	2012
Opening provisions	**30**	**26**
New provisions	103	40
Provisions utilized during the year	-59	-33
Reversed unutilized provisions	0	-3
Effects of exchange rate changes	0	0
Closing provisions	**74**	**30**

Provisions pertain mainly to provisions for restructuring.

NOTE 18 Accrued expenses and prepaid revenue

SEK M	2013	2012
Accrued personnel-related costs	240	227
Accrued interest costs	1	2
Other accrued expenses	75	87
Prepaid revenue	549	852
Total	**865**	**1,168**

NOTE 19 Financial instruments by category

Assets on the balance sheet

SEK M	2013	2012
Loan receivables and trade receivable		
Interest-bearing receivables, restricted bank funds	111	61
Trade receivable and other receivables	457	627
Cash and cash equivalents	113	198
Total	**681**	**886**

Liabilities on the balance sheet

SEK M	2013	2012
Other financial liabilities		
Borrowing	2,567	2,966
Trade payable	181	189
Total	**2,748**	**3,155**

Eniro has no assets or liabilities measured at fair value through profit or loss or assets available for sale. The fair value of all instruments measured on the balance sheet is attributable to level 2 in IFRS 7, i.e., the value has been calculated based on official market listings.

NOTE 20 Financial risk management

Financial risks

Eniro is exposed to various financial risks through its operations in the form of currency risk, interest rate risk, credit risk and liquidity risk. 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 sets the Group's finance policy that serves as 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 on whether to hedge translation risks. The subsidiary Eniro Treasury AB has centralized responsibility for handling financing and risk management.

CURRENCY RISK

The Group is active internationally and is exposed to currency risks that arise from various currency exposures from Eniro's operations in Norway, Denmark, Finland and Poland. Currency risk arises through future business transactions, reported assets and liabilities, and net investments in foreign operations. Currency risk can be divided into transaction risk and translation risk.

Transaction risk pertains to the impact on net income and cash flow of changes in the value of operating flows in foreign currencies caused by exchange rate fluctuations. Transaction risks in business transactions in the respective geographic areas is limited, since relatively few contracts are denominated in a currency other than that of the respective countries' reporting currencies. Major purchasing contracts in foreign currency are hedged on a case-to-case basis. If the current foreign exchange rates had been 10 percent higher/lower on average in relation to SEK, EBITDA for 2013 would have been SEK 36 M (46) higher/lower. Income after tax would have been SEK 52 M (10) higher/lower. The Group's exposure to changes in foreign currency in relation to SEK is analyzed and monitored on a regular basis.

By translation risk is meant the risk of the value of Swedish kronor fluctuating as a result of changes in exchange rates for the company's net investments. Thus translation risk must be taken into account for net investments in foreign currency. Eniro has investments in NOK, EUR, PLN and DKK, with the largest exposure in NOK. As part of efforts to reduce exposure to net investments in foreign currencies, some of the company's borrowing has raised in NOK and DKK. External loans in foreign currency at year-end 2013 amounted to NOK 452 M (1,114) and DKK 90 M (57). If the current exchange rates at year-end 2013 been 10 percent higher/lower in relation to SEK, shareholders' equity would have been affected by revaluation of the company's loan liabilities by SEK 59 M (107), of which SEK 48 M (101) pertains to revaluation of NOK loans.

Translation exposure to investments in foreign subsidiaries, taking into account currency hedging, amounted to SEK 4,348 M (4,381), according to the distribution below:

Millions in each currency	2013	2012
Norwegian kronor (NOK)	4,120	3,601
Danish kroner (DKK)	552	624
Polish zloty (PLZ)	86	89
Euro (EUR)	37	46

INTEREST RATE RISK

The Group's exposure to interest rate risk arises from long-term borrowing. Borrowing at variable interest rates exposes the Group to interest rate risk in terms of cash flow, while borrowing at fixed interest rates exposes the Group to interest rate risk in terms of fair value. All of Eniro's borrowing is at variable interest rates. According to Eniro's finance policy, the company's financial position must be taken into account when selecting interest fixing periods. The company's level of debt entails an exposure to interest rate risk, since borrowing is at variable interest rates. At the start of 2012, a portion of Eniro's interest payments was hedged using interest rate swaps, whereby flows at variable interest rates were swapped against flows with fixed interest rates. In August 2012, the interest rate swaps were discontinued according to plan, and Eniro's borrowing thereafter is only with variable interest rates. The interest rate duration at year-end was 91 days (91).

The Group analyzes its exposure to interest rate risk on a continuous basis. Simulations of interest rate changes are performed regularly. A change in the market interest rate of 100 points (1 percentage point) would increase/decrease the Group's interest costs by SEK 26 M (30) based on current level of debt at year-end 2013. Income after tax would have been positively/negatively impacted by SEK 20 M (23).

CREDIT RISK

Credit risk pertains to the risk that a counterparty will be unable to fulfill its obligations and thereby cause a loss for its counterparty. Eniro's counterparties in derivative transactions are exclusively credit institutes with a high official credit rating. Surplus liquidity may only be invested in Swedish government bonds, commercial paper 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 substantial losses for bad debts is comparatively small on account of Eniro's very large and highly differentiated customer base.

LIQUIDITY RISK

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18 M19

NOTE 20 Financial risk management *(continued)*

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 works on a continuous basis to ensure that it has access to liquid funds and unutilized credit facilities. Eniro's goal is that 60 percent of available credit facilities will mature after more than one year. Eniro also has an express policy of maintaining relationships with a number of credit institutions with high ratings. The Board of Directors regularly receives rolling forecasts concerning the Group's future cash flows that include estimates of liquid funds 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 a breakdown of Eniro's financial liabilities according to their contractual maturity dates. The amounts specified are undiscounted cash flows including borrowing costs. Amounts falling due within one year correspond to book value, since the discount effect is insignificant.

As per December 31, 2013 SEK M	Maturing within 1 year	Maturing in 1–5 years	Maturing later than 5 years	Total
Bank loans	375	2,239	-	2,614
Trade accounts payable	181	-	-	181
Total	**556**	**2,239**	**-**	**2,795**

As per December 31, 2012 SEK M	Maturing within 1 year	Maturing in 1–5 years	Maturing later than 5 years	Total
Bank loans	435	2,567	-	3,002
Trade accounts payable	189	-	-	189
Total	**624**	**2,567**	**-**	**3,191**

When calculating amounts in the tables above, it has been assumed that exchange rates and market interest rates at the end of each year are unchanged for future periods.

Calculation of fair value
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)

As per December 31, 2013, Eniro had no derivative instruments used for hedging purposes that were classified according to the fair value hierarchy above.

Capital structure
Eniro's capital structure and dividend policy are set by the Board of Directors. Eniro aims to have 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 the 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. Since the signing of the original loan agreement at the end of 2010, Eniro's loan financing has been renegotiated and adjusted. The first renegotiation took place on June 5, 2012, when one bank left the consortium, and thereafter on May 27, 2013, when the total loan was renegotiated. In connection with the renegotiation in 2012, an issue of preference shares was carried out, where the proceeds were used to repay a loan at a discount to the bank that preliminarily left the bank consortium. In October 2013 the Board of Directors set a target for the company's capital structure and interest-bearing net debt in relation to EBITDA to not exceed a multiple of 2.0. The capital structure is measured on the basis of the key ratio interest-bearing net debt in relation to EBITDA both by company management and external stakeholders. At year-end 2013, interest-bearing net debt/adjusted EBITDA was a multiple of 2.4 (2.8). The Board of Directors has proposed to the 2014 Annual General Meeting that no dividend be paid for common shares, which is in line with the company's target that net debt in relation to EBITDA shall not exceed a multiple of 2.0. The Board of Directors has proposed to the 2014 Annual General Meeting that a dividend of SEK 48 per share be paid on the company's preference shares for 2014/15, for a total payout of SEK 48 M (48). Dividends will be paid in three-month intervals in the amount of SEK 12 per share at every three-month interval.

NOTE 21 Employees

Average number of full-time employees	Total 2013	Shareof women, % 2013	Total 2012	Shareof women, % 2012
Sweden	1,019	55	1,184	49
Norway	580	41	623	45
Finland	188	70	353	62
Denmark	400	49	412	50
Poland	809	57	837	59
Total	**2,996**	**53**	**3,409**	**52**

The number of full-time employees at year-end was 2,816 (3,187). The average number of full-time employees in the Parent Company was 31 (32), of whom 19 (20) were women. The proportion of women on the Board at year-end was 40 percent (30) and in Group Management, 33 percent percent (40).

NOTE 22 Wages, salaries and other remuneration

SEK M	2013	2012
Wages, salaries and other remuneration	1,279	1,506
Pension costs, defined benefit plans	19	-51
Pension costs, defined contribution plans	103	110
Social security costs	292	264
Total	**1,693**	**1,829**

NOTE 23 Remuneration and other benefits, Board of Directors and Group Management

Directors' fees
The members of the Board of Directors are paid a fee in accordance with a resolution by the Annual General Meeting. The 2013 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 of the other AGM-elected directors, SEK 150,000 to the Audit Committee chair, and SEK 75,000 to each of the other members of the Board's committees. The Chairman of the Board and other AGM-elected directors have no retirement benefits or agreements for severance pay. Fees payable to employee representatives are set by the AGM based on the company's recommendation. See also the table on meeting attendance and directors' fees in the Corporate governance section.

SEK M	Directors' fees	Fee for committee work	Total
Chairman of the Board	1,1	0,2	1,3
Other board members	2,2	0,3	2,5
Total	**3,3**	**0,5**	**3,7**

Remuneration of members of Group Management
Remuneration of the CEO and other members of Group Management is based on the guidelines adopted by the 2013 AGM. The aim of the guidelines for remuneration of senior executives is to allow Eniro to provide market-based remuneration consisting of the following components: fixed salary, variable cash salary, long-term share-based salary (the Long Term Incentive Program – LTIP 2013), and pension provisions and other remuneration and benefits. The Board may depart from the guidelines in individual cases if special reasons exist.

Fixed salary
Fixed salary is based on the individual executive's area of responsibility, expertise and experience, and serves as the base for variable cash salary.

Variable cash salary
The members of Group Management receive variable salary, which can vary, depending on their area of responsibility. For the CEO, variable salary can amount to a maximum of 50 percent of fixed salary, while for other senior executives it can amount to a maximum of 40 percent of fixed salary. The target for qualifying for variable salary has been decided on by the Board of Directors and is coupled mainly to the Group's financial performance and is measured against consolidated sales and EBITDA. The Board sets the level of variable salary based on semi-annual evaluations of the individuals' target fulfillment.

Variable cash salary with three-year lock-in period – synthetic shares
As per December 31, 2013, Eniro has three years' outstanding variable cash salaries with a three-year lock-in period (synthetic shares that were granted in 2010, 2011 and

2012). The program was decide on by the respective AGMs in 2010, 2011 and 2012. Valuation of the synthetic shares is linked to Eniro's share price, and cash settlement of the synthetic shares is conducted after a three-year lock-in period. For the CEO, variable cash salary with the three-year lock-in period can amount to a maximum of 50 percent of fixed salary, while for other senior executives it can amount to a maximum of 40 percent of fixed salary. The participants must remain employed during the entire lock-in period in order to qualify for payment. The maximum amount payable for each synthetic share is limited to five times the company's share price at the time of conversion to synthetic shares. The Board 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 year's cost for synthetic shares, pertaining to the number granted to members of Group Management including the CEO, was SEK 22.6 M, based on a share price of SEK 49.59. The cost of the synthetic shares is allocated over the lock-in period.

Long-term share-based payment (Long Term Incentive Program – LTIP 2013)
The 2013 AGM approved the Board's proposal to establish a share-based Long Term Incentive Program, LTIP 2013. The program includes 17 senior executives and key persons in the Eniro Group. Participants in LTIP may receive grants of common shares in Eniro. The program covers a total of 919,600 shares upon maximum grant and achievement of the so-called stretch level. For the CEO, other senior executives and key persons, a personal investment in Eniro shares ("savings shares") is required in order to receive a grant of common shares. For each savings share, the participant will be granted target-based stock options – matching shares – plus performance-based stock options and warrants. Target-based stock options may be granted – and warrants may only be redeemed – in the event the performance-based terms have been met. For remuneration coupled to LTIP 2013, the targets are measured in terms of the growth in value of Eniro's common shares and EBITDA less investments +/- change in working capital during the period January 1, 2013–December 31, 2015.

Provided an own investment has been made in savings shares, the CEO may receive a maximum of 20,000 savings shares, where the maximum grant gives each savings share one target-based stock option, five performance-based stock options, and five performance-based warrants. Other members of Group Management may hold a maximum of 9,000 savings shares each, where each savings share carries entitlement to one target-based stock option, four performance-based stock options, and four performance-based warrants. Other key persons may receive a maximum of 5,000 savings shares each, where each savings share carries entitlement to one target-based stock option, 2.5 performance-based stock options, and 2.5 performance-based warrants. The stock options entail a grant of common shares, and the warrants entail that the participant can buy one share of Eniro stock for SEK 18.80, which corresponded to 120 percent of the listed, volume-weighted average buy price on Nasdaq OMX Stockholm during five trading days after the publication of the interim report for the period January–March 2013. The terms for the grant are determined according to two levels – entry and stretch – while for values in between a linear interpolation is used. In addition, the program requires that the participant continues to be employed by the Eniro Group and that all savings shares are held at the time of grant. Grants of stock options are to be made free of charge not later than 20 trading days after the date of publication of the interim report for the period January–March 2016. The warrants may be exercised during a two-week period starting with the day after the date of publication of the interim report for the period January–March 2016.

Participants who prior to the publication of the interim report for the period January–March 2016 give notice, are served notice, or for some other reason leave the Eniro Group, as a rule do not have the right to continued participation in LTIP 2013. Participants who have received grants from LTIP 2013 and after such grant go on a leave of absence, parental leave, sick leave or similar and are thus still employed or retire, may have the right to continued participation in LTIP 2013. Decisions that deviate from the aforementioned limits may be made in individual cases. The Board intends to present a report on the fulfillment of the matching terms in the annual report for the 2015 fiscal year. A participant's maximum profit per stock option and warrant is limited to SEK 30.

Costs for LTIP
In accordance with IFRS 2, the total cost for LTIP 2013 amounts to SEK 2.7 M at entry level and SEK 3.8 M at the stretch target, excluding social security costs. During the year, a provision of SEK 0.5 M was made for the program at entry level, excluding social security costs. Stock options and warrants are expensed as a payroll cost over the vesting period, which is recognized directly against shareholder' equity. The amount reported will be reassessed during the vesting period. Social security costs will be expensed during the vesting period based on changes in the value of the stock options and warrants.

Pensions
Eniro's pension policy is based on either an individual occupational pension plan or a defined contribution pension plan corresponding to a maximum of 35 percent of fixed salary. The CEO has a defined contribution pension plan with contributions corresponding to 35 percent of his salary.

Other benefits
Management and other employees are offered other benefits in the form of private health insurance, company car, subsidized lunches and wellness/fitness programs.

Other remuneration
Other remuneration includes severance pay during the notice period for members of Group Management. These restructuring costs are included in items affecting comparability.

Notice period for termination of employment
The President and CEO, Johan Lindgren, has a notice period of 6 months by his own initiative, and 12 months in the event the company serves notice. If the company serves notice, he is entitled to an additional 12 months severance pay. A mutual notice period of a maximum of 12 months applies between the company and other members of Group Management. For certain members of Group Management, an additional 6–12 months' severance pay is payable if the company serves notice.

CEO and other senior executives

SEK M	Fixed salary incl. vacation supplement	Variable remuneration[1]	Long-term share-based remuneration	Other benefits	Pension cost	Other remuneration[2]	Total	Holding of synthetic shares, number	Own investment in Eniro shares, LTIP 2013, number[5]
President and CEO, Johan Lindgren[3]	4.9	4.0	0.1	0.1	1.7	0.0	**10.8**	140,265	20,000
Group Management, 11 persons, of whom 6 full year[4]	18.2	8.8	0.2	0.6	3.8	14.7	**46.3**	322,137	35,600
Summa	**23.1**	**12.8**	**0.3**	**0.7**	**5.5**	**14.7**	**57.1**	**462,402**	**55,600**

1) Pertains to variable remuneration for the year plus adjustments of the value of synthetic shares granted 2010–2012. The CEO did not receive any variable cash remuneration in 2013.
2) Pertains to remuneration of SEK 11.4 M during the notice period for salary, pension costs and company car.
3) For 2012, base salary incl. vacation supplement amounted to SEK 5.0 M, variable remuneration amounted to SEK 0.9 M, other benefits amounted to SEK 0.1 M, pension costs amounted to SEK 1.8 M, and other remuneration amounted to SEK 0.0 M.
4) For 2012, base salaries incl. vacation supplement amounted to SEK 21.6 M, variable remuneration amounted to SEK 2.8 M, other benefits amounted to SEK 0.6 M, pension costs amounted to SEK 4.5 M, and other remuneration amounted to SEK 10.6 M.
5) The maximum grant of stock options and warrants at the stretch level is 220,000 for the CEO and 682,600 for the other members of Group Management.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18 M19

NOTE 23 Remuneration and other benefits, Board of Directors and Group Management *(continued)*

The following assumptions apply for the entire program and for determining the value of options according to the Black & Scholes valuation model	LTIP 2013
Exercise price, performance options, SEK	18.80
Anticipated volatility, %	50
Anticipated term, years	3
Risk-free interest rate, %	1.01
Dividend, SEK	1.05
Number of outstanding stock options and warrants at start of program	272.800
Forfeited/expired during the year	-71.800
Number of outstanding stock options and warrants at year-end	201.000

Related party transactions
Remuneration of members of Group Management and other senior executives is shown above. In other respects, no transactions with related parties were made during the year.

NOTE 24 Auditors' fees

SEK M	2013	2012
PricewaterhouseCoopers, audit assignment	4	4
PricewaterhouseCoopers, auditing activities in addition to the audit assignment	0	1
PricewaterhouseCoopers, tax consulting	0	0
PricewaterhouseCoopers, other services	0	1
Total	4	6

NOTE 25 Leasing

Contractual leasing fees for operating leases that cannot be terminated

SEK M	2013	2012
- payable within one year	114	114
- payable between one and five years	180	155
- payable later than five years	0	0

The year's operating expenses include fees of SEK 135 M (133) for operating leases. Leases for premises include standard indexation clauses.

NOTE 26 Pledged assets

Pledged assets for own liabilities

SEK M	2013	2012
Pledged assets		
Pertaining to pension obligations, restricted bank funds	111	61
Pertaining to long-term borrowing, pledged shares in subsidiaries	7,444	8,016
Total	7,555	8,077

Eniro has credit insurance with PRI Pensionsgaranti (PRI) that remains in force until 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee) to PRI, amounting to SEK 50 M in 2013 and SEK 60 M in 2012. As per year-end, total pledged funds amount to SEK 111 M, including the yield. Eniro will pledge SEK 10 M in March 2014 and another SEK 10 M in March 2015. Pledged funds including the return are reported 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 27 Acquired operations

On February 1, 2013, Eniro Norge AS and the principal owners of the Norwegian directory information service 1888 Værsågod! AS (Marell Invest AS and TV2 AS) reached an agreement on a merger between 1880 Nummerupplysning AS and 1888 Værsågod! AS. The merger entails that Eniro controls 60 percent of the joint operation, and the remaining 40 percent is controlled by the owners of 1888. The merger did not involve payment of any consideration. Eniro's revenue from its own directory information service 1880 amounted approximately SEK 75 M in 2012, while 1888's revenue for the same period totaled approximately SEK 65 M.

The merger has contributed to consolidation in a market with declining volumes and creates conditions for a more attractive service. The agreement enables substantial efficiency improvement and cost synergies. The merger has been approved by the Norwegian Competition Authority, and the joint company was consolidated by the Eniro Group during the first quarter of 2013. The deal is expected to increase Eniro's revenue by approximately SEK 40 M on a full-year basis.

The merger entails a full value measurement of opening balances that affect the Group's assets, liabilities and shareholders' equity. The acquisition calculation is shown below. At year-end 2013 Eniro increased its holding in the jointly owned company 1880 Nummerupplysning AS by 5.3 percent, for purchase consideration of SEK 6 M, and owned 65.3 percent of the jointly owned company at year-end.

In April, Eniro acquired 51 percent of Bloggerfly AB from FameAds Sweden AB, for consideration of SEK 0.5 M. Other intangible assets identified in connection with the acquisition amounted to SEK 1 M. Bloggerfly develops and conducts sales of sponsored links and banners for bloggers that are linked to the network in Sweden and Norway. The network includes approximately 65,000 registered bloggers in Sweden and 8,500 bloggers in Norway. In total, the network has approximately 2.5 million unique visitors per week, of whom about one million are expected to increase traffic on Eniro's search services. The acquisition has a positive impact on Eniro's business and offering in Online/Mobile and Media products.

SEK M	1888 Værsågod! AS
Consideration paid	-
Fair value of acquired assets	
Tangible assets	0
Intangible assets	
Trademarks, other	100
Deferred tax assets	6
Total non-current assets	**106**
Trade receivable and other current receivables	10
Cash and cash equivalents	1
Total assets in acquired operation	**117**
Non-current liabilities	6
Deferred tax liabilities	31
Current liabilities	9
Total liabilities in acquired operation	**46**

NOTE 28 Events after the balance sheet date

Eniro has credit insurance with PRI Pensionsgaranti (PRI) that remains in force until 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee) to PRI, amounting to SEK 50 M in 2013 and SEK 60 M in 2012. As per year-end, total pledged funds amount to SEK 111 M, including the yield. Eniro will pledge SEK 10 M in March 2014 and another SEK 10 M in March 2015.

On March 11 Eniro Norge AS reached an agreement to sell InTouch to Link Mobility ASA. InTouch is a business service whose principal business revolves around the publication of company directories. The sale includes the brand and other intangible rights, customer agreements and personnel. InTouch's sales for the full year 2013 amounted to approximately SEK 45 M, and the EBITDA contribution was approximately SEK 10 M. Link Mobility ASA will pay total consideration of approximately SEK 35 M. Completion of the deal is expected to take place at the end of March 2014. Cash consideration of approximately SEK 16 M will be paid in connection with possession, and the remaining SEK 19 M will be paid over a two-year period. Transfer of the business is expected to take place at the end of March 2014.

Several-year overview

SEK M	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)										
Operating revenue	3,660	3,999	4,323	5,326	6,581	6,645	6,443	6,372	4,827	4,745
Operating revenue before depreciation and amortization (EBITDA)	849	976	1,031	605	1,807	2,064	2,266	2,220	1,234	1,324
Operating income after depreciation and amortization (EBIT)	534	481	176	-4,176	692	410	1,855	1,813	1,073	1,232
Income before taxes	392	341	-188	-4,739	232	-276	1,401	1,276	1,017	1,131
Net income (attributable to owners of the Parent Company)	232	241	-184	-4,620	616	-315	1,305	1,054	917	764
CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)										
Assets										
Goodwill	5,763	6,124	6,119	6,494	12,088	11,374	12,508	12,267	12,879	4,822
Other non-current assets	1,582	1,739	2,063	2,350	3,147	3,236	3,759	3,882	4,241	707
Current assets	813	1,081	1,607	1,743	1,957	2,010	2,200	2,064	2,422	1,827
Total assets	**8,158**	**8,944**	**9,789**	**10,587**	**17,192**	**16,620**	**18,467**	**18,213**	**19,542**	**7,356**
Shareholders' equity and liabilities										
Shareholders' equity (owners of the Parent Company)	3,653	3,543	3,028	3,469	6,109	2,197	4,051	5,120	4,634	1,879
Non-controlling interests	68	-	-	-	3	17	13	-	-	-
Non-current liabilities	2,675	3,331	4,201	4,516	8,341	11,379	11,628	10,146	11,618	2,424
Current liabilities	1,762	2,070	2,560	2,602	2,739	3,027	2,775	2,947	3,290	3,053
Total shareholders' equity and liabilities	**8,158**	**8,944**	**9,789**	**10,587**	**17,192**	**16,620**	**18,467**	**18,213**	**19,542**	**7,356**
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (SEK M)										
Cash flow from operating activities	481	420	371	372	1,402	1,331	1,631	1,402	1,007	1,016
Cash flow from investing activities	-119	-51	-141	-195	-299	-293	-540	-215	-5,141	-235
Cash flow from financing activities	-440	-730	-117	-44	-1,083	-1,329	-2,119	-1,486	4,468	-769
Cash flow from discontinued operations	-	-	-	-	-	-	1,118	69	78	4
Cash flow for the year	**-78**	**-361**	**113**	**133**	**20**	**-291**	**90**	**-230**	**412**	**16**
KEY RATIOS										
Operating margin – EBITDA, %	23	24	24	11	27	31	35	35	26	28
Operating margin – EBIT, %	15	12	4	-78	11	6	29	28	22	26
Average shareholders' equity, SEK M	3,614	3,308	3,201	4,275	4,735	3,321	5,222	4,804	2,195	2,154
Return on shareholders' equity, %	6,4	7,3	-5,7	-108,0	13,0	-9,0	25,0	22,0	42,0	35,0
Interest-bearing net debt, SEK M	2,340	2,704	3,535	3,951	6,645	9,948	10,264	9,044	10,564	2,832
Debt/equity ratio, multiple	0.6	0.8	1.2	1.1	1.1	4.5	2.5	1.7	2.3	1.5
Equity/assets ratio, %	46	40	31	33	36	13	22	28	24	26
Interest-bearing net debt/adjusted EBITDA, multiple	2.4	2.8	3.4	6.5	3.7	4.8	4.5	4.1	8.6	2.1
KEY RATIOS PER SHARE BEFORE DILUTION										
Net income, SEK (owners of the Parent Company)	1.84	2.09	-1.84	-248.43	59.05	-77.03	286.63	229.56	230.26	182.27
Cash flow from operating activities*	4.80	4.19	3.70	20.00	134.40	325.48	358.23	305.35	252.86	242.39
Shareholders' equity, SEK (owners of the Parent Company)	36.10	35.02	30.23	35.21	1,893.02	2,723.51	5,023.72	5,654.24	5,117.56	2,399.28
Average number of common shares, 000s*	100,177	100,177	100,177	18,597	10,432	4,089	4,553	4,591	3,982	4,192
Number of common shares at year-end, excluding treasury shares, 000s**	100,177	100,177	100,177	98,526	3,227	807	806	906	906	783
Number of preference shares at year-end, 000s	1,000	1 000	-	-	-	-	-	-	-	-
Dividend per common share, SEK**	-	-	-	-	-	-	1 040	880	440	440
Dividend per preference share as per AGM decision, SEK	48	32	-	-	-	-	-	-	-	-
OTHER KEY RATIOS										
Average number of employees	2,996	3,409	3,680	4,437	5,096	4,861	4,697	4,801	4,754	4,752
Number of full-time employees at year-end	2,816	3,187	3,626	3,926	4,994	4,961	4,650	4,821	5,429	4,953

** 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 splits in July 2009 (4:1) and January 2010 (50:1).*

Figures for 2011 have been recalculated to match the comparative year of 2012, in accordance with changed accounting policies for pensions. Figures for 2012 have been recalculated to match the comparative year of 2013, in accordance with changed accounting policies for pensions.

Major changes in the Group's composition

2010
- Divestment of Suomi24 Oy and Directories operations Finland

2008
- Acquisition of Sentraali Oy, Finland, consolidated as from October 2008

2007
- Sale of WLW in Germany (classified as discontinued operation 2006–2007)
- Acquisition of KRAK in Denmark, consolidated as from June 2007

2006
- Acquisition of Din Pris AS, Norway, consolidated as from February 2006
- Acquisition of WebDir, Denmark, consolidated as from February 2006
- Acquisition of Kataloger i Norr AB, consolidated as from June 2006

2005
- Acquisition of Findexa, Norway, consolidated as from December 2005
- Operations in Estonia, Latvia, Lithuania, Russia and Belarus were classified as discontinuing operations as of the second quarter of 2005 and were not included in operating revenue, EBITDA and EBIT for the years 2004–2006

2004
- Acquisition of Gula Tidningen, consolidated as from April 2004

Parent Company financial statements

Parent Company income statement

SEK M	Note	2013	2012
Operating revenue	2	**37**	**43**
Sales costs	3, 17	-	0
Marketing costs	3	-2	-
Administration costs	3, 17, 18	-121	-140
Other income		16	22
Other costs		-5	-5
Operating income		**-75**	**-80**
Gain/loss from sale of shares in Group companies		-	0
Dividends from Group companies		164	87
Group contributions received		-	475
Impairment of shares in Group companies	8	-82	-146
Financial income	4	10	16
Financial expense	4	-140	-185
Income after financial items		**-123**	**167**
Appropriations, Group contributions received		609	-
Income before tax		**486**	**167**
Income tax	5	-87	-88
Net income for the year		**399**	**79**
Proposed dividend per common share for the fiscal year		-	-

Parent Company statement of comprehensive income

SEK M		
Net income for the year	**399**	**79**
Other comprehensive income	-	-
Comprehensive income for the year	**399**	**79**

Parent Company balance sheet

SEK M	Note	Dec. 31, 2013	Dec. 31, 2012
ASSETS			
Non-current assets			
Tangible assets	6	0	0
Other intangible assets	7	0	1
Holdings in subsidiaries	8	8,317	8,398
Deferred tax assets		72	160
Other interest-bearing receivables	9	136	82
Total non-current assets		**8,525**	**8,641**
Current assets			
Trade receivables from Group companies		657	504
Prepaid expenses and accrued revenue	10	1	1
Current tax assets		2	1
Other current receivables	11	0	0
Other interest-bearing receivables	11	1	1
Cash and cash equivalents	12	1,432	1,112
Total current assets		**2,093**	**1,619**
TOTAL ASSETS		**10,618**	**10,260**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	13	309	2,529
Unrestricted shareholders' equity			
Share premium reserve		-	358
Retained earnings		5,072	2,462
Net income for the year		399	79
Total shareholders' equity		**5,780**	**5,428**
Provisions			
Pension obligations	14	59	53
Other provisions	15	5	9
Total provisions		**64**	**62**
Non-current liabilities			
Liabilities to Group companies		4,672	4,672
Total non-current liabilities		**4,672**	**4,672**
Current liabilities			
Trade payables		6	8
Liabilities to Group companies		28	39
Accrued expenses and deferred revenue	16	39	25
Other current liabilities		17	15
Provisions	15	12	11
Total current liabilities		**102**	**98**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**10,618**	**10,260**

Parent Company statement of changes in equity

SEK M	Note	Share capital	Share premium reserve	Retained earnings	Total share-holders' equity
Opening balance, January 1, 2012		**2,504**	**-**	**2,498**	**5,002**
Comprehensive income for the year		-	-	79	79
New issue*		25	358	-	383
Dividend on preference shares		-	-	-36	-36
Closing balance, December 31, 2012	13	**2,529**	**358**	**2,541**	**5,428**
Opening balance, January 1, 2013		**2,529**	**358**	**2,541**	**5,428**
Comprehensive income for the year		-	-	399	399
Transfer to retained earnings		-	-358	358	-
Reduction of share capital		-2,225	-	2,225	-
New issue, redemption of shares		5	-	-5	0
Share-based payment		-	-	1	1
Dividend on preference shares		-	-	-48	-48
Closing balance, 31 December 2013	13	**309**	**-**	**5,471**	**5,780**

**A new share issue was registered in July 2012 and is reported 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	Not	2013	2012
Operating activities			
Operating income		-75	-80
Adjustment for non-cash items		14	-9
Interest received from Group companies		9	15
Interest paid to Group companies		-134	-179
Interest received from others		1	1
Interest paid to others		0	0
Income tax paid		0	0
Cash flow before changes in working capital		**-185**	**-252**
Cash flow from changes in working capital			
Decrease/increase in current receivables		-4	13
Decrease/increase in current liabilities		-4	-8
Cash flow from operating activities		**-193**	**-247**
Investing activities			
Divestment of subsidiaries		-	2
Acquisition of property, plant and equipment		0	0
Cash flow from investing activities		**0**	**2**
Financing activities			
Net of intra-Group dividends and shareholder contributions		637	252
Net changes in financial receivables and liabilities from/to Group companies		-26	-338
Net changes in external financial receivables and liabilities		-	0
Long-term investments		-50	-61
New issue	13	0	376
Dividend on preference shares		-48	-24
Cash flow from financing activities		**513**	**205**
Cash flow for the year		**320**	**-40**
Cash and cash equivalents at start year		**1,112**	**1,152**
Cash flow for the year		320	-40
Cash and cash equivalents at year-end	12	**1,432**	**1,112**

Parent Company notes

NOTE M1 Parent Company accounting policies

The Annual Report of a legal entity is to be prepared in accordance with the Annual Accounts Act (ÅRL) and Swedish Financial Reporting Board recommendation RFR 2 – Accounting for Legal Entities. In RFR 2, the Swedish Financial Reporting Board has stated that legal entities whose securities are publicly traded shall, to the greatest extent possible, apply the IFRSs/IASs and IFRIC/SIC interpretations that are applied in the consolidated financial statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between accounting and taxation. The recommendation specifies which exceptions and additions are to be made compared with IFRS. Pursuant to RFR 2.2, the following deviations from IFRS/IAS are applied for the Parent Company Eniro AB:

IAS 1 is not applied with respect to the presentation of the balance sheet and income statement, which are instead presented in accordance with the Annual Accounts Act.

IAS 12 is not applied with respect to untaxed reserves, which are reported gross on the balance sheet. Changes in untaxed reserves are recognized in profit or loss.

IAS 17 is not applied for finance leases. At present, no finance leases are held by the Parent Company.

IAS 19 – Employee Benefits is not applied for reporting of pension obligations and pension costs. These are instead reported in accordance with FAR's recommendation 4 Reporting of pension liability and pension cost. The Parent Company has pledged defined benefit pensions to employees. In this context, the Parent Company's obligation to pay pensions 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 respective individuals' pay and pension levels prevailing on the balance sheet date as the starting point. Pension obligations are reported as a provision on the balance sheet. The interest component of the pension cost for the year is reported among financial expenses. Other pension costs are charged against operating income

IAS 39 is not applied with respect to financial guarantee agreements for the benefit of subsidiaries and associated companies.

The net of Group contributions and dividends is reported in the income statement. Unless stated otherwise, amounts are in millions of Swedish kronor (SEK M).

Important estimations and assessments
See the information for the Group, note 2, Important estimations and assessments.

NOTE M2 Operating revenue

The Parent Company's operating revenue amounted to SEK 37 M (43) and pertained in its entirety to payment for intra-Group services at market terms.

NOTE M3 Breakdown of costs by type

SEK M	2013	2012
Employee benefits, incl. social security costs	92	87
Consultants	19	39
Media monitoring	2	1
Depreciation/amortization and impairment losses	1	1
Other	9	12
Total operating expenses	**123**	**140**

Operating expenses pertain to marketing and administration costs.

Depreciation/amortization by function

SEK M	2013	2012
Pertaining to tangible assets		
Administration costs	0	0
Pertaining to intangible assets		
Administration costs	1	1
Total depreciation/amortization	**1**	**1**

NOTE M4 Financial income and expense

SEK M	2013	2012
Financial income		
Exchange rate gains on external receivables and liabilities	0	-
Exchange rate gains on intra-Group receivables and liabilities	-	0
External financial interest income	1	1
Internal financial interest income	9	15
Total financial income	**10**	**16**
Financial expense		
Exchange rate losses on external receivables and liabilities	0	0
Exchange rate losses on intra-Group receivables and liabilities	-1	-
Other financial expenses	-	-1
Interest expense on pension liabilities	-1	-1
External financial interest expense	-5	0
Internal financial interest expense	-133	-183
Total financial expense	**-140**	**-185**
Net financial items	**-130**	**-169**

NOTE M5 Tax

Tax costs include the following components:

SEK M	2013	2012
Current tax on income for the year	0	0
Deferred tax cost pertaining to unutilized loss carryforwards	-92	-57
Deferred tax cost attributable to changed tax rate	-	-31
Deferred tax income pertaining to temporary differences	4	-
Adjustment of deferred tax from previous years	1	0
Reported tax	**-87**	**-88**
Current tax recognized directly against shareholders' equity	-	-
Total tax for the year	**-87**	**-88**

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

SEK M	2013	2012
Reported income before tax	**486**	**167**
Tax according to Swedish tax rate of 22% (26.3%)	-107	-44
Tax effect of		
Non-deductible expenses	-19	-39
Tax-exempt income	38	26
Adjustment of previous years' tax and changed tax rat	-	-31
Reported tax	**-87**	**-88**

Deferred tax assets and attributable to the following components

	2013	2012
SEK M	Deferred tax assets	Deferred tax assets
Pension provisions	7	5
Other provisions	4	1
Loss carryforward	61	154
Deferred tax assets	**72**	**160**

NOTE M6 Tangible assets

	Equipment	
SEK M	2013	2012
Accumulated cost	1	1
Accumulated depreciation	-1	-1
Accumulated impairment losses	-	-
Carrying amount	**0**	**0**
At start of year	**0**	**0**
Investments for the year	0	0
Depreciation for the year	0	0
Carrying amount	**0**	**0**

NOTE M7 Intangible assets

	Other intangible assets	
SEK M	2013	2012
Accumulated cost	3	3
Accumulated amortization	-3	-2
Accumulated impairment losses	-	-
Carrying amount	**0**	**1**
At start of year	**1**	**2**
Amortization for the year	-1	-1
Carrying amount	**0**	**1**

NOTE M8 Shares and participations in Group companies

Shares and participations owned directly and indirectly by the Parent Company

Company	Reg. no.	Registered office	No. of shares	Share of equity, %	Book value 12/31/2013 SEK M	Book value 12/31/2012 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	793
Kraks Forlag A/S	10 62 92 41	Copenhagen	11,000	100		
Respons Group AB	556639-2196	Stockholm	1,000	100	0	0
Eniro International AB	556429-6670	Stockholm	1,000	100	0	0
Eniro Sverige AB	556445-1846	Stockholm	500,000	100	2,246	2,246
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		
Eniro Global AB	556723-6541	Stockholm	100,000	100		
Proff AB	556764-1534	Stockholm	1,000	100		
Bloggerfy AB	556840-9543	Stockholm	510	51		
Eniro Passagen AB	556750-0896	Stockholm	1,000	100		
Passagen Internet AB	556751-3279	Stockholm	500	50		
Eniro Initiatives AB	556763-0966	Stockholm	1,000	100	5	18
Starcus AB	556535-8008	Stockholm	1,000	100		
Leta Information Eniro AB	556591-3596	Stockholm	1,000	100	37	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		
Scandinavian Online AS	988 875 740	Oslo	1,093,739	50		
Eniro Norge AS	963 815 751	Oslo	55,206	100		
1880 Nummeropplysning AS	976 491 351	Gjövik	102,000	64		
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	Gjövik	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	Espoo	60,000	100	360	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					**8,317**	**8,398**

No companies were sold for discontinuation, liquidated or merged with another Group company in 2013.

Changes during the year (SEK M)

Shares in subsidiaries as per 12/31/2012	**8,398**
Impairment of shares in TIM Varumärke AB	0
Impairment of shares in Eniro Initiatives AB	-13
Impairment of shares in Leta Information Eniro AB	-11
Impairment of shares in Oy Eniro Finland Ab	-57
Capital contribution Eniro Sverige AB	0
Capital contribution Eniro Initiatives AB	0
Capital contribution Eniro Treasury AB	0
Shares in subsidiaries as per 12/31/2013	**8,317**

NOTE M9 Other interest-bearing receivables

SEK M	2013	2012
Interest-bearing receivables, restricted bank funds	111	61
Interest-bearing receivables, pension obligations	24	20
Other interest-bearing receivables	1	1
Total	**136**	**82**

NOTE M10 Prepaid expenses and accrued revenue

SEK M	2013	2012
Other prepaid expenses	1	1
Accrued revenue	-	0
Total	**1**	**1**

NOTE M11 Other current assets

Other noninterest-bearing current assets

SEK M	2013	2012
- not due	0	0
- due less than one month	-	-
- past due 1–3 months	-	-
- past due more than 3 months	-	-
Total	**0**	**0**

Other interest-bearing receivables

SEK M	2013	2012
- not due	1	1
- past due more than 3 months	-	-
Total	**1**	**1**

The maximum exposure to credit risk as per the balance sheet date was the fair value of each category of receivables stated above. The Parent Company has pledged any collateral.

NOTE M12 Cash and cash equivalents

Cash and cash equivalents consist mainly of bank balances and investments in the Group's central account system.

SEK M	2013	2012
Cash and bank balances	1,432	1,112
Total cash and cash equivalents	**1,432**	**1,112**

NOTE M13 Shareholders' equity

Share capital and treasury shares
See the corresponding section in note 14 to the consolidated financial statements.

NOTE M14 Pension obligations

The Parent Company's pension liability pertains to the capital value of pension obligations in accordance with Swedish rules, FAR recommendation 4.

The amounts reported on the balance sheet have been calculated as follows:

SEK M	2013	2012
Present value of unfunded obligations	59	53
Liability on the balance sheet reported as pension obligations	**59**	**53**

SEK M	2013	2012
Change in defined benefit obligations during the year		
Opening balance	**53**	**48**
Costs recognized in profit or loss		
Service cost for current year	5	5
Interest expense	1	1
	6	**6**
Claims paid	-1	-1
Other	1	0
Closing balance	**59**	**53**

In the coming year the Parent Company's pension payments for defined benefit plans are expected to total approximately SEK 1 M.

Total pension costs

SEK M	2013	2012
Costs for defined benefit plans	-1	-2
Costs for defined contribution plans	-9	-10
Costs for special employer's payroll tax and policyholder tax	-3	-2
Interest expense	-1	-1
Cost reported in income statement	**-14**	**-15**

Credit insurance with PRI Pensionsgaranti
Eniro has credit insurance with PRI Pensionsgaranti (PRI) that remains in force until 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee) to PRI, amounting to SEK 50 M in 2013 and SEK 60 M in 2012. As per year-end, total pledged funds amount to SEK 111 M, including the yield. Eniro will pledge SEK 10 M in March 2014 and another SEK 10 M in March 2015. Pledged funds including the return are reported as Other non-current interest-bearing receivables.

NOTE M15 Provisions

Non-current provisions

SEK M	2013	2012
Opening provisions	9	20
New provisions	-	-
Reversed unutilized provisions	-	-10
Utilized provisions during the year	-4	-1
Closing provisions	5	9

Current provisions

SEK M	2013	2012
Opening provisions	11	10
New provisions	13	13
Reversed unutilized provisions	-12	-12
Utilized provisions during the year	-	-
Closing provisions	12	11

Provisions at year-end pertain to provisions for restructuring.

NOTE M16 Accrued expenses and deferred revenue

SEK M	2013	2012
Accrued personnel-related costs	29	14
Accrued interest costs	4	4
Other accrued expenses	6	7
Deferred revenue	-	-
Total	39	25

NOTE M17 Employees – wages, salaries and other remuneration

The average number of full-time employees in the Parent Company was 31 (32), including 19 women (20).

SEK M	2013	2012
Wages, salaries and other remuneration	59	55
Pension costs	10	11
Social security costs	21	19
Total	90	85

NOTE M18 Auditors' fees

SEK M	2013	2012
PricewaterhouseCoopers, audit assignment	1	2
PricewaterhouseCoopers, auditing activities in addition to the audit assignment	-	1
PricewaterhouseCoopers, other services	0	0
Total auditors' fees	1	3

Auditing activities in addition to audit assignment include reviews in connection with the new issue.

NOTE M19 Pledged assets, obligations and contingent liabilities

SEK M	2013	2012
Contingent liabilities		
Sureties and contingent liability pertaining to subsidiaries	9	17
PRI Pensionsgaranti	0	0
Guarantee for loan agreement	2,614	3,002
Total contingent liabilities	2,623	3,019
Pledged assets		
Pertaining to pension obligations, restricted bank funds	111	61
Pertaining to long-term borrowing, pledged shares in subsidiaries	8,317	8,398
Total pledged assets	8,428	8,459
Total	11,051	11,478

Internal receivables and shares 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 2,614 M at maturity. See also note 15 to the consolidated financial statements, Borrowing.

Eniro has credit insurance with PRI Pensionsgaranti (PRI) that remains in force until 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee) to PRI, amounting to SEK 50 M in 2013 and SEK 60 M in 2012. As per year-end, total pledged funds amount to SEK 111 M, including the yield. Eniro will pledge SEK 10 M in March 2014 and another SEK 10 M in March 2015. Pledged funds including the return are reported as Other non-current interest-bearing receivables.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18 M19

The Board's proposed distribution of earnings

Dividend and dividend policy

Eniro will continue to give priority to reducing net debt in relation to EBITDA over payment of a dividend. The target is to achieve a level of net debt in relation to EBITDA of 2 or less.

The company's long-term dividend policy, once the net debt target has been met, is that the dividend should amount to a minimum of 30% of net profit. Accordingly, the Board of Directors of Eniro proposes that no dividend be paid for the company's common shares for the 2013 fiscal year. The Board of Directors proposes payment of a dividend of SEK 48 per share for 2013/2014 to owners of preference shares, for a total dividend payout of SEK 48 M.

It is proposed that dividends be paid out in three-month intervals.

Proposed distribution of earnings	SEK
The following earnings in the Parent Company are available for distribution by the Annual General Meeting:	
Net income for the year	398,542,327
Retained earnings	5,072,568,149
Total	**5,471,110,476**
The Board of Directors proposes a dividend for preference shares of SEK 48 per share	48,000,000
To be carried forward	5,423,110,476
Total	**5,471,110,476**

The Board of Directors and President certify that the Annual Report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the company's financial position and results of operations, and that the statutory Administration Report gives a true and fair view of the performance of the company's operations, financial position and results of operations, and describes material risks and uncertainties facing the company. In addition, the Board of Directors and President certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards referred to in European Parliament and Council of Europe Regulation (EC) No. 1606/2002 of July 19, 2002, on application of International Financial Reporting Standards, and that disclosures herein give a true and fair view of the Group's financial position and results of operations and describes material risks and uncertainties facing the companies included in the Group.

Stockholm den 21 mars 2014
Eniro AB (Publ)

Lars-Johan Jarnheimer
Chairman of the Board

Fredrik Arnander
Board member

Thomas Axén
Board member

Cecilia Daun Wennborg
Board member

Ketil Eriksen
Board member

Leif AA. Fredsted
Board member

Susanne Olin Jönsson
Employee representative

Jonas Svensson
Employee representative

Jennie Hallberg
Employee representative

Johan Lindgren
President and CEO

Katarina Emilsson-Thudén
Employee representative

Our audit report was submitted on March 21, 2014

Bo Hjalmarsson
Authorized Public Accountant and auditor-in-charge

Eva Medbrant
Authorized Public Accountant

Audit report

To the annual meeting of the shareholders of Eniro AB, corporate identity number 556588-0936

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Eniro AB for the year 2013, except for the corporate governance statement on pages 55–65.The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 46–98.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards , as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts 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 accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, 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 Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts 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 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 55–65. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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 accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Eniro AB for the year 2013. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 55–65 has been prepared in accordance with the Annual Accounts 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance 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 accounts, 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 Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director 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 my our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm March 21st 2014
PricewaterhouseCoopers AB

Bo Hjalmarsson
Authorized Public Accountant
Auditor-in-charge

Eva Medbrant
Authorized
Public Accountan

Definitions of financial terms

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

Average number of common shares
Calculated as an average of the number of common shares outstanding on a daily basis after redemptions and repurchases, excluding treasury shares.

Average shareholders' equity
Calculated as average shareholders' equity attributable to owners of the Parent Company per quarter, based on the opening and closing balance for each quarter.

Debt/equity ratio
Interest-bearing net debt divided by shareholders' equity, including holdings with a controlling influence.

Earnings per common share for the period
Income for the period attributable to owners of the Parent Company less the portion of the approved dividend for the period on preference shares, divided by the average number of common shares.

EBITDA
Operating income before depreciation, amortization and impairment.

EBITDA-marginal (%)
EBITDA divided by operating revenue, multiplied by 100.

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

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

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

Organic growth
The change in operating revenue during the period adjusted for currency effects, changed publication dates, acquisitions and divestments.

Operating cash flow
Cash flow from operating activities and cash flow from investing activities, excluding company acquisitions and divestments.

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

Return on equity
Net income for the year divided by average shareholders' equity attributable to owners of the Parent Company, multiplied by 100.

Shareholders' equity per share
Shareholders' equity attributable to owners of the Parent Company divided by the number of shares at year-end after redemptions, repurchases and share issues.

Total operating costs
Costs for production, sales, marketing and administration, excluding depreciation, amortization and impairment losses.

Discover local. Search local.