eniro
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Q4 | 14

YEAR-END REPORT 2014 JANUARY–DECEMBER

The Board of Directors proposes a fully guaranteed rights issue of common stock approximately SEK 458 M and a placed directed issue of convertible bonds of nominal value of SEK 500 M in combination with an amended loan agreement including reduced amortization and extended duration. The issues are being carried out to create greater financial flexibility and realize the company's strategy. The fourth quarter was initially strongly affected by the uncertainty surrounding the company, but was followed by a recovery in December. Adjusted EBITDA for 2014 was SEK 675 M.

Fourth quarter: October–December 2014

- Total operating revenue amounted to SEK 722 M (952), a decrease of 24%. Revenue decreased organically by 17% (-15%).
- Revenue from Desktop and Mobile search amounted to SEK 415 M (496), a decrease of 16%. Revenues decreased organically by 15% (-7%). Revenue from Mobile search grew organically by 3% (84%). During Q4, 31% of total searches were performed via the mobile channel.
- Total multiscreen revenue (Desktop search, Mobile search and Campaign products) decreased organically by 11% (-5%). Revenue was negatively affected by weak sales following the turmoil around the company during the fourth quarter.
- EBITDA amounted to SEK 134 M (148) and was negatively affected primarily by weak sales. The EBITDA margin was 18.6% (15.5%). Adjusted EBITDA was SEK 160 M (212). The adjusted EBITDA margin was 22.2% (22.3%).
- The amortization of SEK 187 M due on December 31, 2014, was reduced by SEK 90 M to SEK 97 M, in accordance with an agreement with the bank consortium.
- Net income for the period totaled SEK 52 M (-80) and earnings per common share for the period were SEK 0.40 (-0.88).
- Operating cash flow totaled SEK 134 M (207).

Full year: January–December 2014

- Total operating revenue amounted to SEK 3,002 M (3,588), a decrease of 16%.
- Revenue from Desktop and Mobile search amounted to SEK 1,869 M (2,136), a decrease of 13%. Revenues decreased organically by 11% (-2%).
- Total multiscreen revenue decreased organically by 8% (-1%).
- EBITDA amounted to SEK 631 M (777) and was negatively affected by weak sales, while capital gains during the first six months and net savings had a positive effect. The EBITDA margin was 21.0% (21.7%). Adjusted EBITDA was SEK 675 M (884). The adjusted EBITDA margin was 22.5% (24.6%).
- Income for the year amounted to SEK -1,662 M (179) and was negatively impacted mainly by an impairment loss of SEK 1,797 M. Earnings per common share for the year were SEK -17.09 (1.29).
- Operating cash flow totaled SEK 151 M (329).

Events during the fourth quarter

- The Board of Directors appointed Stefan Kercza as permanent President and CEO of Eniro.

Events after the end of the reporting period

- The Board of Directors has announced a rights issue of common stock of approximately SEK 458 M and a placed directed issue of convertible bonds of nominal SEK 500 M. The issues are being carried out to create greater financial flexibility and realize the company's strategy. The main shareholders in Eniro, Staffan Persson (with companies) and Danske Capital as well as among others the company's chairman Lars-Johan Jarnheimer, have submitted irrevocable subscription commitments for subscription of shares corresponding to their respective pro rata shares of the rights issue, as well as declared their intention to vote in favor of both issues at the Extraordinary General Meeting. The remaining share of the rights issue is guaranteed by a consortium, comprising mainly Swedish institutional investors including Catella and Bure Equity.
- Extraordinary General Meeting to be held on March 9, 2015. The Annual General Meeting will be held on March 27, 2015.
- Eniro has reached an agreement to amend its loan agreement with the bank consortium by extending its term through 2018, reducing the amortizations from SEK 375 M annually to SEK 150 M in 2015 and to SEK 175 M annually for the years 2016–2018. The amendments are conditional on the completion of the planned issues.
- EBITDA for 2015 is expected to be in line with 2014.
- Pierre Mårtensson resigned in January 2015 as CEO of Eniro Norway. Mattias Wedar, a member of Group Management and Head of Group Product and Marketing, was appointed as acting CEO of the Norwegian company.
- Allan Jakobsen has been appointed as CEO of Eniro Denmark and will be a member of Group Management. He will assume his position in March 2015.

2014 – a challenging year for Eniro

"It was a tough autumn for Eniro, but in December our customers' confidence began to return and we saw a clear improvement in order intake"

EBITDA margin in line with preceding year

2014 was a challenging and turbulent year for Eniro. Revenue did not grow as much as we had expected. We retrospectively adjusted our financial statements for three quarters, revised our forecast, and renegotiated additional financial headroom with our bank consortium. Parallel with this, speculations arose around our continued existence. Given these circumstances, I am pleased to present an EBITDA margin for the full year that is in line with 2013. For our adjusted EBITDA this entails earnings of SEK 675 M.

Confidence started to return in December

In late October and November, our sales suffered a blow from the turmoil surrounding Eniro. Speculations regarding our future made customers hesitant to sign new agreements with us. The tide turned in December, and through more effective sales management and a stronger customer focus we managed to clearly improve order intake compared with December 2013.

Our dialog with the banks during the fourth quarter secured an agreement to reduce our loan amortization to SEK 97 M instead of the scheduled amount of SEK 187 M.

Cost-savings better than planned

For the full-year 2014 we exceeded our cost-savings target through cost reductions of SEK 413 M. This contributed to an EBITDA margin in line with last year. We are convinced that profitability can be improved. Part of the solution is focusing on further efficiency improvements in operations and on being better at adapting to the market's rapid changes.

Mobile search revenue grew 40% in 2014, and 88% of total advertising revenue now comes from our Multiscreen channel. Organic revenue growth in Multiscreen for the full year was affected by the turbulent fourth quarter, and decreased by 8%.

Higher user benefit and favorable return for customers

Eniro's strategy involves developing services that are in demand among users. We have a clear strategic direction that we will be working towards in the years ahead. Our ambition is to make Eniro's products even more attractive and to create a more customer- and market-oriented sales organization. We will improve both the content and search logic while emphasizing specially selected search categories in an effort to gain a more distinct position in these areas. Other measures will involve boosting traffic by increasing users' involvement. Through greater use of our services we create higher returns for our advertisers. We will also improve our dialog with advertisers about their needs and market situations. With this as a starting point, we will be able to better guide our customers and customize our offerings to the needs of individual customers or selected market segments.

Going forward, we will put greater emphasis on business development. We will focus on related services that complement and enhance the value of our current local search offerings for users as well as customers. In doing so we will benefit from the market position and competence that we currently have. The market for digital marketing is growing, and some of the strongest growth is in the mobile and banner advertising segments. The digital market today accounts for more than a third of the Scandinavian advertising market. Eniro has considerable assets in its unique database, strong sales force and well known brands. We aim to convert these into better business in the future.

Eniro will be a more efficient company – the entire way from development to marketing and sales. We will build further upon our strong brands and forge partnerships in product development. By collaborating with niche entrepreneurs, we can more readily gain access to smart technological solutions, increase our flexibility, and shorten the time from idea to product launch. We may also pursue partnerships in other areas, such as administration and support functions.

Parallel with our efforts to strengthen our position in local search, we will manage the declining but profitable Print and Voice businesses.

Issues will provide better capital structure and create scope to focus on our work

To capitalize on the opportunities that exist in the growing market for digital marketing and reduce the company's bank debt, additional capital is needed. The Board of Directors has therefore proposed a fully guaranteed rights issue of approximately SEK 458 M and a directed issue of convertible bonds of nominal SEK 500 M, which has been directed and placed with institutional and qualified investors in Sweden and internationally.

In connection with these proposals, Eniro's bank loan will be amended. The new agreement will entail initially reducing the company's loan through a one-time principal payment of SEK 600-700 M and a reduction of annual amortization by more than half.

Future outlook

Eniro works in a growing market in which demand for digital marketing is growing. We will now be better at capitalizing on the opportunities in the market and doing so in a profitable way.

Eniro's transformation entails that today we have an attractive digital product offer. We are now taking the next step in this transformation. Over time we will increase our profitability by complementing our offering with related services and continued efficiency improvements. For 2015 we expect EBITDA to be in line with 2014.

Given the situation that Eniro has endured, I am happy with the commitment shown by our employees. Based on their strong belief in the company and the strategic initiatives that we will be taking, I am convinced that together we will build a stronger Eniro. I look forward to the opportunities that await us in 2015, and my goal is to strengthen confidence in Eniro among both our customers and the users of our services.

Solna, February 6, 2015
Stefan Kercza, President and CEO

Fourth quarter 2014

Revenue

Total operating revenue decreased by 24% during the fourth quarter of 2014, to SEK 722 M (952). Revenue decreased organically by 17% (-15%). Changed publication dates for directories and divestments had a negative impact on revenue by SEK 73 M and SEK 26 M, respectively, compared with the fourth quarter a year ago. Currency effects were positive, by SEK 15 M.

Multiscreen

Revenue from multiscreen channels (Desktop search, Mobile search and Campaign products) decreased by 13% during the fourth quarter, to SEK 492 M (568). The decrease in organic revenue was 11% (-5%).

Revenue from Mobile search grew 3% to SEK 93 M (90). Organic revenue growth was also 3% (84%). Searches in the mobile channel, in which Eniro has a strong market position, continued to increase, albeit at a slower pace due to the uncertainty around Eniro. At year-end unique browsers accounted for 31% of total searches in the mobile search channel.

Revenue from Desktop search decreased by 21% to SEK 322 M (406). The corresponding organic decrease was 19% (-16%).

Revenue for Campaign products grew 7% to SEK 77 M (72). Adjusted for the divestments during the first six months, organic revenue growth was 24% (8%).

Print/Voice

Revenue from Print and Voice continued to decline during the fourth quarter as a result of the migration towards digital search channels.

Revenue from Print decreased by 56% to SEK 98 M (225). During the fourth quarter, Eniro published its last printed directory in Poland. The local directories in Sweden, Norway and Denmark, continue to have high use and a stabilized rate of decline. During the quarter, the local directories accounted for 89% (52%) of Print revenue. Organic revenue from Print decreased by 37% (-26%).

Market volumes for directory information services continued to fall as a result of increased digitalization. Operating revenue for Voice decreased by 17% during the fourth quarter, to SEK 132 M (159). Organic revenue decreased by 18% (-25%). Eniro signed a four-year agreement worth approximately SEK 20 M with Swedish Post and Telecom Authority (PTS) for 118 400, the toll-free directory information service for functionally disabled persons.

Revenue and result

SEK M	Oct-Dec 2014	Oct-Dec 2013*	%	Jan-Dec 2014	Jan-Dec 2013*	%
Operating revenue	722	952	-24	3 002	3 588	-16
EBITDA	134	148	-9	631	777	-19
Adjusted EBITDA	160	212	-25	675	884	-24
Net income	52	-80	165	-1 662	179	-1 028
Operating cash flow	134	207	-35	151	329	-54
Total operating cost	583	814	-28	2 428	2 828	-14
Interest-bearing net debt	2 208	2 340	-6	2 208	2 340	-6

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

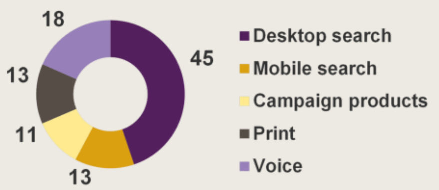
REVENUE Q4 2014

SEK **722** M

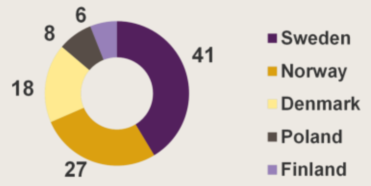
EBITDA Q4 2014

SEK **134** M

GROUP REVENUE PER CATEGORY Q4 2014, %



GROUP REVENUE PER COUNTRY Q4 2014, %



Earnings

EBITDA for the fourth quarter amounted to SEK 134 M (148). Earnings were negatively impacted by lower sales in all countries. The EBITDA margin was 18.6% (15.5%).

Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, amounted to SEK 160 M (212). The margin for adjusted EBITDA was 22.2% (22.3%). Restructuring costs amounted to SEK 19 M during the fourth quarter. Other items affecting comparability, totaling SEK 7 M, consisted mainly of provisions for synthetic shares.

Income for the fourth quarter amounted to SEK 52 M (-80).

Cost efficiency

Eniro has continued to improve its operating efficiency. Total operating costs were SEK 231 M lower than in the corresponding quarter a year ago. The cost savings adjusted for divested operations, currency effects and third-party costs amounted to SEK 238 M. The savings consisted mainly of lower costs for personnel.

Acquisitions/divestments

As a step in refining operations, during the fourth quarter Eniro sold its 51% interest in the Bloggerfy blogger network in Sweden. Bloggerfy had sales of SEK 2 M during the first 11 months of the year.

Depreciation/amortization and impairment

Amortization pertaining to the reclassified Gule Sider and Ditt Distrikt brands totaled SEK 23 M during the fourth quarter. Amortization of the Voice brand 1888 totaled SEK 9 M.

During the quarter an impairment loss of SEK 6 M was recognized related to capitalized IT development.

Full year 2014

Revenue

Total operating revenue decreased by 16% during the year, to SEK 3,002 M (3,588). Revenue decreased organically by 13% (-9%). Compared with the preceding year, changed publication dates for directories and divestments had a negative impact on revenue by SEK 87 M and SEK 74 M, respectively, while currency effects were positive, by SEK 32 M.

Multiscreen

Revenue from multiscreen channels (Desktop search, Mobile search and Campaign products) decreased by 10% during the year, to SEK 2,134 M (2,382). The decrease in organic revenue was 8% (-1%). Multiscreen revenue as a share of total advertising revenue (excluding Voice) was 88% (82%).

Revenue from Mobile search grew 40% to SEK 385 M (275). Organic revenue growth was 39% (90%). Revenue from Desktop search decreased by 20% to SEK 1,484 M (1,861). Organic revenue performance showed a decrease of 19% (-8%). Revenue for Campaign products grew 8% to SEK 265 M (246). Adjusted for the divestments of InTouch and Scandinavia Online in Norway, organic revenue growth was 22% (7%).

Print/Voice

Revenue from Print amounted to SEK 295 M (517) for the year, a decrease of 43%. Organic revenue from Print decreased by 33% (-29%). Operating revenue for Voice decreased by 17% for the year, to SEK 573 M (689). Organic revenue from Voice decreased by 18% (-15%).

Earnings

EBITDA for the year amounted to SEK 631 M (777). Earnings were hurt by weak sales, mainly in Sweden and Norway. The EBITDA margin was 21.0% (21.7%).

Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, amounted to SEK 675 M (884), which corresponds to a margin of 22.5% (24.6%). Restructuring costs amounted to SEK 63 M. Other items affecting comparability had a net negative effect on adjusted EBITDA. The negative effect is mainly attributable to the capital gains from the divestments carried out during the first six months, while provisions for severance pay and costs for unutilized office premises resulting from a move of operations in Norway and Denmark had a positive effect on adjusted EBITDA.

Income for the year amounted to SEK -1,662 M (179).

Cost efficiency

In 2014 the total operating costs were SEK 400 M lower than in the preceding year. Cost savings adjusted for divested operations, currency effects and third-party cost amounted to SEK 413 M. The savings consisted mainly of lower personnel costs.

Acquisitions/divestments

During the year and as part of efforts to concentrate operations to digital local search Eniro divested the B2B services Krak Markedsdata in Denmark and InTouch in Norway, as well as Scandinavia Online in Norway and Bloggerfy in Sweden.

Depreciation/amortization and impairment

Total impairment losses recognized during the year amounted to SEK 1,803 M. During the fourth quarter an impairment loss of SEK 6 M was recognized for capitalized IT projects. During the third quarter, impairment testing was conducted of the Group’s intangible assets with indefinite useful life. This resulted in the recognition of an impairment loss of SEK 1,235 M pertaining to Local search – mainly goodwill attributable to the acquisition of the Norwegian company Findexa in 2005 – and of SEK 562 M pertaining to Voice.

Amortization pertaining to the reclassified Gule Sider and Ditt Distrikt brands totaled SEK 92 M during the year. Amortization of the Voice brand 1888 totaled SEK 36 M during the year.

Revenue by category

SEK M	Oct-Dec 2014	Oct-Dec 2013*	%	Jan-Dec 2014	Jan-Dec 2013*	%
Desktop search	322	406	-21	1 484	1 861	-20
Mobile search	93	90	3	385	275	40
Campaign products	77	72	7	265	246	8
Multiscreen	***492***	***568***	**-13**	***2 134***	***2 382***	**-10**
Print	98	225	-56	295	517	-43
Local search	**590**	**793**	**-26**	**2 429**	**2 899**	**-16**
Voice	132	159	-17	573	689	-17
Total revenue	**722**	**952**	**-24**	**3 002**	**3 588**	**-16**

Organic revenue change by category

%	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013*
Desktop search	-19	-16	-19	-8
Mobile search	3	84	39	90
Campaign products	24	8	22	7
Multiscreen	***-11***	***-5***	***-8***	***-1***
Print	-37	-26	-33	-29
Local search	**-16**	**-12**	**-12**	**-7**
Voice	-18	-25	-18	-15
Total organic development	**-17**	**-15**	**-13**	**-9**

Revenue by country

SEK M	Oct-Dec 2014	Oct-Dec 2013*	%	Jan-Dec 2014	Jan-Dec 2013*	%
Sweden	297	425	-30	1 325	1 661	-20
Norway[1)]	195	242	-19	809	984	-18
Denmark	127	159	-20	470	515	-9
Finland	47	48	-2	185	207	-11
Poland	56	78	-28	213	221	-4
Total revenue	**722**	**952**	**-24**	**3 002**	**3 588**	**-16**

[1)] Of which SEK 57 M during the full year 2013 is attributable to divested businesses.

EBITDA by revenue area

SEK M	Oct-Dec 2014	Oct-Dec 2013*	%	Jan-Dec 2014	Jan-Dec 2013*	%
Local search	106	123	-14	474	598	-21
Voice	50	55	-9	237	251	-6
Other	-22	-30	27	-80	-72	-11
Total EBITDA	**134**	**148**	**-9**	**631**	**777**	**-19**
Items affecting comparability						
Restructuring costs	19	64		63	106	
Other items affecting comparability	7	0		-19	1	
Total adjusted EBITDA	**160**	**212**	**-25**	**675**	**884**	**-24**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Earnings and cash flow for the year, and financial position

Other earnings items

Operating income for 2014 amounted to SEK -1,441 M (462).

Net financial items amounted to SEK -153 M (-142). Exchange rate differences had a positive impact on net financial items, by SEK 7,4 M (38,8).

Income before tax for the year was SEK -1,594 M (320). Earnings per common share were SEK -17.09 (1.29).

Taxes

The reported tax cost was SEK -68 M (-141). The effective tax rate for the year was 4.3% (44.1%).

Eniro's taxes are paid primarily in the first half of the year. Accordingly, paid taxes are low during the second half of the year. As a result of substantial tax-loss carry forwards in Sweden, Denmark and Finland, Eniro is expected to have low tax payments in the near future.

Investments

Eniro's net investments in tangible and intangible assets amounted to SEK 137 M (152) in 2014.

Cash flow

Operating cash flow amounted to SEK 151 M (329), mainly affected by lower sales.

Financial position

The Group's interest-bearing net debt amounted to SEK 2,208 M (2,340) on December 31, compared with SEK 2,353 M on September 30, 2014.

During the fourth quarter, Eniro reached an agreement with the bank consortium to temporarily reduce the loan amortization of approximately SEK 187 M previously scheduled for the end of December 2014 to approximately SEK 97 M.

After year-end, Eniro has renegotiated its loan agreement with the bank consortium. The renegotiated loan agreement is conditional upon, among other things, execution of the planned issues. When the loan takes effect, the term of the loan will be extended through 2018. The covenants will be defined in the same way as in previous agreements, except for the definition of the indebtedness, which will not include the convertible. The amortization schedule will be changed, and in 2015 the company's scheduled amortization will amount to approximately SEK 150 M. For the years 2016–2018, amortization will amount to approximately SEK 175 M per year (to be paid semi-annually). The next loan amortization will amount to approximately SEK 75 M and will be due for payment in June.

At year-end, outstanding debt under existing credit facilities amounted to NOK 356 M, DKK 71 M and SEK 1,956 M, respectively, and Eniro had an unutilized credit facility of SEK 53 M. Cash and cash equivalents and unutilized credit facilities amounted to SEK 111 M.

The Group's indebtedness, expressed as interest-bearing net debt in relation to adjusted EBITDA, was 3.3 as per December 31, 2014, compared with 2.6 on December 31, 2013.

Eniro has a credit insurance with PRI Pensionsgaranti (PRI) which remains in force through 2015. Eniro has pledged bank funds for future obligations (a so-called enhanced pension guarantee). Total pledged funds amount to SEK 123 M including the return. Eniro pledged SEK 10 M in March 2014 and will pledge an additional SEK 10 M in March 2015.

Shares and treasury shares

Eniro has two classes of stock: common shares and preference shares. The total number of shares is 102,880,740, 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 correspond to 101,880,740 votes and preference shares to 100,000 votes.

Eniro held 1,703,266 treasury shares on December 31, 2014. The average holding of treasury shares during the year was 1,703,266.

Other information

Forecast for 2015

EBITDA for the full year 2015 is expected to be in line with 2014.

Dividend policy

The company prioritizes a reduction in net debt over payment of a dividend.

Eniro's preference shares are entitled to an annual dividend of SEK 48 per share.

Publication dates

Since revenues from the sale of printed directories are recognized when the various directories are published, changes in planned publication dates can affect comparisons. The table below shows the planned distribution among quarters and markets in 2015. The net effect on operating revenue in 2015 compared with 2014 is expected to be negative, by SEK -37 M. As a result of the structural decline in the market for printed products, revenue for these directories will be lower in 2015.

Changed publication 2015 compared with 2014

SEK M	Q1	Q2	Q3	Q4	2015
Sweden	-9	-9	-7	-1	-26
Norway	-4	4	-3	-3	-6
Denmark	-12	0	0	7	-5
Poland	0	0	0	0	0
Total effect	**-25**	**-5**	**-10**	**3**	**-37**

Employees

The number of full-time employees on December 31, 2014, was 2,256, compared with 2,816 on December 31, 2013.

Full time employees end of period

	Dec. 31 2014	Dec. 31 2013
Sweden including Other	582	701
Norway	383	511
Denmark	283	400
Poland	658	799
Local search incl. Other	**1 906**	**2 411**
Sweden	154	179
Norway	35	51
Finland	161	175
Voice	**350**	**405**
Total Group	**2 256**	**2 816**

Accounting policies as from 2014

This year-end report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as adopted by the European Union (EU). A detailed description of the accounting policies applied by Eniro can be found in the 2013 Annual Report, Note 1, with the exception of new and amended standards and interpretations adopted by the EU that came into effect in January 2014. The year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Eniro has made a retrospective restatement of comparative information in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. This entails that the financial statements presented as comparative information in this interim report have been adjusted retrospectively for the errors that have been identified.

The following new standards are mandatory for fiscal years that begin on January 1, 2014, or later.

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.

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 a direct 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.

IFRS 12 – Disclosures of Interests in Other Entities includes disclosure requirements for subsidiaries, joint arrangements, associated companies and non-consolidated structured entities.

IFRS 10-12 have not had any significant impact on the Group. No other IFRS or IFRIC interpretations are expected to have any significant impact on the Group.

Risks and uncertainties

Eniro conducts risk analysis in an annual Enterprise Risk Management process, covering all parts of the business operations.

A detailed description of factors that could affect Eniro's Business operations, financial position and earnings is provided on pages 50-53 of the 2013 Annual Report. The principal risks and uncertainties that were considered to have a potential impact on the Group's performance in 2014 included mobile and online traffic trends, ensuring product development that can attract users and thereby improve customer returns, increasing sales efficiency and lowering personnel turnover, and the impact of the general economy on demand.

Dividend

The Board of Directors proposes to the 2015 Annual General Meeting that no dividend will be paid for common shares. This decision is in line with the company's dividend policy/target.

In addition, the Board proposes to the 2015 AGM that a dividend of SEK 48 per preference share be paid for 2015/2016, i.e. a total dividend of SEK 48 M. The dividend will be paid in three-month intervals.

Other information

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

This information was submitted for publication on February 6, 2015, at 8:00 a.m. CET.

Solna, February 6, 2015

Stefan Kercza
President and CEO

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PRESS AND ANALYST CONFERENCE

Conference call/webcast
Friday, February 6, 2015
10:00 a.m. CET
SE: +46 (0) 8 56642698
UK: +44 (0) 203 4281431

WEBCAST
Follow the presentation via webcast at
www.enirogroup.com

FINANCIAL CALENDAR 2015

Extraordinary General Meeting	March 9, 2015
Annual General Meeting 2015	March 27, 2015
Interim report Jan.-March 2015	April 24, 2015
Interim report Jan.-June 2015	July 16, 2015
Interim report Jan.-Sept. 2015	Oct. 29, 2015

Consolidated Income Statement

SEK M	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013*
Gross operating revenue	723	954	3 005	3 596
Advertising tax	-1	-2	-3	-8
Operating revenue	**722**	**952**	**3 002**	**3 588**
Production costs	-172	-257	-720	-875
Sales costs	-264	-324	-1 055	-1 140
Marketing costs	-72	-109	-273	-262
Administration costs	-105	-153	-443	-503
Product development costs	-35	-67	-206	-259
Other income/costs	-5	10	57	17
Impairment of non-current assets	-4	-99	-1 803	-104
Operating income**	**65**	**-47**	**-1 441**	**462**
Financial items, net	4	-48	-153	-142
Income before tax	**69**	**-95**	**-1 594**	**320**
Income tax	-17	15	-68	-141
Net income	**52**	**-80**	**-1 662**	**179**
Of which, attributable to:				
Owners of the Parent Company	52	-76	-1 664	177
Non-controlling interests	0	-4	2	2
Net Income	**52**	**-80**	**-1 662**	**179**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Earnings per common share, SEK	0,40	-0,88	-17,09	1,29
Average number of common shares, thousands	100 177	100 177	100 177	100 177
Preference shares on closing date, thousands	1 000	1 000	1 000	1 000
Preference dividends on cumulative preference shares declared in the period	-12	-12	-48	-48
Net income used for calculating earnings per common share	40	-88	-1 712	129
EBITDA	134	148	631	777
Operating cost	-583	-814	-2 428	-2 828
** Includes depreciation of	-5	-6	-22	-26
** Includes amortization of	-60	-90	-247	-185
** Includes impairment losses of	-4	-99	-1 803	-104
Total	-69	-195	-2 072	-315

Consolidated statement of comprehensive income

SEK M	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013*
Net income	**52**	**-80**	**-1 662**	**179**
Other comprehensive income				
Items that cannot be reclassified to income statement				
Revaluation of pension obligations	-86	-54	-297	233
Tax attributable to revaluation pension obligations	19	12	65	-51
Total	**-67**	**-42**	**-232**	**182**
Items that have been or can subsequently be reclassified to income statement				
Exchange rate differences	-142	15	85	-318
Hedging of net investments	26	3	-6	83
Tax attributable to other items	-6	-1	1	-18
Total	**-122**	**17**	**80**	**-253**
Other comprehensive income, net after tax	***-189***	***-25***	***-152***	***-71***
Total comprehensive income	**-137**	**-105**	**-1 814**	**108**
Of which, attributable to:				
Owners of the Parent Company	-132	-101	-1 813	106
Non-controlling interests	-5	-4	-1	2
Total comprehensive income	**-137**	**-105**	**-1 814**	**108**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Consolidated balance sheet

SEK M	Dec. 31 2014	Dec. 31 2013*
Assets		
Non-current assets		
Tangible assets	21	40
Intangible assets	5 108	6 948
Deferred tax assets	210	209
Financial assets	173	148
Total non-current assets	**5 512**	**7 345**
Current assets		
Trade receivables	353	430
Current tax assets	6	16
Other current receivables	244	267
Other interest-bearing receivables	3	3
Cash and cash equivalents	58	113
Total current assets	**664**	**829**
TOTAL ASSETS	**6 176**	**8 174**
Equity and liabilities		
Equity		
Share capital	309	309
Additional paid in capital	5 125	5 125
Reserves	-277	-360
Retained earnings	-3 420	-1 476
Total equity, owners of the Parent Company	**1 737**	**3 598**
Non-controlling interests	60	68
Total equity	**1 797**	**3 666**
Non-current liabilities		
Borrowing	1 767	2 115
Deferred tax liabilities	247	276
Pension obligations	601	273
Provisions	5	5
Other non-current liabilities	-	6
Total non-current liabilities	**2 620**	**2 675**
Current liabilities		
Trade payables	97	181
Current tax liabilities	31	25
Prepaid revenues	583	620
Other current liabilities	369	481
Provisions	54	74
Borrowing	625	452
Total current liabilities	**1 759**	**1 833**
TOTAL EQUITY AND LIABILITIES	**6 176**	**8 174**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Interest-bearing net debt

SEK M	Dec. 31 2014	Dec. 31 2013*
Borrowing	-2 392	-2 567
Other current interest-bearing receivables	3	3
Other non-current interest-bearing receivables**	123	111
Cash and cash equivalents	58	113
Interest-bearing net debt	**-2 208**	**-2 340**

** included in financial assets

Consolidated statement of changes in equity

SEK M	Share Capital	Additional paid in capital	Reserves	Retained earnings	Total equity, owners of the Parent Company	Non-controlling interest	Total equity
Opening balance, January 1, 2013	**2 529**	**5 125**	**-107**	**-4 004**	**3 543**	**-**	**3 543**
Change in non-controlling interests	-	-	-	-3	-3	66	**63**
Dividend on preference shares	-	-	-	-48	-48	-	**-48**
Share issue, redemption of shares	5	-	-	-5	-	-	**-**
Reduction of share capital	-2 225	-	-	2 225	-	-	**-**
Total comprehensive income	-	-	-253	359	106	2	**108**
Share based payments	-	-	-	0	0	-	**0**
Closing balance, December 31, 2013*	**309**	**5 125**	**-360**	**-1 476**	**3 598**	**68**	**3 666**
Opening balance, January 1, 2014	**309**	**5 125**	**-360**	**-1 476**	**3 598**	**68**	**3 666**
Total comprehensive income	-	-	83	-1 896	-1 813	-1	**-1 814**
Dividend on preference shares	-	-	-	-48	-48	-	**-48**
Dividend non-controlling interest	-	-	-	-	-	-7	**-7**
Closing balance, December 31, 2014	**309**	**5 125**	**-277**	**-3 420**	**1 737**	**60**	**1 797**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Key ratios

	Dec. 31 2014	Dec. 31 2013*
Equity, average 12 months, SEK M	3 021	3 607
Return on equity (ROE), 12 months, %	-55,1	4,9
Return on Assets (ROA), 12 months, %	-19,6	6,1
Earnings per common share, SEK	-17,09	1,29
Adjusted earning per common share (non-IFRS), excl. items affecting comparability and PPA related depr/amort	2,02	2,45
Interest-bearing net debt, SEK M	-2 208	-2 340
Debt/equity ratio, times	1,23	0,64
Equity/assets ratio, %	29	45
Interest-bearing net debt/EBITDA 12 months, times	3,5	3,0
Interest-bearing net debt/adjusted EBITDA, times	3,3	2,6
Average number full-time employees YTD	2 536	3 002
Number of full-time employees on closing date	2 256	2 816
Number of common shares on closing date after deduction of treasury shares, 000s	100 177	100 177
Number of preference shares on closing date, 000s	1 000	1 000

Key ratios per share

	Dec. 31 2014	Dec. 31 2013*
Equity per share, SEK	17,17	35,56
Share price for common shares at end of period, SEK	7,23	49,59

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Consolidated statement of cash flows

SEK M	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013*
Operating income	**65**	**-47**	**-1 441**	**462**
Depreciation, amortization and impairment	69	195	2 072	315
Capital gain/loss and other non-cash items	-3	40	-56	6
Financial items, net	-22	-37	-126	-152
Income tax paid	0	-2	-22	-59
Cash flow from operating activities before changes in working capital	**109**	**149**	**427**	**572**
Changes in working capital	58	89	-139	-91
Cash flow from operating activities	**167**	**238**	**288**	**481**
Acquisitions/divestments of Group companies and other assets	1	-6	62	33
Investments in non-current assets, net	-33	-31	-137	-152
Cash flow from investing activities	**-32**	**-37**	**-75**	**-119**
Proceeds from borrowings	-18	83	77	2 879
Repayment of borrowings	-97	-249	-283	-3 221
Long-term investments	-	-	-10	-50
Dividend on preference shares	-12	-12	-48	-48
Dividend minority owners	-	-	-7	-
Rights issue	-	0	-	0
Cash flow from financing activities	**-127**	**-178**	**-271**	**-440**
Cash flow	**8**	**23**	**-58**	**-78**
Cash and cash equivalents at start of period	**50**	**91**	**113**	**198**
Cash flow	8	23	-58	-78
Exchange rate difference in cash and cash equivalents	0	-1	3	-7
Cash and cash equivalents at end of period	**58**	**113**	**58**	**113**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Analysis of interest-bearing net debt

SEK M	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013*
Opening balance	**-2 353**	**-2 519**	**-2 340**	**-2 704**
Operating cash flow	134	207	151	329
Acquisitions and divestments	1	-6	62	33
Rights issue	-	0	-	0
Translation differences and other changes	10	-22	-81	2
Closing balance	**-2 208**	**-2 340**	**-2 208**	**-2 340**
Net debt/adjusted EBITDA, times	**3,3**	**2,6**	**3,3**	**2,6**

Financial instruments by category

Assets on the balance sheet **SEK M**	**Dec. 31 2014**	**Dec. 31 2013**
Loans and accounts receivables		
Interest-bearing assets and blocked bank funds	123	111
Trade receivables and other receivables	376	457
Cash and cash equivalents	58	113
TOTAL	**557**	**681**

Liabilities on the balance sheet, SEK M **SEK M**	**Dec. 31 2014**	**Dec. 31 2013**
Other financial liabilities		
Borrowing	2 392	2 567
Trade payables	97	181
TOTAL	**2 489**	**2 748**

Parent Company

Income statement

SEK M	**Jan-Dec 2014**	**Jan-Dec 2013**
Revenues	35	37
Earnings before tax	-2 705	486
Net Income	-2 734	399

Balance sheet

SEK M	**Dec. 31 2014**	**Dec. 31 2013**
Non-current assets	5 636	8 525
Current assets	2 214	2 093
TOTAL ASSETS	**7 850**	**10 618**
Equity	2 999	5 780
Provisions	71	64
Non-current liabilities	4 672	4 672
Current liabilities	108	102
TOTAL EQUITY AND LIABILITIES	**7 850**	**10 618**

Eniro AB has written down shares in subsidaries with SEK 420 M during Q4 2014.

Financial definitions

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

Adjusted earnings per common share (non-IFRS)
Net income per share adjusted for items affecting comparability, acquisition-related depreciation/amortization and impairment losses, and other acquisition-related adjustments.

Average number of common shares
Calculated as an average number of common shares outstanding on a daily basis after redemptions and repurchases. Excluding shares held by Eniro.

Average shareholders' equity
Based on average shareholders' equity attributable to owners of the Parent Company at the start and end of each quarter.

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

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

EBITDA
Operating income before depreciation, amortization and impairment losses.

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

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

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

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.

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

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

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

Return on equity (%)
Net income divided by average shareholders' equity attributable to owners of the Parent Company multiplied by 100.

Total operating costs
Production, sales, marketing and administrative costs excluding depreciation, amortization and impairment losses.

This is a translation of the Swedish original. In the event of any discrepancy between the Swedish and English versions, the Swedish version shall govern.

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